191 FERC ¶ 61,018
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Mark C. Christie, Chairman;
Willie L. Phillips, David Rosner,
Lindsay S. See, and Judy W. Chang.

ISO New England Inc.	Docket Nos. ER24-2009-000
New England Power Pool Participants Committee	ER24-2007-000

ORDER ON COMPLIANCE AND TARIFF REVISIONS

(Issued April 4, 2025)

1. On May 14, 2024, ISO New England Inc. (ISO-NE), the New England Power Pool (NEPOOL) Participants Committee, and the Participating Transmission Owners Administrative Committee (PTO AC) on behalf of the New England Participating Transmission Owners (PTO)[1] (together, Filing Parties)[2] submitted in Docket No. ER24-2009-000 proposed revisions to ISO-NE's Transmission, Markets and Services Tariff (Tariff)[3] in compliance with the requirements of Order Nos. 2023 and 2023-A

[1] *See infra* app. C (listing PTOs).

[2] Filing Parties note that the rights under section 205 of the Federal Power Act (FPA) to modify terms, conditions, and rates in the Tariff that are being filed herein are held and exercised solely by ISO-NE, with the limited exception of Schedule 11 of ISO-NE's Open Access Transmission Tariff (OATT), over which the PTOs jointly hold the section 205 rights, and Schedules 22 and 23 of the OATT, over which ISO-NE shares section 205 rights with the PTOs in the manner specified in Article 3.04 of the Transmission Operating Agreement (TOA) between the PTOs and ISO-NE. NEPOOL supported the changes reflected in this filing and, accordingly, joins in this filing. Compliance Filing Transmittal at 1 n.4.

[3] Appendix A lists the Tariff sections submitted by Filing Parties in its Compliance Filing. Section II of the Tariff contains the OATT. Schedule 11 of the OATT governs cost allocation for Generating Facility and Elective Transmission Upgrade interconnection-related upgrades. Schedule 22 of the OATT contains the ISO-NE LGIP and ISO-NE *pro forma* LGIA. Schedule 23 of the OATT contains the ISO-NE SGIP and ISO-NE *pro forma* SGIA. Attachment K to the OATT governs the Regional System Planning Process. Section III of the Tariff contains the Market Rules. Capitalized terms that are not defined in this order have the meaning specified in Tariff,

(Compliance Filing),[4] which amended the Commission's *pro forma* Large Generator Interconnection Procedures (LGIP), *pro forma* Large Generator Interconnection Agreement (LGIA), *pro forma* Small Generator Interconnection Procedures (SGIP), and *pro forma* Small Generator Interconnection Agreement (SGIA).[5] As discussed below, we find that Filing Parties' filing partially complies with the requirements of Order Nos. 2023 and 2023-A. Accordingly, we accept Filing Parties' compliance filing in part, effective August 12, 2024, as requested, and direct Filing Parties to submit a further compliance filing within 60 days of the date of this order.

2. On May 14, 2024, pursuant to section 205 of the FPA, Filing Parties[6] submitted in Docket No. ER24-2007-000 proposed revisions (Order No. 2023 Related Changes or Related Changes) to ISO-NE's Tariff.[7] As discussed below, we accept the Order No. 2023 Related Changes, effective August 12, 2024, as requested.

I. Background

3. On July 28, 2023, the Commission issued Order No. 2023. Order No. 2023 requires all public utility transmission providers to adopt revised *pro forma* LGIPs, *pro forma* LGIAs, *pro forma* SGIPs, and *pro forma* SGIAs. These revisions ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, and will prevent undue

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section I.2 (Rules of Construction; Definitions).

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

[5] The *pro forma* LGIP and *pro forma* LGIA establish the terms and conditions under which public utilities that own, control, or operate facilities for transmitting energy in interstate commerce must provide interconnection service to generating facilities larger than 20 MW. The *pro forma* SGIP and *pro forma* SGIA establish the terms and conditions under which public utilities that own, control, or operate facilities for transmitting energy in interstate commerce must provide interconnection service to generating facilities no larger than 20 MW. Order No. 2023, 184 FERC ¶ 61,054 at P 2.

[6] Filing Parties state that NEPOOL supported the changes reflected in this filing and, accordingly, joins in this section 205 filing. Order No. 2023 Related Changes Transmittal at 2 n.4.

[7] *Id*. at 1-2. Appendix B lists the Tariff sections submitted by Filing Parties in their Order No. 2023 Related Changes. Section II of the Tariff contains the OATT.

discrimination.[8] In Order No. 2023, the Commission adopted a comprehensive package of reforms in three general categories: (1) reforms to implement a first-ready, first-served cluster study process; (2) reforms to increase the speed of interconnection queue processing; and (3) reforms to incorporate technological advancements into the interconnection process.

4. To implement a first-ready, first-served cluster study process, Order No. 2023: (1) requires transmission providers to post public interconnection information in an interactive heatmap to provide interconnection customers information before they enter the queue; (2) eliminates individual serial feasibility and system impact studies; (3) creates a cluster study; (4) creates a range of allowable allocations of cluster study costs; (5) requires transmission providers to use a proportional impact method to assign network upgrade costs within a cluster; (6) requires increased financial commitments and readiness requirements from interconnection customers, including increased study deposits, site control, commercial readiness deposits, and an LGIA deposit; (7) requires transmission providers to institute penalties for withdrawn interconnection requests; and (8) creates a transition mechanism for moving to the cluster study process adopted in Order No. 2023 from the existing serial study process.[9]

5. To increase the speed of interconnection queue processing, Order No. 2023: (1) eliminates the reasonable efforts standard for completing interconnection studies and adopts study delay penalties applicable when transmission providers fail to complete interconnection studies by the deadlines in their tariff; and (2) establishes a more detailed affected system study process in the *pro forma* LGIP, including *pro forma* affected system agreements and uniform modeling standards.[10]

6. To incorporate technological advancements into the interconnection process, Order No. 2023: (1) requires transmission providers to allow more than one generating facility to co-locate on a shared site behind a single point of interconnection and share a single interconnection request; (2) requires transmission providers to evaluate the proposed addition of a generating facility to an existing interconnection request prior to deeming such an addition a material modification; (3) requires transmission providers to allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA; (4) requires transmission providers, at the request of the interconnection customer, to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources; (5) requires

[8] *Id.* P 1.

[9] *Id.* P 5.

[10] *Id.* P 6.

transmission providers to evaluate an enumerated list of alternative transmission technologies during the study process; (6) requires each interconnection customer requesting to interconnect a non-synchronous generating facility to submit to the transmission provider certain specific models of the generating facility; (7) establishes ride through requirements during abnormal frequency conditions and voltage conditions within the "no trip zone" defined by North American Electric Reliability Corporation Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards; and (8) requires that all newly interconnecting large generating facilities provide frequency and voltage ride through capability consistent with any standards and guidelines that are applied to other generating facilities in the balancing authority area on a comparable basis.[11]

7. In Order No. 2023-A, the Commission granted certain requests for rehearing and clarification. The Commission set aside Order No. 2023 in part, to specify that: (1) where an interconnection customer is in the interconnection queue of a transmission provider that currently uses, or is transitioning to, a cluster study process and the transmission provider proposes on compliance to adopt the new readiness requirements in Order No. 2023 or a variation for its annual cluster study, the interconnection customer must comply with the transmission provider's new readiness requirements within 60 days of the Commission-approved effective date of the transmission provider's compliance filing, where such readiness requirements are applicable given the status of the individual interconnection customer in the queue; (2) a network upgrade that is required for multiple interconnection customers in a cluster, not part of an affected system, and may be constructed without affecting day-to-day operations of the transmission system during its construction, may be considered a stand alone network upgrade if all such interconnection customers mutually agree to exercise the option to build; (3) a transmission provider must complete its determination that an interconnection request is valid by the close of the cluster request window such that only interconnection customers with valid interconnection requests proceed to the customer engagement window; and (4) acceptable forms of security for the commercial readiness deposit and deposits prior to the transitional serial study, the transitional cluster study, the cluster restudy, and the interconnection facilities study should include not only cash or an irrevocable letter of credit, but also surety bonds or other forms of financial security that are reasonably acceptable to the transmission provider.[12]

8. Additionally, in Order No. 2023-A, the Commission granted several clarifications on the following topics: (1) conflicts with ongoing interconnection queue reform efforts; (2) public interconnection information; (3) the cluster study process; (4) allocation of

[11] *Id.* P 7.

[12] Order No. 2023-A, 186 FERC ¶ 61,199 at P 7.

cluster network upgrade costs; (5) shared network upgrades; (6) withdrawal penalties; (7) study delay penalties and the appeal structure; (8) affected systems; (9) revisions to the material modification process to require consideration of generating facility additions; (10) availability of surplus interconnection service; (11) operating assumptions for interconnection studies; (12) consideration of the enumerated alternative transmission technologies in interconnection studies; and (13) ride-through requirements.[13]

II. Filings

A. Compliance Filing

9. Filing Parties state that they have incorporated the *pro forma* LGIP, *pro forma* LGIA, *pro forma* SGIP, and *pro forma* SGIA reforms as required by Order Nos. 2023 and 2023-A. Filing Parties propose modifications to ISO-NE's Tariff to comply with Order Nos. 2023 and 2023-A and request independent entity variations regarding the directives in Order Nos. 2023 and 2023-A to address unique features of the existing New England interconnection process. Specifically, Filing Parties propose variations related to ISO-NE Tariff sections I, II (including Schedule 11, Schedule 22 (ISO-NE LGIP), Schedule 23 (ISO-NE SGIP), and Attachment K), and III.[14] Filing Parties explain that New England's interconnection procedures have been customized from inception to account for the unique characteristics of the region's Tariff, markets, and operations, while still advancing the Commission's core objectives. Filing Parties state that the variations achieve the objectives set forth by the Commission in Order Nos. 2023 and 2023-A.[15]

10. Filing Parties request that the proposed Tariff revisions become effective on August 12, 2024.

B. Order No. 2023 Related Changes

11. In the Related Changes filing, Filing Parties state that they propose changes to aspects of the Tariff impacted by the changes required to comply with Order Nos. 2023 and 2023-A, but that may be considered outside the Order Nos. 2023 and 2023-A compliance obligations. Filing Parties state that these changes include: (1) revisions to the ISO-NE SGIP in Schedule 23 beyond those explicitly required in Order Nos. 2023 and 2023-A in order to align the ISO-NE SGIP in Schedule 23 with the ISO-NE LGIP in

[13] *Id.* P 8.

[14] *See infra* app. A.

[15] Compliance Filing Transmittal at 5 & n.15 (citing Order No. 2023, 185 FERC ¶ 61,063 at PP 37-40).

Schedule 22 and include small generating facilities in the new cluster study process; (2) revisions to Schedule 25 to ensure it remains aligned with Schedule 22 and include Elective Transmission Upgrades in the cluster study process; and (3) revisions to Sections II.19 and II.34 of the Tariff to require that system impact studies related to regional transmission service requests take place in the cluster study incorporated as part of the cluster study process.[16]

III. Notice of Filings and Responsive Pleadings

12. Notice of Filing Parties' Compliance Filing in Docket No. ER24-2009-000 was published in the *Federal Register*, 89 Fed. Reg. 44670 (May 21, 2024), with interventions and protests due on or before June 4, 2024. Notice of Filing Parties' Order No. 2023 Related Changes in Docket No. ER24-2007-000 was published in the *Federal Register*, 89 Fed. Reg. 44670 (May 21, 2024), with interventions and protests due on or before June 4, 2024. Unless otherwise noted, the interventions and protests listed below were each filed in both Docket Nos. ER24-2009-000 and ER24-2007-000.

13. Massachusetts Department of Public Utilities filed a notice of intervention. Timely motions to intervene were filed by: Advanced Energy United; Calpine Corporation; Cordello Services LLC; National Grid; New England States Committee on Electricity; Rhode Island Energy; Shell Entities;[17] and Solar Energy Industries Association.

14. Clearway Energy Group LLC (Clearway) filed a timely motion to intervene in Docket No. ER24-2009-000 and a motion to intervene out-of-time in Docket No. ER24-2007-000.

15. American Clean Power Association; Constellation Energy Generation, LLC; and Natural Resource Defense Council filed timely motions to intervene in Docket No. ER24-2009-000.

16. Timely motions to intervene and comments were filed by BlueWave Public Benefit Corp. (BlueWave); New Leaf Energy, Inc. (New Leaf); and RENEW Northeast, Inc. Timely motions to intervene and protests were filed by Glenvale LLC (Glenvale) and Longroad Energy Holdings, LLC (Longroad). Clean Energy Associations[18] filed comments.

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[16] Order No. 2023 Related Changes Transmittal at 2-3.

[17] Shell Entities are Shell Energy North America, L.P.; Shell New Energies US, LLC; and Savion, LLC.

[18] Clean Energy Associations consists of Advanced Energy United, Solar Energy

17. On June 20, 2024, ISO-NE filed an answer to the protests and comments. On July 5, 2024, Glenvale and Longroad filed answers to ISO-NE's answer. On July 19, 2024, ISO-NE filed an answer to Glenvale's and Longroad's answers. On August 5, 2024, Longroad filed an answer to ISO-NE's July 19, 2024, answer. On August 7, 2024, ISO-NE filed an answer to Longroad's August 5, 2024 answer.

18. On September 30, 2024, Allco Finance Ltd. (Allco) filed a motion to intervene out-of-time and protest. On October 18, 2024, ISO-NE filed an answer to Allco's protest. On October 24, 2024, Allco filed an answer to ISO-NE's October 18, 2024 answer. On November 12, 2024, Allco filed a supplemental answer. On November 13, 2024, ISO-NE filed an answer to Allco's supplemental answer. On November 18, 2024, Allco filed an answer to ISO-NE's November 13, 2024 answer.

IV. Discussion

A. Procedural Matters

19. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they were filed.

20. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant Allco's and Clearway's late-filed motions to intervene given their interest in the proceedings, the early stage of the proceedings, and the absence of undue prejudice or delay.

21. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We accept the answers filed in these proceedings because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

1. Compliance Filing

22. As discussed below, we find that Filing Parties' Compliance Filing partially complies with the requirements of Order Nos. 2023 and 2023-A. Accordingly, we accept Filing Parties' Compliance Filing in part, effective August 12, 2024, as requested, and

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Industries Association, American Clean Power Association, and Natural Resources Defense Council.

direct Filing Parties to submit a further compliance filing within 60 days of the date of this order.

a. Proposed Variations

23. As discussed further below, Filing Parties have proposed certain variations from the Commission's requirements in Order Nos. 2023 and 2023-A. The Commission explained in Order No. 2023 that such variations would be reviewed under the same standard allowed by Order Nos. 2003, 2006, and 845.[19] In Order No. 2003, when adopting the *pro forma* LGIP and *pro forma* LGIA, the Commission permitted Regional Transmission Organizations/Independent System Operators (RTO/ISO) to seek "independent entity variations" for pricing and non-pricing provisions, and stated that RTOs/ISOs "shall have greater flexibility to customize [their] interconnection procedures and agreement to fit regional needs."[20] The Commission stated that this approach recognizes that an RTO/ISO is less likely to act in an unduly discriminatory manner than a transmission provider that is a market participant.[21] The Commission has granted independent entity variations from interconnection-related rulemakings where the RTO/ISO demonstrates that the proposed variation: (1) is just and reasonable and not unduly discriminatory or preferential; and (2) accomplishes the purposes of the order.[22] It is not a sufficient justification to state that a variation conforms to current RTO/ISO

[19] Order No. 2023, 184 FERC ¶ 61,054 at P 1764 (citing *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103, at P 826 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007); *Standardization of Small Generator Interconnection Agreements & Procs*., Order No. 2006, 111 FERC ¶ 61,220, at PP 447, 549, *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order granting clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006); *see Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043, at P 556 (2018), *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019)).

[20] Order No. 2003, 104 FERC ¶ 61,103 at P 826.

[21] *Id.* P 827.

[22] *See, e.g., ISO New England, Inc.*, 164 FERC ¶ 61,222, at P 9 (2018) (citing Order No. 2003, 104 FERC ¶ 61,103 at PP 26, 827; *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,247, at P 20 (2016); *Cal. Indep. Sys. Operator Corp.*, 140 FERC ¶ 61,070, at P 44 (2012)).

practices or to the RTO's/ISO's tariff definitions and terminology.[23] Even if the transmission provider is an RTO/ISO, it must still justify its variations in light of the Commission's *pro forma* LGIP and/or *pro forma* LGIA and/or *pro forma* SGIP and/or *pro forma* SGIA.[24] We evaluate Filing Parties' proposed variations from the requirements of Order Nos. 2023 and 2023-A accordingly.

b. Public Interconnection Information

24. In Order No. 2023, the Commission adopted section 6.1 (Publicly Posted Interconnection Information)[25] of the *pro forma* LGIP to require transmission providers to maintain and make publicly available an interactive visual representation of available interconnection capacity (commonly known as a "heatmap") as well as a table of relevant interconnection metrics that is produced in response to user-specified input about each prospective generating facility.[26] The table will allow prospective interconnection customers to see certain estimates of a potential generating facility's effect on the transmission provider's transmission system. Specifically, the Commission required transmission providers to post on their public website a heatmap of estimated incremental injection capacity (in megawatts (MW)) available at each point of interconnection to the whole transmission provider's footprint under N-1 conditions, as well as provide a table of results in response to a specific user's input showing the estimated impact of the addition of the proposed project (based on the user-specified MW amount, voltage level, and point of interconnection) for each monitored facility impacted by the proposed project on: (1) the distribution factor; (2) the MW impact (based on the proposed project size and the distribution factor); (3) the percentage impact on the monitored facility (based on the MW values of the proposed project and the monitored facility rating); (4) the percentage of power flow on the monitored facility before the proposed project; and (5) the percentage power flow on the monitored facility after the injection of the proposed project.

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[23] *See Cal. Indep. Sys. Operator Corp.*, 170 FERC ¶ 61,112, at P 11 (2020); *Sw. Power Pool, Inc.*, 170 FERC ¶ 61,042, at P 14 (2020); *ISO New England Inc.*, 170 FERC ¶ 61,209, at P 14 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 169 FERC ¶ 61,221, at P 18 (2019); *PJM Interconnection, L.L.C.*, 169 FERC ¶ 61,226, at P 15 (2019).

[24] *See PJM Interconnection, L.L.C.*, 108 FERC ¶ 61,025, at P 16 (2004).

[25] We note that the section or article title appears in parentheticals following the first usage of that section or article in this order.

[26] Order No. 2023, 184 FERC ¶ 61,054 at P 135; *see pro forma* LGIP § 6.1.

25. The Commission required that heatmaps be calculated under N-1 conditions and studied based on the power flow model of the transmission system used in the most recent cluster study or restudy, and with the transfer simulated from each point of interconnection to the whole transmission provider's footprint (to approximate Network Resource Interconnection Service (NRIS)[27]), and with the incremental capacity at each point of interconnection decremented by the existing and queued generation at that location (based on the existing or requested interconnection service limit of such generation). The Commission required transmission providers to update their heatmaps within 30 calendars days after the completion of each cluster study and cluster restudy. Further, the Commission clarified that transmission providers are not required to make their heatmaps available until after their transition periods.

i. Compliance Filing

26. Filing Parties propose revisions to ISO-NE LGIP section 6.1 to comply with the requirements related to public interconnection information.[28] Filing Parties state that, consistent with the Commission's clarification in Order No. 2023-A,[29] the heatmap will reflect Capacity Network Resource Interconnection Service (CNRIS) injection capability.[30]

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[27] The *pro forma* LGIP defines NRIS service as "an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market-based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service." *Pro forma* LGIP § 1.

[28] ISO New England Inc., Transmission, Mkts. & Servs. Tariff, § II, Schedule 22 (24.0.0), § 6.1 (Publicly Posted Interconnection Information) (Proposed Tariff). Hereinafter when we refer to the effective version of the tariff we will use the short form "Tariff."

[29] Order No. 2023-A, 186 FERC ¶ 61,199 at P 95 (finding that requiring transmission providers to produce heatmap results that approximate NRIS assumptions will provide actionable information on the viability of a given proposed generating facility to both ERIS and NRIS customers).

[30] Compliance Filing Transmittal at 28. Filing Parties propose replacement of "ERIS" and "NRIS" terms stating that the ISO-NE LGIP, ISO-NE *pro forma* LGIA, ISO-NE SGIP and ISO-NE *pro forma* SGIA differ from the *pro forma* construct with respect to the types of transmission services offered. Filing Parties state that where the term "ERIS" is used, it has been replaced with "NR Interconnection Service" or "NRIS,"

ii. Commission Determination

27. We find that Filing Parties' proposed revisions related to public interconnection information comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties accomplish the purposes of Order Nos. 2023 and 2023-A by adopting the *pro forma* LGIP language with only minor modifications to reflect differences in the terminology used in ISO-NE's LGIP.

c. Cluster Study Process

28. In Order No. 2023, the Commission revised the *pro forma* LGIP and *pro forma* LGIA to require transmission providers to study interconnection requests in clusters. The Commission added several new, and revised several existing, defined terms to facilitate this change.[31]

29. The Commission adopted section 3.1.2 (Submission) of the *pro forma* LGIP to require an interconnection customer to select a definitive point of interconnection when executing the cluster study agreement.[32] The Commission adopted section 3.4.1 (Cluster Request Window), section 3.4.4 (Deficiencies in Interconnection Request), and section 3.4.5 (Customer Engagement Window) of the *pro forma* LGIP to provide a process for interconnection customers to submit a cluster study interconnection request.[33] The Commission adopted section 3.4.6 (Cluster Study Scoping Meetings) of the *pro forma* LGIP to require transmission providers to hold a scoping meeting with interconnection customers in the cluster.[34] The Commission revised section 3.5.2 (Requirement to Post Interconnection Study Metrics) of the *pro forma* LGIP to require transmission providers to post metrics for cluster study and restudy processing time.[35] Additionally, the Commission required the transmission provider to include the number

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which is the comparable service in New England. In addition, Filing Parties state that the term "NRIS" has been replaced with "CNR Interconnection Service" or "CNRIS" for the same reason. *Id.* at 27.

[31] Order No. 2023, 184 FERC ¶ 61,054; *see pro forma* LGIP § 1; *see also pro forma* LGIA art. 1.

[32] Order No. 2023, 184 FERC ¶ 61,054 at P 200; *see pro forma* LGIP § 3.1.2.

[33] Order No. 2023, 184 FERC ¶ 61,054 at P 223; *see pro forma* LGIP §§ 3.4.1, 3.4.4, 3.4.5.

[34] Order No. 2023, 184 FERC ¶ 61,054 at P 245; *see pro forma* LGIP § 3.4.6.

[35] Order No. 2023, 184 FERC ¶ 61,054 at P 259; *see pro forma* LGIP § 3.5.2.

of calendar days after the conclusion of the transition process that the initial cluster request window will open, as well as the month and date of the opening of the annual cluster request window, in *pro forma* LGIP section 3.4.1.

30. The Commission adopted several revisions to the *pro forma* LGIP related to the process by which an interconnection customer can make an interconnection request. The Commission revised section 4.1 (Queue Position) of the *pro forma* LGIP to provide that all interconnection requests within a cluster be considered equally queued and accordingly modified the definition of "queue position."[36] The Commission renamed and revised section 4.2 (General Study Process) of the *pro forma* LGIP to require transmission providers to perform interconnection studies within the cluster study process.[37] The Commission revised section 4.4 (Modifications) of the *pro forma* LGIP to provide that moving a point of interconnection shall result in the loss of a queue position if it is deemed a material modification by the transmission provider.[38] The Commission also revised section 4.4.1 of the *pro forma* LGIP to incorporate the material modification process as part of the cluster study process.[39] The Commission revised section 4.4.5 of the *pro forma* LGIP to require that an interconnection customer receive an extension of fewer than three cumulative years of the generating facility's commercial operation date without requiring it to request such an extension from the transmission provider.[40]

31. The Commission adopted revisions to the *pro forma* LGIP to implement several cluster study provisions. The Commission revised section 7 (Cluster Study) of the *pro forma* LGIP to set out the requirements and scope of the cluster study agreement, as well as the cluster study and restudy procedures.[41] The Commission revised *pro forma* LGIP section 7.1 (Cluster Study Agreement) to provide that the transmission provider must tender to each interconnection customer that submitted a valid interconnection request a cluster study agreement no later than five business days after the close of the cluster request window.[42] The Commission revised *pro forma* LGIP section 7.2 (Execution of Cluster Study Agreement) to provide that, if the interconnection customer

[36] Order No. 2023, 184 FERC ¶ 61,054 at PP 277, 283; *see pro forma* LGIP § 4.1.

[37] Order No. 2023, 184 FERC ¶ 61,054 at P 278; *see pro forma* LGIP § 4.2.

[38] Order No. 2023, 184 FERC ¶ 61,054 at P 283; *see pro forma* LGIP § 4.4.

[39] Order No. 2023, 184 FERC ¶ 61,054 at P 285; *see pro forma* LGIP § 4.4.1.

[40] Order No. 2023, 184 FERC ¶ 61,054 at P 293; *see pro forma* LGIP § 4.4.5.

[41] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.

[42] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.1.

does not provide technical data when it delivers the cluster study agreement, the transmission provider must notify the interconnection customer of the deficiency within five business days, and the interconnection customer must cure the deficiency within 10 business days.[43] The Commission modified *pro forma* LGIP section 7.3 (Scope of Cluster Study Agreement) to provide that the stability analysis, power flow analysis, and short circuit analysis will be conducted on a clustered basis.[44]

32. The Commission also modified *pro forma* LGIP section 7.4 (Cluster Study Procedures) to provide that the transmission provider shall complete the cluster study within 150 calendar days, using subgroups if it chooses. Within 10 business days of simultaneously furnishing a cluster study report and draft facilities study agreement to each interconnection customer and posting such report on its Open Access Same-Time Information System (OASIS), the transmission provider shall convene an open meeting to discuss the study results.[45] The Commission revised *pro forma* LGIP section 7.5 (Cluster Study Restudies) to require that the interconnection customer must provide, within 20 calendar days after the cluster study report meeting, a study deposit, demonstration of site control, and a commercial readiness deposit. The Commission also required the transmission provider to complete any cluster restudy within 150 calendar days.[46]

33. The Commission revised section 8.5 (Restudy) of the *pro forma* LGIP to make clear that restudies can be triggered by the withdrawal or modification by a higher- or equally-queued interconnection request.[47] The Commission revised sections 11.1 (Tender) and 11.3 (Execution and Filing) of the *pro forma* LGIP regarding the tendering, execution, and filing of the LGIA to incorporate the site control demonstrations and LGIA deposit requirements of Order No. 2023.[48]

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[43] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.2.

[44] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.3.

[45] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.4.

[46] Order No. 2023, 184 FERC ¶ 61,054 at P 317; *see pro forma* LGIP § 7.5.

[47] Order No. 2023, 184 FERC ¶ 61,054 at P 335; *see pro forma* LGIP § 8.5.

[48] Order No. 2023, 184 FERC ¶ 61,054 at P 344; *see pro forma* LGIP §§ 11.1, 11.3.

34. The Commission also revised Appendix 2 (formerly Appendix 3) (Cluster Study Agreement) from the *pro forma* interconnection system impact study agreement to the new *pro forma* cluster study agreement.[49]

35. In Order No. 2023-A, the Commission modified the *pro forma* LGIP and *pro forma* LGIA definitions of "stand alone network upgrades" and *pro forma* LGIA article 5.1.3 (Option to Build) to allow an interconnection customer to exercise the option to build whether the stand alone network upgrade is attributable to a single interconnection customer, or multiple interconnection customers in a single cluster study that agree to exercise this option.[50]

36. The Commission also modified *pro forma* LGIP section 3.4.5 to clarify that any interconnection request for which the interconnection customer has not executed a cluster study agreement by the end of the customer engagement window will be deemed withdrawn from the interconnection queue.[51] The Commission also modified *pro forma* LGIP section 3.4.4 to clarify that all items in *pro forma* LGIP section 3.4.2 (Initiating an Interconnection Request) must be received during the cluster request window and, if they are not, the interconnection request will be deemed withdrawn.[52]

37. The Commission modified *pro forma* LGIP sections 7.3 and 8.1 (Interconnection Facilities Study Agreement) to remove the requirement for the transmission provider to tender an interconnection facilities study agreement simultaneously with the issuance of a cluster study (or restudy) report and instead add a requirement for the transmission provider to tender the interconnection facilities agreement within five business days after the transmission provider notifies the interconnection customers that no further restudies are required.[53]

38. The Commission modified sections 3.4.2, 5.1.1.1 (Transitional Serial Study), 5.1.1.2 (Transitional Cluster Study), 7.5, and 8.1 of the *pro forma* LGIP to reflect that acceptable forms of security for the commercial readiness deposit and deposits prior to the transitional serial study, the transitional cluster study, the cluster restudy, and the

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[49] *See pro forma* LGIP, app. 2.

[50] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 141-143; *see pro forma* LGIP § 1; *see also pro forma* LGIA arts. 1, 5.1.3.

[51] Order No. 2023-A, 186 FERC ¶ 61,199 at P 159; *see pro forma* LGIP § 3.4.5.

[52] Order No. 2023-A, 186 FERC ¶ 61,199 at P 161; *see pro forma* LGIP § 3.4.4.

[53] Order No. 2023-A, 186 FERC ¶ 61,199 at P 163; *see pro forma* LGIP §§ 7.3, 8.1.

interconnection facilities study should include not only cash or an irrevocable letter of credit, but also surety bonds or other forms of financial security that are reasonably acceptable to the transmission provider.[54]

39. Finally, the Commission also revised *pro forma* LGIP sections 3.4.6, 3.5.2.4 (Interconnection Service Requests Withdrawn from Interconnection Queue), and 7.5, as well as the *pro forma* LGIP definition of "interconnection study," to remove inadvertent errors and add minor clarifying edits.[55]

i. Background

(a) 2008 Forward Capacity Market/Queue Amendments

40. In January 2009, the Commission accepted proposed revisions to the Tariff, including the ISO-NE LGIP and ISO-NE *pro forma* LGIA (in Schedule 22), to integrate the Forward Capacity Market (FCM) with the interconnection queue process (FCM/Queue Amendments). The FCM/Queue Amendments established CNRIS as a new type of interconnection service that would be required for capacity market participation, in lieu of the previously existing NRIS.[56] To qualify for CNRIS, resources must

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[54] Order No. 2023-A, 186 FERC ¶ 61,199 at P 185; *see pro forma* LGIP §§ 3.4.2, 5.1.1.1, 5.1.1.2, 7.5, 8.1.

[55] Order No. 2023-A, 186 FERC ¶ 61,199 at P 167; *see pro forma* LGIP §§ 1, 3.4.6, 3.5.2.4, 7.5.

[56] Compliance Filing Transmittal at 14-16. ISO-NE's *pro forma* LGIA defines CNRIS as:

> the Interconnection Service selected by the Interconnection Customer to interconnect its Large Generating Facility with the Administered Transmission System in accordance with the Capacity Capability Interconnection Standard. An Interconnection Customer's CNR Interconnection Service shall be for the megawatt amount of CNR Capability. CNR Interconnection Service does not in and of itself convey transmission service.

Tariff, § II, Schedule 22 (22.0.0), § 1 (Definitions), Capacity Network Resource Interconnection Service. ISO-NE's *pro forma* LGIA defines NRIS as:

> the Interconnection Service selected by the Interconnection

successfully participate in the FCM, complete any identified upgrades to accommodate the interconnection service request, and complete additional FCM-related qualification milestones, including participating in an annual CNR Group Study.[57]

41. On January 2, 2024, the Commission accepted proposed Tariff revisions to delay the nineteenth FCA (FCA 19), including all related pre-auction and post-auction activities, by one calendar year.[58] The Tariff revisions modified the timeline for subsequent auctions and the annual reconfiguration auctions, established an interim reconfiguration auction qualification process, and adjusted the FCA qualification rules for certain resources to mitigate the delay's impact on their FCM participation.

(b) Existing Cluster Enabling Transmission Upgrade (CETU) Rules

42. In 2017, to address ongoing queue backlog issues attributable to a lack of transmission infrastructure in relatively remote areas of the region (such as Northern and Western Maine) in which customers were seeking to interconnect, the Commission accepted an ISO-NE proposal that included a mechanism for considering interconnection requests and allocating interconnection upgrade costs among interconnection customers on a cluster basis in instances where a queue backlog caused by a lack of transmission infrastructure is deemed likely to persist under the continued application of the serial queue study process.[59]

> Customer to interconnect its Generating Facility to the Administered Transmission System in accordance with the Network Capability Interconnection Standard. An Interconnection Customer's NR Interconnection Service shall be solely for the megawatt amount of the NR Capability requested pursuant to Section 3.1 of this LGIP. NR Interconnection Service in and of itself does not convey transmission service.

Id. § 1 (Definitions), Network Resource Interconnection Service.

[57] The CNR Group Study is a form of cluster study that assesses capacity delivery and is conducted in serial queue order relative to other interconnection requests of resources seeking to participate in the same Forward Capacity Auction (FCA).

[58] *ISO New England Inc.*, 186 FERC ¶ 61,001 (2024).

[59] *ISO New England Inc.*, 161 FERC ¶ 61,123 (2017).

43. Under this mechanism, ISO-NE's existing CETU rules authorize ISO-NE, at its sole discretion, to invoke a cluster study where it identifies that there are two or more interconnection requests without completed system impact studies in the same electrical part of the New England Control Area based on the requested point of interconnection and determines that none of the interconnection requests will be able to interconnect, either individually or on a cluster basis, without the use of common significant new transmission line infrastructure rated at or above 115 kV alternating current (AC) or high voltage direct current (HVDC), which ISO-NE refers to as a CETU. Where ISO-NE initiates clustering, the rules require that it provide notice through the NEPOOL Planning Advisory Committee of the initiation of a cluster for studying certain interconnection requests under the regional system planning process in accordance with section 15.1 (Notice of Initiation of Cluster Enabling Transmission Upgrade Regional Planning Study) of Attachment K, of the Tariff. Subsequently, ISO-NE performs a CETU regional planning study to identify the CETU and associated system upgrades to enable the interconnection of potentially all of the resources proposed in the interconnection requests.[60] After completing the CETU regional planning study, ISO-NE conducts a cluster system impact study and a cluster interconnection facilities study to determine any network upgrades or interconnection facilities beyond the identified CETU(s) necessary to accommodate the interconnection requests.[61]

44. The existing CETU procedures also include a series of features designed to minimize the uncertainties and restudy exposure, such as: (1) potentially forfeitable, cash-only cluster deposits due at entry[62] and at key decision points;[63] (2) rules for cluster filling, oversubscription, and backfilling (i.e., in the event of withdrawal of an interconnection request, ISO-NE will "backfill" the cluster system impact study, in queue order, with eligible later-queued interconnection requests); (3) specific off-ramps for

[60] Tariff, § II, attach. K (Reg'l Sys. Planning Process), § 15 (30.0.0).

[61] Tariff, § II, Schedule 22 (22.0.0), § 4.2.3; *id.* Schedule 23 (218.0.0), § 1.5.3.3; *id.* Schedule 25 (Elective Transmission Upgrades Interconnection Procs.) (8.0.0), § 4.2.3.

[62] Tariff, § II, Schedule 22 (22.0.0), § 4.2.3.2.2(3) (CSIS Entry Requirements); *id.* Schedule 23 (18.0.0), § 1.5.3.3.2.2(3) (CSIS Entry Requirements); *id.* Schedule 25 (8.0.0), § 4.2.3.2.2(3) (CSIS Entry Requirements).

[63] These cash-only participation deposits are forfeited if the interconnection request is withdrawn at times other than the specified off-ramps. The forfeited deposits are used to offset increased costs to those interconnection customers with projects that remain in the cluster.

projects to withdraw; and (4) the ability of an internal Elective Transmission Upgrade[64] to take the place of a CETU in certain circumstances.

ii. Compliance Filing

45. Filing Parties propose revisions to ISO-NE LGIP section 1, as well as article 1 of ISO-NE's LGIA, to incorporate without modification certain cluster study process definitions adopted in Order Nos. 2023 and 2023-A.[65] Filing Parties also propose in ISO-NE LGIP section 3.4.1 (Cluster Request Window) that the initial cluster request window will open 60 calendar days after the conclusion of the 360-day transition process and the annual cluster request window will open 60 calendar days after the cluster study results meeting or cluster restudy results meeting, as appropriate.[66] Filing Parties also

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[64] The Tariff defines an "Internal Elective Transmission Upgrade" as an Elective Transmission Upgrade that interconnects solely within the New England Control Area. Tariff, § II, Schedule 25 (8.0.0), § 1 (Definitions), Internal Elective Transmission Upgrade. The Tariff defines an "Elective Transmission Upgrade" as follows:

> Elective Transmission Upgrade . . . shall mean a new Pool Transmission Facility, Merchant Transmission Facility or Other Transmission Facility that is interconnecting to the Administered Transmission System, or an upgrade to an existing Pool Transmission Facility, Merchant Transmission Facility or Other Transmission Facility that is part of or interconnected to the Administered Transmission System for which the Interconnection Customer has agreed to pay all of the costs of said Elective Transmission Upgrade and of any additions or modifications to the Administered Transmission System that are required to accommodate the Elective Transmission Upgrade. An Elective Transmission Upgrade is not a Generator Interconnection Related Upgrade, a Regional Transmission Upgrade, or a Market Efficiency Transmission Upgrade.

Id.

[65] *Id.* Cluster Request Window, Cluster Restudy, Cluster Restudy Report, Cluster Restudy Report Meeting, Cluster Study, Cluster Study Agreement, Cluster Study Process, Cluster Study Report, Cluster Study Report Meeting, Customer Engagement Window, Interconnection Facilities Study Agreement, Interconnection Facilities Study Report, Optional Interconnection Study Agreement.

[66] *Id.* Schedule 22 (24.0.0), § 3.4.1 (Cluster Request Window).

propose a number of deviations from the Commission's *pro forma* LGIP, as explained below.

46. Filing Parties state that the newly proposed cluster study process follows the structure of the *pro forma* LGIP cluster study process adopted in Order Nos. 2023 and 2023-A, with certain deviations to maintain existing timeframes for certain steps in the process that were previously approved under the independent entity variation standard, allow for flexibility within the process for both ISO-NE and interconnection customers, and allow sufficient time for public information to be updated following each cluster study and cluster restudy.[67]

47. Specifically, Filing Parties request an independent entity variation to deviate from Order No. 2023's study deadlines in ISO-NE LGIP sections 3.5.2.1 (Interconnection Cluster Study Processing Time), 7.4 (Cluster Study Procedures), and 7.5 (Cluster Study Restudies). Filing Parties propose to increase the cluster study deadline from 150 calendar days to 270 calendar days, but correspondingly reduce the timeframe for the cluster restudy from 150 calendar days to 90 calendar days. ISO-NE states that its cluster proposed study and cluster restudy periods span a total of 360 days (as opposed to the 300 total days required by Order No. 2023).[68] Filing Parties contend that the proposed 270 calendar days deadline for the cluster study meets the independent entity variation standard, remains just and reasonable, and fulfills the purposes of Order No. 2023. Filing Parties explain that the Commission previously accepted a 270-calendar days timeline for completing an individual system impact study for a single interconnection customer in a prior order, in in which the Commission stated that "the current deadlines do not reflect the reality of ISO-NE's interconnection study process, which has become more elaborate as ISO-NE has addressed unique regional issues."[69] Filing Parties assert that, as ISO-NE's Order No. 845 quarterly reporting metrics have shown, since March 2020, the 270-day timeframe for system impact studies in New England remains a realistic timeframe for the cluster study. Filing Parties contend that ISO-NE's most recent Interconnection Study Metrics Report for Q4 of 2023 shows that, during most quarters since Q4 of 2020, ISO-NE has completed system impact studies between 200 and 400 days from when the studies commence.[70]

[67] Compliance Filing Transmittal at 30-31.

[68] *Id.* at 50-51.

[69] *Id.* at 51-52 (citing *ISO New England Inc.*, 170 FERC ¶ 61,218, at P 28 (2020)).

[70] *Id.* at 52.

48. Filing Parties state that, while they are proposing these timelines for initial implementation, ISO-NE has committed to work with stakeholders on improvements going forward, including methods to reduce these timelines.[71] Filing Parties propose to mitigate the impact of having a slightly longer cluster study phase in two ways. First, as noted above, ISO-NE will reduce the deadline for the cluster restudy from 150 to 90 calendar days, which it states will be possible because the cluster restudy will use the same base case data as the cluster study and will be reduced in scope because it will involve fewer interconnection requests. Second, Filing Parties propose to retain the previously approved variation in ISO-NE LGIP section 7.5, under which interconnection customers may waive the 90 or 180 calendar day facilities study and proceed directly from a cluster study (or restudy) to interconnection agreement negotiations if the interconnection customer: (1) has no shared network upgrades; or (2) all interconnection customers that share an upgrade agree to waive the facilities study.[72] Filing Parties state that the proposed set of timelines is reasonable because it adheres closely to the overall timeframes required in Order No. 2023, which includes a mandatory facilities study.[73] Filing Parties also state that the set of timelines also remains consistent with ISO-NE's current study process, which provides for the individual system impact study to be the definitive study that allows an interconnection customer to waive the facilities study and proceed to interconnection agreement negotiations earlier in the process.

49. Filing Parties propose to revise ISO-NE LGIP section 3.4.1 to first, rename the section from Initiating an Interconnection Request to Cluster Request Window and second, to provide for the cluster request window to begin 60 calendar days after the prior cluster study results meeting or prior cluster restudy results meeting (as appropriate).[74] Filing Parties state that opening the next cluster request window 60 calendar days after the cluster results meeting or cluster restudy results meeting allows for sufficient time for the required heatmaps to be updated and for potential interconnection customers to react to the updated heatmaps prior to the start of the next cluster.

50. Filing Parties also revise ISO-NE LGIP section 3.4.1 to provide that ISO-NE will give 30 calendar days' notice before opening the next cluster window.[75] Filing Parties state that structuring the process in this way is reasonable because interconnection customers will have the benefit of both updated heatmaps, and the previous cluster

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[71] *Id.*

[72] *Id.* at 52-53 (citing *ISO New England Inc.*, 170 FERC ¶ 61,218 at P 52).

[73] *Id.* at 53.

[74] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.4.1.

[75] Compliance Filing Transmittal at 53.

restudy report before the submittal window for interconnection requests for the next cluster opens. Filing Parties state that that additional information and the additional time to process it will allow for more informed decisions about whether to submit an interconnection request, thereby reducing potential withdrawals and making the interconnection process more efficient.

51. Filing Parties propose certain unexplained deviations. Filing Parties deviate in ISO-NE LGIP section 3.4.4 (Deficiencies in Interconnection Request) by not including the *pro forma* language that "[a]t any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues."[76] Filing Parties also propose an unexplained deviation in ISO-NE LGIP section 4.4 that would allow a modification to the point of interconnection to occur prior to the completion of the cluster study.[77] Filing Parties propose an unexplained deviation in LGIP section 7.2 to add language stating that "failure to provide all required information within this period will result in automatic withdrawal of the Interconnection Request from the queue without the cure period provided under Section 3.7 of this LGIP."[78]

52. Finally, Filing Parties propose a number of terminology deviations related to this reform to include additional parties,[79] additional studies,[80] and additional LGIP cross references.[81]

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[76] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.4.4.

[77] *Id.* § 4.4 (Modifications).

[78] *Id.* § 7.2 (Execution of Cluster Study Agreement).

[79] *Id.* §§ 1 (Definitions), Base Case Data, Scoping Meeting, 3.4.5 (Customer Engagement Window), 3.4.6 (Cluster Study Scoping Meeting). Filing Parties propose to include "Internal Affected Parties," as that term is used in LGIP section 3.6 (Coordination with Internal Affected Systems).

[80] *See id.*, §§ 1 (Definitions), Cluster, Cluster Study, Interconnection Facilities Study, Interconnection Study, 4.1 (Queue Position), 4.1.1 7.3 (Scope of Cluster Study), 11.3 (Evidence to be Provided by Interconnection Customer; Execution & Filing of LGIA). For example, Filing Parties propose conforming modifications to the "cluster" definition to include reference to the Cluster System Impact Study, Cluster Facilities Study, and CNR Group Study, as described above.

[81] *Id.* §§ 1 (Definitions), Clustering, Stand Alone Network Upgrades, Transmission Provider Interconnection Facilities, 3.4.4 (Deficiencies in Interconnection

(a) FCM-Related Changes

53. Filing Parties state that changes to the CNRIS construct and associated FCM activities are required because the existing CNRIS construct, where CRNIS interconnection requests are studied in serial queue order (based on the first-served approach) relative only to the interconnection requests of resources also seeking to qualify to participate in the same FCA, is incompatible with the new Order No. 2023 requirement that interconnection requests included in a cluster be considered equally queued.[82] To comply with the Order No. 2023 cluster study process, Filing Parties propose numerous revisions to the Tariff to shift the CNRIS milestones from being part of the administration of the FCM to being part of the interconnection process and eliminate and/or modify components of the existing requirements.

54. Specifically, Filing Parties propose revisions to ISO-NE LGIP sections 3.2.1.2 (The Studies), 3.2.1.3 (Milestones for CNR Interconnection Service**)**, and 4.1.1 (Considerations Relating to Achieving CNR Interconnection Service), as well as Tariff sections II.48.1 (Establishing CNR Capability and CNI Capability**)** and III.13.1.1.2.3 (Interconnection Review) to allow interconnection customers to obtain CNRIS through the interconnection study process, independent of participation in the FCM. Filing Parties explain that the revisions eliminate the CNR Group Study associated with FCM qualification and establish that the studies required for CNRIS (i.e., to determine the necessary facilities to support the deliverability of requested capacity) be performed as part of a cluster study. Filing Parties also propose to revise sections 3.2 (Type of Interconnection Service), 3.2.3 (Milestones for CNR Interconnection Service**)**, and 3.4.2 (Initiating an Interconnection Request) and definitions in the LGIP to eliminate reference to conditional qualification and long-lead time treatment, which Filing Parties state are currently enabled by queue positions assigned to interconnection requests once they are deemed valid and are therefore incompatible with a cluster queue.[83] Filing Parties clarify

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Request), 3.4.5 (Customer Engagement Window), 4.1 (Queue Position), 4.2 (General Study Process), 4.4.5, 7.1 (Cluster Study Agreement); *id.*, app. 11 (LGIA), art. 5.1.3 (Option to Build).

[82] *Id.* at 34-37.

[83] Filing Parties explain that the conditional qualified new generating capacity resource treatment allows multiple interconnection requests to compete for limited capacity space, and the long-lead facility treatment allows an interconnection customer's generating facility to be modeled in the base cases for the next CNR Group Study to determine whether the long-lead facility would have qualified or enabled the qualification of an import capacity resource to participate in the Forward Capacity Auction associated with that CNR Group Study. *Id.* at 35 n.102. Filing Parties state that conforming changes are also proposed in Tariff, sections III.13.1.1.2.3, III.13.1.3, III.13.2.3.2, and III.13.8.2

that interconnection customers must request CNRIS in order to participate in the FCM, and the required upgrades to ensure capacity deliverability will be identified in the cluster study process.

55. As noted above, FCA 19 was delayed one year and participating new or existing resources are subject to adjusted FCA qualification rules.[84] Accordingly, Filing Parties propose to revise section II.48 (Interconnection Service Capabilities) of the Tariff to align with the FCA 19 delay and new Transitional CNR Group Study. Filing Parties explain that the revisions will allow late-stage resources to establish CNRIS by participating in FCA activities occurring before the transitional cluster study or first full cluster study.[85]

56. Filing Parties also propose to revise ISO-NE LGIP section 3.4.2 to allow an interconnection customer to specify in its interconnection request for CNRIS that the requested service be reduced to NRIS where ISO-NE identifies thermal violations in the analysis associated with CNRIS testing conditions that are not identified in the analysis associated with the NRIS testing conditions.[86] Filing Parties state that where the interconnection customer makes this election in the interconnection request, the downgrade from CNRIS to NRIS will occur automatically if a thermal violation is identified in the cluster study. Filing Parties state that ISO-NE will also notify the interconnection customer that the requested service has been downgraded to NRIS, and list the thermal violations identified in the analysis associated with CNRIS testing conditions that cause the downgrade from CNRIS to NRIS in the cluster study report or transitional cluster study report. Filing Parties state that allowing an interconnection customer to shift its service level request from CNRIS to NRIS in this manner will enable greater potential participation of resources in the energy market where those resources might otherwise have simply withdrawn from the interconnection queue absent this provision.[87] Filing Parties state that accommodating this change in interconnection

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for long-lead time treatment, and III.13.1.1.2.3, III.1.1.2.8, III.13.1.9.1, III.2.3.2, III.13.2.5.1, III.13.2.7.6, III.2.7.7, III.13.2.8.2.1, III.13.3.1.3, and III.13.8.2 for conditional qualification *Id.* at 36.

[84] *ISO New England Inc.*, 186 FERC ¶ 61,001 at P 1.

[85] Compliance Filing Transmittal at 36. *See infra* at PP 174-175.

[86] Compliance Filing Transmittal at 39.

[87] *Id.* at 40. Filing Parties explain that, pursuant to the proposed revisions, to participate in the FCM, interconnection customers must submit an interconnection request for CNRIS, and the applicable cluster study (or cluster re-study) must have identified the upgrades needed to ensure the requested capacity is deliverable. *Id.* at 35 n.103.

service type is also consistent with Order Nos. 2023 and 2023-A and the *pro forma* LGIP, which contemplate an interconnection customer receiving study results for different types of interconnection services before determining which service level to pursue.[88] Filing Parties state that ISO-NE will implement this proposed provision during cluster studies , and anticipates that it will result in a more efficient process that is likely to lead to fewer withdrawals following the cluster study.

(b) CETU-Related Changes

57. Filing Parties propose to retain limited aspects of ISO-NE's existing Tariff related to CETU cluster studies, explaining that these aspects continue to be needed in the region.[89] Filing Parties propose to revise ISO-NE LGIP section 4.2.3 to address requirements related to interconnection requests that require a CETU ("CETU-enabled interconnection requests").[90] First, for clarity, Filing Parties propose to rename the existing Cluster Participation Deposit in ISO-NE's previous LGIP that was required for CETU-enabled interconnection requests as the CETU Participation Deposit.[91] Filing Parties explain that the CETU Participation Deposit is calculated to be 5% of the interconnection customer's cost allocation responsibility for the CETU and associated system upgrades for CETU-eligible requests, and is to be accepted in cash-only.[92] Filing Parties propose that an interconnection customer with a proposed generating facility that

[88] *Id.* (citing *pro forma* LGIP § 7.3 (stating that "the Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades")).

[89] *Id.* at 40.

[90] *Id.* at 41-43.

[91] Section 1 of the proposed LGIP states that the CETU Participation Deposit shall mean a Commercial Readiness Deposit as described in section 4.2. Proposed Tariff, § II, Schedule 22 (24.0.0), § 1 (Definitions). Filing Parties state that the term CETU Participation Deposit is proposed to replace the current "Cluster Participation Deposit" term due to the new definition of Cluster under the Commission's *pro forma.* Filing Parties clarify that the CETU Participation Deposit is otherwise identical to the existing initial Cluster Participation Deposit for CETU-eligible interconnection requests. Compliance Filing Transmittal at 41 & n.116.

[92] The commercial readiness deposit for CETUs is 5% of the CETU cost responsibility. The commercial readiness deposit for non-CETU-enabled interconnection requests is $500,000.

is enabled by a CETU must provide an initial CETU Participation Deposit either at the time the interconnection customer submits its interconnection request, or after ISO-NE identifies during the customer engagement window that the proposed interconnection will be dependent on and make use of the CETU. Filing Parties propose that once the cluster study process is underway, in addition to the CETU Participation Deposit, the CETU-enabled interconnection requests will be required to submit the commercial readiness deposits as required for all other interconnection requests in the cluster.

58. Filing Parties state that requiring CETU-enabled interconnection requests to submit the cash-only CETU Participation Deposit is appropriate for entry into a cluster study due to the significant costs and risks associated with CETUs. Further, Filing Parties explain that CETUs will be added to the base case for the new cluster studies and restudies, and that the CETU Participation Deposit ensures that interconnection customers are committed to the CETU and that the CETUs are subscribed before they are assumed in the study base case. Filing Parties propose that the CETU Participation Deposit will remain refundable under the same circumstances as today, such as where the CETU is over- or undersubscribed or the cost estimate of a CETU rises beyond 25% above the estimates in a draft cluster study report.[93] Filing Parties state that this revision is necessary to continue the use of the CETU construct in light of the tariff revisions required by Order Nos. 2023 and 2023-A, and to ensure that interconnection requests enabled by a CETU demonstrate increased commitment before the CETU and the generating facility are included in the cluster study. Filing Parties state that this framework is also consistent with Order No. 2023's intent to ensure the viability of projects entering the queue.[94]

59. Filing Parties revise Schedule 11 to make clear that ISO-NE's existing network upgrade cost allocation provisions apply to CETU network upgrades. In support of retaining the existing cost allocation method, Filing Parties explain that this method remains just and reasonable and is consistent with Order No. 2023's requirement that network upgrades be allocated based on proportional impact.[95] Section IV.e of this order discusses ISO-NE's proposed cost allocation provisions to comply with Order No. 2023 and Order No. 2023-A for non-CETUs and interconnection facilities.

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[93] Compliance Filing Transmittal at 41-42. Tariff sections 4.3.2.2 (CETU Eligible Interconnection Requests); 4.2.3.2 (CETU Participation Deposit for CETU Eligible Interconnection Requests) (refund eligibility).

[94] *Id.* at 50 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 49).

[95] Compliance Filing Transmittal at 54 (citing Proposed ISO-NE Tariff Schedule 11 section 5(i)).

60. Filing Parties also propose to retain in the interconnection process the provisions describing the conditions (or triggers) that would require a CETU regional planning study to be performed under the Regional System Planning Process in Attachment K. Specifically, Filing Parties propose revisions to ISO-NE LGIP section 4.2.1 (Triggers for Cluster Enabling Transmission Upgrades Regional Planning Study (CRPS)) to provide that ISO-NE, at its sole discretion, may trigger the need to conduct a CETU regional planning study to identify a CETU where: (1) there is a withdrawal from the cluster study process of two or more interconnection requests for resources in the same electrical part of the New England Control Area; (2) procurements are underway for resources in the same electrical part of the New England Control Area and none of the resources will be able to interconnect to the Administered Transmission System without the use of common significant new transmission line infrastructure rated at or above 115 kV AC or HVDC; or (3) ISO-NE previously identified the need for a CETU to interconnect new resources.[96]

61. Filing Parties also propose revisions to section 15 (Procedures for the Conduct of CRPS) of Attachment K to the Tariff to conform to the LGIP provisions, including to recognize these triggers for conducting a CETU regional planning study and to allow the resulting CETU-enabled interconnection requests to enter the next possible cluster study.[97]

62. Filing Parties propose that, where circumstances exist that requires a CETU regional planning study, ISO-NE would conduct the CETU regional planning study in accordance with Attachment K to the Tariff.[98] Filing Parties propose revisions to ISO-NE LGIP section 4.2.3.1.2 (CRPS Initiated After the Transitional Cluster Study) to provide that all interconnection requests that, based on a final CETU regional planning study report that ISO-NE has completed pursuant to Attachment K, reasonably expect to, or have been notified by ISO-NE that they need, the CETU and associated system upgrades identified in the CETU regional planning study report, may request to be included in the next cluster, subject to meeting certain requirements, including the provision of the CETU Participation Deposit [99] Filing Parties propose that where a CETU regional planning study under Attachment K has not been completed prior to the

[96] *Id.* at 40-41.

[97] *Id.* at 40-41.

[98] *Id.* at 41-42.

[99] *See* Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 4.2.3.1.1, 4.2.3.2. Filing Parties propose that ISO-NE will provide notice to interconnection customers with interconnection requests identified as needing the CETU prior to the cluster scoping meeting. *See* Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 4.2.2.

opening of a cluster entry window, interconnection requests in the electrical part of the system subject to the CETU regional planning study will be eligible to participate in the next cluster study following completion of the CETU regional planning study.[100]

63. Filing Parties also explain that because their compliance proposal no longer provides for interconnection requests included in a given cluster to be individually queued, certain features of the existing CETU clustering rules need to be modified.[101] Specifically, Filing Parties propose in ISO-NE LGIP section 4.2.3.3 (CETU Filling and Oversubscription) to revise the oversubscription rules to provide that, where a CETU that is included in the cluster study base case becomes oversubscribed (i.e., interconnection requests that exceed the MWs enabled by the CETU meet the requirements to enter the cluster), ISO-NE would fill the CETU first with interconnection requests for generating facilities that have been selected in, or are contractually bound by, a state-sponsored request for proposals, thereby giving priority to those projects with this level of demonstrated viability. Filing Parties explain that this proposal contrasts with the current requirements where a CETU is filled first in queue order. Filing Parties state that allowing for this method of filling a CETU as part of the cluster study process will provide flexibility to the region to identify major transmission upgrades consistent with state procurements, and ultimately, to interconnect significant amounts of generation outside of the time limited cluster study process, thereby making both processes more efficient. Filing Parties also state that oversubscription would automatically lead to the initiation of another CETU regional planning study – to identify the CETUs for a subsequent cluster entry. Relatedly, Filing Parties also propose to remove the "backfilling" provisions under the existing clustering rules because backfilling based on queue order is incompatible with the Order No. 2023 cluster study process where all projects in a cluster are considered equally queued and, given that interconnection requests may only be submitted during the Cluster Request Window, there would be no interconnection requests with which to backfill.[102]

(c) Non-Substantive Revisions

64. Filing Parties state that the Compliance Filing revisions globally reflect certain non-substantive variations from the Commission's *pro forma* changes adopted in Order No. 2023. Filing Parties state that these non-substantive changes are necessary to recognize the existing terminology, formatting and overall construct of the ISO-NE interconnection procedures and to conform the Commission's new *pro forma* language to the defined terms and formatting (e.g., capitalization and references of sections and

[100] *Id.*, §§ 4.2.3.1.2.

[101] Compliance Filing Transmittal at 42.

[102] *Id.* at 42-43.

article numbers) used in the ISO-NE interconnection procedures.[103] Filing Parties state that the following variations, previously accepted under the independent entity variation standard, have been made throughout the document to conform the language adopted in Order Nos. 2023 and 2023-A to the terminology used in New England.[104]

65. First, Filing Parties propose replacement of the term "Transmission Provider" with "System Operator" or "Interconnected Transmission Owner," as appropriate, stating that, under both the ISO-NE LGIP and ISO-NE SGIP, both ISO-NE and the PTOs have responsibilities in the interconnection process that are assigned to the "Transmission Provider" in the Commission's *pro forma* LGIP, LGIA, SGIP and SGIA. Filing Parties explain, for example, the ISO-NE LGIP and ISO-NE *pro forma* LGIA provide different roles for ISO-NE and the applicable PTO in the interconnection study process. Filing Parties state that the proposed revisions continue the current structure in the ISO-NE LGIP, which provides for ISO-NE to be the lead party responsible for administering the process for interconnecting to the administered transmission system in New England and to be in charge of studies and overall operation and reliability of the system, and for the PTOs to be responsible for facilities/upgrades schedules and construction, financial obligations, and physical impacts. Filing Parties state that, consistent with the existing allocation of Transmission Provider's responsibilities in the ISO-NE LGIP, ISO-NE *pro forma* LGIA, ISO-NE SGIP and ISO-NE *pro forma* SGIA, Filing Parties propose to deviate from the Commission's *pro forma* language to specify which of the entities has the performance right or obligation covered by the particular provision.[105]

66. Filing Parties propose replacement of the term "Transmission Provider's Transmission System" and "coordinated region," stating that the ISO-NE LGIP, ISO-NE *pro forma* LGIA, ISO-NE SGIP and ISO-NE *pro forma* SGIA apply to proposed Generating Facility interconnections to the "Administered Transmission System," which is comprised of Pool Transmission Facilities and Non-Pool Transmission Facilities.[106] Accordingly, Filing Parties propose to replace the terms "Transmission Provider's Transmission System" and "coordinated region" with "Administered Transmission System," consistent with the defined term used in New England. In addition, Filing Parties state that, where the term "Transmission Provider's Transmission System" is used more broadly (i.e., in the context of the Affected Systems rules adopted by the Commission), the term has been replaced by "New England Transmission System,"

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[103] Compliance Filing Transmittal at 25.

[104] *Id.*

[105] *Id.* at 26.

[106] *Id.*

which includes "PTF, Non-PTF, OTF and MTF, within the New England Control Area under ISO-NE's operational jurisdiction."[107]

67. Filing Parties propose replacement of the term "Generating Facility Capacity," stating that the Commission's *pro forma* language in Order Nos. 2023 and 2023-A uses the term "Generating Facility Capacity" in various instances. However, Filing Parties state that the term "Generating Facility Capacity" is not a defined term in the ISO-NE LGIP or ISO-NE SGIP. Filing Parties state that, therefore, to maintain the defined terms used in the ISO-NE LGIP, ISO-NE *pro forma* LGIA and ISO-NE *pro forma* SGIA, Filing Parties replace the word "Capacity" in the term "Generating Facility Capacity" with "Capability(ies)" throughout.[108] Filing Parties state that the Compliance Filing revisions also reflect the following ministerial changes, including: (1) revisions to the Tables of Content; (2) modifications to capitalization and abbreviation of terms; and (3) other non-substantive revisions. Filing Parties state that these changes have been adopted to the extent that the modifications are consistent with the terminology and structure of the ISO-NE Tariff.[109]

iii. Protest/Comments/Answers

68. RENEW and Clean Energy Associations support ISO-NE's proposed 270-day timeline for cluster studies.[110] Clean Energy Associations state that ISO-NE's proposal reflects a commitment to process interconnection requests more quickly than many are being processed today.[111] According to Clean Energy Associations, the average system impact study has taken approximately 500-600 days to complete. RENEW states that, while it would prefer a shorter cluster study deadline, it supports the deviation because a second restudy is likely for most cluster studies and the ISO-NE cluster study duration of 450 days will be identical to the *pro forma* duration given the shorter restudy period.[112]

69. BlueWave states that it opposes ISO-NE's proposed 270-day cluster study and argues that Order Nos. 2023 and 2023-A present an opportunity for ISO-NE to reduce

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[107] *Id.* at 26 n.88 (citing Proposed Tariff, § I.2.2 (Definitions) (153.0.0), New England Transmission System).

[108] *Id.* at 26.

[109] *Id.* at 25 n.86.

[110] Clean Energy Associations Comments at 5-6; RENEW Comments at 9.

[111] Clean Energy Associations Comments at 5-6.

[112] RENEW Comments at 9.

study timelines by updating its study methodology with automation and modern computer resources.[113] BlueWave asserts that protracted study timelines can cause increased project costs and failures, while short study timelines result in less queue backlog, fewer restudies, and fewer modification requests.

70. In response, ISO-NE argues that, in Order No. 2023, the Commission adopted a 150-day day cluster study timeframe while recognizing that other study processes may necessitate different study deadlines.[114] ISO-NE contends that, as Filing Parties explained, the cluster study's 270-calendar day timeframe preserves ISO-NE's existing Tariff-designated timeframe for system impact studies, which, as demonstrated in ISO-NE's Interconnection Metrics reports filed pursuant to Order No. 845, is realistic and achievable. ISO-NE contends that these reports have consistently indicated that once ISO-NE begins a system impact study, it is generally completed close to the existing 270-calendar day timeframe. ISO-NE adds that, while Filing Parties propose to increase the cluster study deadline from 150 to 270 days, they also propose to minimize the cluster restudy timelines from 150 to 90 days. ISO-NE explains that, in total, the difference between Filing Parties proposed timeline, where interconnection customers have waived the facilities study, and the Order No. 2023 study timeline is only 60 calendar days (i.e., 360 versus 300).[115] ISO-NE explains that the scope of the cluster study will include everything that is currently part of the system impact study, including comprehensive steady state (thermal, voltage, and short circuit) evaluation of the proposed interconnection, full stability analysis, and electromagnetic transient analysis in power systems computer aided design for all inverter-based resources, such as solar, wind, and battery facilities.

71. RENEW and Clean Energy Associations support the proposed revisions that allow an interconnection customer seeking CNRIS to have its service selection reduced to NRIS in the case where ISO-NE identifies thermal violations in the analysis associated with CNRIS testing conditions that are not identified in the preceding analysis associated

[113] BlueWave Protest at 7.

[114] ISO-NE June 20 Answer at 22 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 156 (finding that transmission providers may explain specific circumstances on compliance and justify why any deviations may are either consistent with or superior to the *pro forma* LGIP or merit an independent entity variation in the context of RTOs/ISOs and granting MISO's and NYISO's requests for clarification that Order No. 2023 does not preempt transmission providers from proposing tariff-defined study deadlines that may differ from the *pro forma* LGIP's 150-day schedule)).

[115] *Id.* at 23.

with the NRIS testing conditions.[116] RENEW explains that such an option benefits the entire cluster because ISO-NE will not have to perform the study work or identify solutions to enable CNRIS for interconnection customers that know they would have to withdraw if capacity upgrade requirements were identified.[117] Additionally, RENEW argues that this will save on study work, potentially shorten the timeline, lower the cost of the cluster study for all parties, and reduce the likelihood of withdrawals that lead to a restudy.[118] RENEW explains further that the proposed revisions that give interconnection customers the option to continue with the cluster study process as an energy-only resource not requiring uneconomic network upgrades is similar to an option that is currently available.[119] Clean Energy Associations contend that, practically, this gives interconnection customers an option to request capacity interconnection service *only if* no incremental network upgrades are required.[120] Clean Energy Associations contend that this approach continues to grant interconnection customers the option of having NRIS and ERIS studied concurrently, while increasing ISO-NE's efficiency by predesignating the outcome of potentially adverse findings.[121] Clean Energy Associations state that this optionality is consistent with the intent of Order No. 2023, will help to prevent disruptive withdrawals, allows interconnection customers to respond to information that becomes available through the study process, and will make for a more efficient interconnection process.[122]

72. Longroad further argues that the Commission should require ISO-NE to accept surety bonds for CETU Participation Deposits, whereas Filing Parties propose to accept only cash for CETU Participation Deposits.[123] Longroad argues that CETU Participation Deposits are commercial readiness deposits in all but name, and Order No. 2023-A requires transmission providers to accept surety bonds for commercial readiness deposits. Longroad explains that CETUs are generally very large and costly upgrades, and argues that the Commission did not intend to create a loophole in providing financial security

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[116] RENEW Comments at 5-6; Clean Energy Associations Comments at 12.

[117] RENEW Comments at 6; *see also* Clean Energy Associations Comments at 12.

[118] RENEW Comments at 6.

[119] *Id.* at 6-7.

[120] Clean Energy Associations Comments at 12-13.

[121] *Id.* at 13.

[122] *Id.*

[123] Longroad June 4 Protest.

options for some of the larger possible projects.[124] Longroad contends that few entities are sufficiently liquid to meet these requirements, and Filing Parties' proposal would dramatically reduce the number of potential developers that could undertake such a project or would be interested in undertaking such a project. Longroad contends that Filing Parties have not met the standard for an independent entity variation.[125]

73. In response, ISO-NE contends that the CETU Participation Deposit is not a commercial readiness deposit under Order Nos. 2023 and 2023-A and therefore the requirements do not apply.[126] ISO-NE argues that the cash-only CETU Participation Deposit structure was carefully designed as part of its existing clustering rules to ensure that only viable projects requiring a CETU to interconnect to the system elected to enter a given cluster.[127] ISO-NE argues that the existing clustering rules, including the Cluster Participation Deposit required for the CETU study, do not stem from and are not part of the Commission's *pro forma* interconnection procedures; it is a mechanism unique to the New England region. ISO-NE notes that in Order Nos. 2023 and 2023-A, the Commission recognized these types of efforts, and was clear that the Commission in no way seeks to divert or slow the progress gained by those efforts.[128] ISO-NE contends that a cash-only deposit is necessary due to the high costs related to CETUs and the potential impact on a cluster study if a CETU-enabled interconnection request were to withdraw.[129] ISO-NE argues that given the shift to a cluster study process for the entire region, the impact of withdrawals of projects associated with a CETU that the cash deposit sought to minimize would be worse as they would now take place in the context of a region-wide cluster process, rather than limited electrical parts of the system.[130] ISO-NE also argues that this requirement is consistent with Order No. 2023's intent to ensure the viability of projects entering the queue.[131] ISO-NE explains that once the cluster study process is

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[124] For example, Longroad contends that a large CETU estimated to cost $1 billion would be required to provide $50,000,000 to enter the cluster, another $50,000,000 following the Cluster Interconnection Facilities Study, and $200,000,000 upon execution of an LGIA entirely in cash. Longroad July 5 Answer at 7-8.

[125] *Id.* at 4-9.

[126] ISO-NE June 20 Answer at 19.

[127] ISO-NE July 19 Answer at 15.

[128] *Id.* (citing Order No. 2023, 184 FERC ¶ 61,054 at P 10).

[129] ISO-NE June 20 Answer at 20.

[130] ISO-NE July 19 Answer at 18-19.

[131] ISO-NE June 20 Answer at 20 (citing Order No. 2023, 184 FERC ¶ 61,054 at

underway, however, the proposed Tariff revisions provide for the CETU-enabled interconnection requests to be subject to the same additional commercial readiness deposits required for all other requests in the cluster, which may be provided in the form of letters of credit or surety bonds. In addition, ISO-NE notes that since the current limited existing clustering rules were accepted by the Commission, ISO-NE has invoked the limited clustering process five times, and of those times, a cluster has successfully formed twice with interconnection customers providing the required deposit(s) in cash, proving that the deposit structure is not unduly burdensome.[132]

iv. Commission Determination

74. We find that Filing Parties' proposed revisions related to the cluster study process partially comply with the requirements of Order Nos. 2023 and 2023-A. Specifically, we find that Filing Parties' proposed revisions to certain definitions in ISO-NE LGIP section 1, as well as ISO-NE *pro forma* LGIA article 1, comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties adopt the Commission's *pro forma* LGIP and the Commission's *pro forma* LGIA without modification.

75. We grant Filing Parties' requested independent entity variation to deviate in ISO-NE LGIP sections 3.5.2.1, 7.4, and 7.5 from the study timelines required by Order No. 2023. While the *pro forma* LGIP, as modified in Order No. 2023, requires transmission providers to complete cluster studies in 150 calendar days, "Order No. 2023 does not preempt transmission providers from proposing tariff-defined study deadlines that may differ from the *pro forma* LGIP's 150-day schedule."[133] We find that Filing Parties have demonstrated that a 270 calendar day timeline for the cluster study is just and reasonable, and not unduly discriminatory or preferential, because it reflects ISO-NE's unique regional issues and the comprehensive scope of its studies, including electromagnetic transient studies for inverter-based resources. The Commission previously determined that a 270 calendar day deadline for individual system impact study completion in ISO-NE is just and reasonable, finding that a 90 calendar day deadline for completing a system impact study did "not reflect the reality of ISO-NE's interconnection study process, which has become more elaborate as ISO-NE has addressed unique regional issues."[134] Thus, we agree with Filing Parties that the proposed 270-day timeline represents a realistic timeline for ISO-NE to complete the cluster study. We also find that reducing the deadline for the cluster restudy from 150 to 90 calendar days is just and

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P 49).

[132] ISO-NE July 19 Answer at 18.

[133] Order No. 2023-A, 186 FERC ¶ 61,199 at P 156.

[134] *ISO New England Inc.*, 170 FERC ¶ 61,218 at P 28.

reasonable and not unduly discriminatory or preferential and accomplishes the purpose of Order No. 2023 because it will ensure the timeline for ISO-NE's interconnection study process recognizes that the cluster restudy will use the same base case data as the cluster study and will involve fewer interconnection requests, thereby allowing interconnection requests to proceed expeditiously through the interconnection study process. We find that Filing Parties' requested independent entity variation to allow interconnection customers to waive the facilities study is just and reasonable and not unduly discriminatory or preferential because it enables an expedited interconnection for interconnection customers who choose that option.[135] We therefore find that ISO-NE's overall timeline, including the proposed reduced 90 calendar day cluster restudy and the option to waive the facilities study, accomplishes the purposes of Order No. 2023 to ensure interconnection customers are able to connect to the transmission system in a reliable, efficient, transparent, and timely manner.[136]

76. We find that Filing Parties comply with the Commission's requirement regarding the initial and annual cluster request window in section 3.4.1. First, we find that Filing Parties comply with the requirement for the transmission provider to include in the ISO-NE LGIP the number of calendar days after the conclusion of the transition process that the initial cluster request window will open, which is 60 calendar days. Second, we grant Filing Parties an independent entity variation to provide that all subsequent cluster request windows shall open 60 calendar days after the cluster study results meeting or cluster restudy results meeting, and that ISO-NE will provide a 30 calendar day notice of each respective cluster window opening, rather than specify the month and date of the annual cluster request window.[137] We find that this proposal is just and reasonable and not unduly discriminatory or preferential because it provides sufficient clarity and notice of when the next cluster study will start. We further find that Filing Parties' proposed deviations accomplish the purposes of Order No. 2023 because they provide sufficient notice for prospective interconnection customers to prepare required application materials.[138]

77. With regard to Filing Parties' unexplained deviations, we find that Filing Parties' proposed revisions to ISO-NE LGIP sections 3.4.4, 4.4, and 7.2 do not comply with the

[135] Compliance Filing Transmittal at 52-53.

[136] Order No. 2023, 184 FERC ¶ 61,054 at P 1 ("[These] revisions will ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, and will prevent undue discrimination.").

[137] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.4.1.

[138] *See* Order No. 2023, 184 FERC ¶ 61,054 at P 227.

requirements of Order Nos. 2023 and 2023-A because Filing Parties do not adopt the *pro forma* LGIP language or demonstrate that the proposed deviations satisfy the independent entity variation standard. Specifically, we direct Filing Parties to adopt the *pro forma* LGIP section 3.4.4 language that "[a]t any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues." Regarding the unexplained deviation in ISO-NE LGIP section 4.4 that a modification to the point of interconnection may occur prior to the completion of the cluster study, rather than prior to return of the executed cluster study agreement as provided under the *pro forma* LGIP, we direct Filing Parties to adopt the *pro forma* LGIP language. Regarding Filing Parties' proposed deviation in section 7.2, we direct Filing Parties to remove their proposed addition that "failure to provide all required information within this period will result in automatic withdrawal of the Interconnection Request from the queue without the cure period provided under Section 3.7 of this LGIP."[139] We direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that either includes these revisions or justifies the proposal(s) under the independent entity variation standard.

78. We grant Filing Parties an independent entity variation for the proposed deviations in ISO-NE LGIP sections 3.2.1.2, 3.2.1.3, 4.1.1, and 4.1.2, and revisions to sections II.48.1 and III.13 of the Tariff, to shift the CNRIS milestones from the FCM to the interconnection process, eliminate or modify components of the existing requirements, and align the FCA 19 delay with the new cluster study process. Order No. 2023 requires that interconnection requests within a cluster be considered equally queued;[140] however, as Filing Parties explain, ISO-NE's existing process, where CNRIS interconnection requests seeking to participate in the same FCA are included in the CNR Group Study in queue order, is not compatible with this requirement. We find that the proposed deviations are just, reasonable, and not unduly discriminatory or preferential, because they harmonize this process with Order No. 2023's requirements and enable participation in the FCA. We find that Filing Parties' proposal accomplishes the purposes of Order Nos. 2023 and 2023-A because it enables ISO-NE to study CNRIS interconnection requests in the cluster study process where interconnection requests within the cluster are considered equally queued.

79. We grant Filing Parties' requested independent entity variation to enable an interconnection customer to specify in its interconnection request for CNRIS that the requested service be automatically reduced to NRIS under certain conditions. We find that this proposal is just and reasonable, and not unduly discriminatory or preferential,

[139] *Id.* § 7.2.

[140] Order No. 2023, 184 FERC ¶ 61,054 at PP 277, 283.

because all interconnection customers may elect this option equally. We find that this deviation accomplishes the purposes of Order No. 2023, because it provides flexibility to interconnection customers and enables greater potential participation of resources in the energy market where those resources might otherwise not be developed absent this provision. We also find that this deviation accomplishes the purposes of Order Nos. 2023 and 2023-A because it enables an interconnection customer to receive study results for both energy and capacity services before determining which service level to pursue,[141] thereby increasing efficiency and reducing overall withdrawals.[142]

80. We find that Filing Parties' proposed deviations to make minor modifications in sections 1, 3.4.5, 3.4.6, 4.1, 4.4.1, 4.4.5, 7.1, 7.3, 8.5, 11.1, and 11.3 of the ISO-NE LGIP and section 1 of the ISO-NE *pro forma* LGIA, including the terminology deviations to include additional parties, additional studies, and additional LGIP cross references, are just and reasonable and accomplish the purposes of Order Nos. 2023 and 2023-A because they are conforming changes related to other existing independent entity variations or independent entity variations we grant in this order. We accept these non-substantive revisions as they are necessary to conform the new *pro forma* language to the defined terms and formatting used in the Tariff.

81. Similarly, we also grant Filing Parties' requested independent entity variation to retain aspects of its existing process for identifying CETU network upgrades.[143] We find that Filing Parties' proposed deviations provide additional clarity for interconnection customers and are just and reasonable because the proposed revisions continue ISO-NE's current clustering process which were designed and approved to address queue backlog issues attributable to a lack of transmission infrastructure in relatively remote areas of the region. Specifically, we accept Filing Parties' CETU-related revisions in LGIP sections 4.2.1, 4.2.2, and 4.2.3, Schedule 11, and Attachment K section 15 under the independent entity variation standard because they provide clarity for interconnection customers with regard to the interaction of ISO-NE's existing CETU process and Filing Parties' proposed Order No. 2023 cluster study process. We find that these revisions accomplish the purposes of Order Nos. 2023 and 2023-A because the transparency regarding timelines and processes provided by these revisions will ensure that interconnection customers are

[141] *See pro forma* LGIP § 7.3; Order No. 2023, 184 FERC ¶ 61,054 at P 404 ("Section 3.2 of the *pro forma* LGIP provides that an interconnection customer requesting NRIS may also request that it be concurrently studied for ERIS, up to the point when the facility study agreement is executed.").

[142] Compliance Filing Transmittal at 40; Order No. 2023, 184 FERC ¶ 61,054 at P 177.

[143] *See supra* PP 60-63.

able to interconnect to the ISO-NE transmission system in an efficient and timely manner.[144]

82. We accept Filing Parties' proposed changes to ISO-NE's process for addressing CETU oversubscription in LGIP section 4.2.3.3. We agree with Filing Parties that the current oversubscription rules, which provide that the CETU be filled in order of queue position when oversubscribed, are incompatible with Filing Parties' proposed Order No. 2023 cluster study process where interconnection requests are considered equally queued, and therefore require revision. Therefore, we accept Filing Parties' CETU oversubscription rules under the independent entity variation standard because they accomplish the purposes of Order Nos. 2023 and 2023-A to ensure that interconnection customers are able to interconnect to the ISO-NE transmission system in a transparent, reliable, efficient, and timely manner.[145] Further, we find this proposal to allocate CETU capacity when oversubscribed by prioritizing interconnection requests that have been selected in, or are contractually bound by, a state-sponsored request for proposals is just and reasonable and not unduly discriminatory or preferential. Filing Parties have proposed in section 4. 2.1 (Triggers for Cluster Enabling Transmission Upgrades) that procurements are one of the triggers for the CETU process. Therefore, it is reasonable that the resources that create the need for a CETU process are enabled by the outcome of that same process, and we accept the Filing Parties' revisions in LGIP section 4.2.3.3.

83. Further, we agree that this proposal to allocate CETU capacity when oversubscribed by filling the CETU "first with interconnection requests for Generating Facilities that have been selected in, or are contractually bound by, a state-sponsored request for proposals"[146] is just and reasonable and not unduly discriminatory or preferential. In Order No. 2023, the Commission acknowledged the relationship between commercial viability or readiness and interconnection customers' withdrawal from the interconnection queue.

84. With regard to Longroad's argument that the Commission should direct ISO-NE to accept cash alternatives for the CETU Participation Deposit, we note that the cash-only CETU Participation Deposit, formerly named the Cluster Participation Deposit, is an existing mechanism in ISO-NE's Tariff not subject to the requirements of Order No. 2023 and 2023-A, and which ISO-NE did not change in this proceeding. Therefore, we find Longroad's request for the Commission to direct further changes to the CETU

[144] Order No. 2023, 184 FERC ¶ 61,054 at P 1.

[145] *Id*. P 59.

[146] Compliance Filing Transmittal at 40.

Participation Deposit requirements to be outside the scope of this compliance proceeding.[147]

85. However, we note that as ISO-NE transitions from a serial interconnection process to the Order Nos. 2023 and 2023-A cluster study process, the proposed Tariff does not clarify the timeline for interconnection customers who submit an interconnection request to a Cluster Request Window and are subsequently informed that they must participate in a CETU study process. Further, it is unclear how ISO-NE will either refund interconnection study-related deposits or maintain them through the CETU study process before the interconnection customers re-enter the next cluster study. Finally, it is unclear if the in-service dates or commercial operation dates submitted as part of an interconnection request that moves to the CETU study process will be extended or revised based on the timeline of the CETU study process. Therefore, we require Filing Parties, on compliance, to either identify where these processes are described in the Tariff or revise its Tariff to ensure interconnection customers have clarity as to their timelines and required deposits.

d. Allocation of Cluster Study Costs

86. In Order No. 2023, the Commission revised section 13.3 (Obligation for Study Costs) of the *pro forma* LGIP to allow each transmission provider to propose its own ratio for allocating the shared costs of cluster studies, provided that between 10% and 50% of study costs must be allocated on a per capita basis, with the remainder (between 50% and 90%) allocated pro rata by MW.[148]

i. Compliance Filing

87. Filing Parties propose to revise ISO-NE LGIP section 7.2 to incorporate the *pro forma* revisions adopted in Order Nos. 2023 and 2023-A.[149] In addition, as directed in Order No. 2023, Filing Parties propose to include in ISO-NE LGIP section 7.2 a description of how the cost of any clustered interconnection study will be allocated.[150] Specifically, Filing Parties state that they have revised ISO-NE LGIP section 7.2 to

[147] Order No. 2023-A, 186 FERC ¶ 61,199 at P 77 (explaining that transmission providers only need to re-file and seek approval for previously approved variations where those provisions are modified by Order No. 2023).

[148] *Id.* P 416; *see pro forma* LGIP § 13.3.

[149] Compliance Filing Transmittal at 45-46.

[150] Proposed Tariff, § II, Schedule 22 (24.0.0), § 7.2 (Execution of the Cluster Study Agreement).

allocate costs of cluster studies to all interconnection customers on a 50% per capita, and 50% per MW basis. Filing Parties state that this is consistent with Order Nos. 2023 and 2023-A.

ii. Commission Determination

88. We find that Filing Parties' proposed revisions to ISO-NE LGIP section 7.2 comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties have adopted the *pro forma* language on cluster study cost allocation. We find that Filing Parties' proposal to allocate 50% of cluster study costs on a per capita basis among the cluster or cluster area, as applicable, and the remaining 50% of cluster study costs on a pro rata basis by MW among the cluster or cluster area, as applicable, complies with the requirement to allocate between 10% and 50% of study costs on a per capita basis, with the remainder (between 50% and 90%) allocated on a pro rata basis.

e. Allocation of Cluster Network Upgrade Costs

89. In Order No. 2023, the Commission required transmission providers to allocate system network upgrade[151] costs based on a proportional impact method.[152] Specifically, the Commission added *pro forma* LGIP section 4.2.1 (Cost Allocation for Interconnection Facilities and Network Upgrades) to require a transmission provider to: (1) allocate the costs of network upgrades located at substations equally among each generating facility interconnecting to the same substation (i.e., on a per capita basis); and (2) direct the transmission provider on compliance to provide tariff provisions that describe, for each type of system network upgrade that a transmission provider would identify in the cluster study process, how the costs of each system network upgrade type will be allocated among the interconnection customers within the cluster.[153] The Commission added to the *pro forma* LGIP and *pro forma* LGIA definitions for "proportional impact method," "substation network upgrades," and "system network upgrades" and modified the existing definition of "stand alone network upgrades."[154]

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[151] The *pro forma* LGIP defines system network upgrades as "Network Upgrades that are required beyond the substation located at the Point of Interconnection." *Pro forma* LGIP § 1.

[152] The *pro forma* LGIP defines proportional impact method as "a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade." *Id.*

[153] Order No. 2023, 184 FERC ¶ 61,054 at PP 453, 461; *see pro forma* LGIP § 4.2.1.

[154] Order No. 2023, 184 FERC ¶ 61,054 at PP 458, 460; *see pro forma* LGIP § 1;

The Commission required the transmission provider's revisions on compliance to provide that costs for a discrete network upgrade identified in the cluster study process are allocated to only the interconnection customers in the cluster that are shown through technical analyses to contribute to the need for that discrete network upgrade.[155] The Commission also required transmission providers to allocate the costs of interconnection facilities (i.e., both the interconnection customer's interconnection facilities and transmission provider's interconnection facilities) on a per capita basis. The Commission further provided that interconnection customers may agree to share interconnection facilities, that the per capita cost allocation will apply only where interconnection customers agree to share interconnection facilities, and that interconnection customers may choose a different cost sharing arrangement upon mutual agreement.[156] Finally, the Commission revised Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades) of the *pro forma* LGIA to include substation network upgrades and system network upgrades.[157]

90. In Order No. 2023-A, the Commission clarified that cost allocation for substation network upgrades is based on the number of interconnection facilities connecting to the substation at the point of interconnection. The transmission provider must first allocate the costs of substation network upgrades on a per capita basis for each interconnection facility connecting to the substation, and then allocate those costs on a per capita basis between each generating facility using the interconnection facility. In conjunction, the Commission revised *pro forma* LGIP section 4.2.1.1.a to clarify that substation network upgrade costs shall be allocated first to interconnection facilities interconnecting to the substation at the same voltage level, and then per capita to each generating facility sharing the interconnection facility.[158]

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see also pro forma LGIA art. 1.

[155] Order No. 2023, 184 FERC ¶ 61,054 at P 461.

[156] *Id.* P 454.

[157] *Pro forma* LGIA, app. A.

[158] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 177-178; *see pro forma* LGIP § 4.2.1.1.a.

i. Compliance Filing

91. Filing Parties propose revisions to ISO-NE Tariff Schedule 11 section 5 and ISO-NE LGIP section 1, as well as to ISO-NE *pro forma* LGIA article 1 and Appendix A to incorporate the *pro forma* revisions adopted in Order Nos. 2023 and 2023-A.[159]

92. Filing Parties propose revisions to ISO-NE Tariff Schedule 11 section 5 to provide the framework for the cost allocation for interconnection facilities and network upgrades.[160] Filing Parties explain that Schedule 11 of the Tariff governs cost allocation for generating facility and Elective Transmission Upgrade interconnection-related upgrades, including previously approved CETUs, and that these rules apply across all interconnection procedures.[161] To comply with the cost allocation requirements in Order No. 2023, Filing Parties propose to revise ISO-NE Tariff Schedule 11 sections 5(i), 5(ii), and 5(iii) to provide the cost allocation rules for CETUs and non-CETU upgrades.

93. Filing Parties propose to deviate from the *pro forma* definition of proportional impact method to define the term as "a technical analysis conducted by the System Operator in accordance with the criteria and parameters specified in the ISO New England Planning Procedures to determine the degree to which each Generating Facility in the cluster study contributes to the need for a specific System Network Upgrade."[162]

94. Filing Parties propose to deviate from the *pro forma* definition of substation network upgrades to define the term as "Network Upgrades comprising breakers, bus positions, and associated equipment that are required at the substation located at the Point

[159] Proposed Tariff, § II, Schedule 11 (4.0.0), § 5 (Treatment of Category C Project Transmission Costs); *id.* Schedule 22 (24.0.0), §§ 1 (Definitions), Proportional Impact Method, Stand Alone Network Upgrades, Substation Network Upgrades, System Network Upgrades; *id.* app. 11 (LGIA), art. 1 (Definitions), Proportional Impact Method, Stand Alone Network Upgrades, Substation Network Upgrades, System Network Upgrades.

[160] *Id*. § II, Schedule 11 (4.0.0), §§ 5(i) (Upgrades that are Cluster Enabling Transmission Upgrades ("CETU")), 5(ii) (Non-CETU Upgrades), 5(iii) (Interconnection Facilities).

[161] Compliance Filing Transmittal at 53-56.

[162] Proposed Tariff, § II, Schedule 22 (24.0.0), § 1 (Definitions), Proportional Impact Method; *id.* app. 11 (LGIA), art. 1 (Definitions), Proportional Impact Method.

of Interconnection."[163] Filing Parties adopt the *pro forma* definition of System Network Upgrades.

95. For non-CETU substation network upgrades, Filing Parties explain that costs will be allocated on a per capita basis, consistent with Order Nos. 2023 and 2023-A, by allocating first based on the number of interconnections at a given voltage, and then on a per capita basis to interconnection customers connecting at that voltage.[164] Filing Parties state that in practice, they anticipate that, where multiple interconnection customers are identified as being responsible for substation network upgrades, the costs will first be divided based on voltage such that all substation network upgrades at 115 kV will be allocated separately from costs at 69 kV. Filing Parties state that once that allocation is complete, the costs at those respective voltages will be divided on a per capita basis between interconnection customers at each voltage level. Filing Parties have included language specifying the cost allocation for substation network upgrades in Schedule 11, with minor deviations for clarity given the structure of Schedule 11 versus the *pro forma* LGIP.[165]

96. For non-CETU network upgrades, Filing Parties state that consistent with Order Nos. 2023 and 2023-A, system network upgrades comprising reactive devices or substation upgrades beyond the point of interconnection will be allocated based on the proportional impact of each individual generating facility or Elective Transmission Upgrade in the cluster, as determined by a proportional impact analysis, as detailed in the ISO-NE Planning Procedures.[166] Filing Parties state that system network upgrades comprising new or upgrades to transmission lines shall be allocated using the proportional impact method, which will be further detailed in the ISO-NE Planning Procedures, and that this proportional impact method will include the identification of the generators that have a greater than 3% distribution factor on the overloads identified in the most limiting contingency.[167] Filing Parties state that inclusion of additional detail regarding the use of the proportional impact method in the ISO-NE Planning Procedures

[163] *Id.* art. 1 (Definitions), Substation Network Upgrades.

[164] Compliance Filing Transmittal at 54.

[165] *Id.* at 54-55.

[166] *Id*. at 55 & n.154 (citing Proposed Tariff, Schedule 11 (4.0.0), § 5(ii)(1)(b)).

[167] *Id*. at 55.

is consistent with Order No. 2023, which, consistent with the "rule of reason," states that the technical implementation details are inappropriate for inclusion in the Tariff.[168]

97. For non-CETU interconnection facilities, Filing Parties state that, where generator owners and Elective Transmission Upgrade interconnection customers in the cluster agree to share interconnection facilities, the cost of such interconnection facilities shall be allocated based on the number of generating facilities and Elective Transmission Upgrades sharing use of such interconnection facilities on a per capita basis (i.e., on a per generating facility and Elective Transmission Upgrade basis), unless the generator owners and Elective Transmission Upgrade interconnection customers mutually agree to a different cost sharing arrangement and communicate that arrangement in writing to ISO-NE and the applicable PTO(s).[169]

ii. Commission Determination

98. We find that Filing Parties' proposed revisions to ISO-NE LGIP sections 1 and 4.2.1 and ISO-NE *pro forma* LGIA article 1 and Appendix A partially comply with the requirements of Order Nos. 2023 and 2023-A. Filing Parties adopt in ISO-NE LGIP section 1 and in ISO-NE *pro forma* LGIA article 1 and Appendix A many of the *pro forma* definitions, and we accept those definitions that match the *pro forma*.

99. We accept Filing Parties' proposed deviation on the definition of substation network upgrades to include network upgrades in the substation located at the point of interconnection comprised of breakers, bus positions, and associated equipment because we find this definition to be equivalent to Order Nos. 2023 and 2023-A's definition of substation network upgrades, which is the network upgrades required at the substation located at the point of interconnection.[170] Therefore, we find Filing Parties' proposed deviation just and reasonable and accomplishes the purposes of Order No. 2023 because it provides further clarity in the definition to include breakers, bus positions, and associated equipment in the substation.

100. However, we find that Filing Parties' proposal to deviate from the *pro forma* definition of proportional impact method fails to satisfy the requirements for an independent entity variation. Section 1 of the *pro forma* LGIP and LGIA provide that the proportional impact method "shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study

[168] *Id.* at 55-56 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 462).

[169] *Id.* at 55 (citing Proposed Tariff, § II, Schedule 11 (4.0.0), § 5(iii)).

[170] *See pro forma* LGIP § 1; *see also pro forma* LGIA art. 1

contributes to the need for a specific System Network Upgrade."[171] Filing Parties' proposed definition would explicitly state that a proportional impact method will be performed in accordance to the criteria and parameters defined in the ISO-NE Planning Procedures. We direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that adopts the *pro forma* definition of "proportional impact method."

101. For non-CETU substation network upgrades and interconnection facilities, we find Filing Parties' proposed cost allocation complies with the requirements of Order Nos. 2023 and 2023-A because for substation network upgrades, the proposal first allocates costs per capita for each interconnection facility interconnecting to the substation at the same voltage level, and then per capita to each generating facility or ETU sharing the interconnection facility and for interconnection facilities, the proposal allocates costs to each interconnecting customer using such facilities on a per facility basis unless the resource owners mutually agree to a different cost sharing arrangement.[172]

102. For non-CETU network upgrades, we find that Filing Parties partially comply with the cost allocation requirements of Order Nos. 2023 and 2023-A. Filing Parties propose to allocate costs for non-CETU system network upgrades that comprise new or upgrades to transmission lines using a proportional impact method that will include identification of the generators that have a greater than 3% distribution factor on the overloads identified in the most limiting contingency for each overload, as further detailed in the ISO-NE Planning Procedures. For non-CETU system network upgrades comprising reactive devices or any substation additions beyond the point of interconnection, Filing Parties propose to use a proportional impact method, with the details to be included in the ISO-NE Planning Procedures. We find that Filing Parties' proposal complies with the requirement to use a proportional impact method.[173] However, with respect to system network upgrades comprising reactive devices or any substation additions beyond the point of interconnection, we find that Filing Parties' proposed revisions do not comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties do not describe how the costs of upgrades will be allocated among the interconnection customers within the cluster. Moreover, despite the language in their proposed revisions and their statements in their transmittal letter, it does not appear that the ISO-NE Planning Procedures contain the details of the proportional impact methods. Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order to revise the Tariff to describe the proportional impact method

[171] *See pro forma* LGIP § 1.

[172] Order No. 2023, 184 FERC ¶ 61,054 at PP 453-454.

[173] *Id*.

used for other non-CETU system network upgrade types (including but not limited to system network upgrades comprising reactive devices or substation additions beyond the point of interconnection), consistent with the Commission's rule of reason.[174]

f. Study Deposits and Application Fee

103. In Order Nos. 2023 and 2023-A, the Commission adopted the following study deposit framework in section 3.1.1.1 (Study Deposit) of the *pro forma* LGIP:[175]

Size of Proposed Generating Facility Associated with Interconnection Request under the *pro forma* LGIP	Amount of Deposit
< 80 MW	$35,000 + $1,000/MW
≥ 80 MW < 200 MW	$150,000
≥ 200 MW	$250,000

104. The Commission required the interconnection customer to submit a non-refundable application fee of $5,000 and a refundable study deposit upon the interconnection customer's entry into the cluster.[176]

105. In Order No. 2023-A, the Commission modified section 13.3 of the *pro forma* LGIP to remove language pertaining to using previous study deposits to offset the cost of a subsequent study because Order No. 2023 established only an initial study deposit at the beginning of the study process to be used for all studies under the cluster study process.[177]

i. Compliance Filing

106. Filing Parties state that they propose deviations from the *pro forma* application fee and study deposit requirements in Order Nos. 2023 and 2023-A to maintain ISO-NE's existing construct, which provides for uniform initial application fees and study deposits

[174] *See* Order No. 2023-A, 186 FERC ¶ 61,199 at P 175.

[175] Order No. 2023, 184 FERC ¶ 61,054 at PP 502-503; Order No. 2023-A, 186 FERC ¶ 61,199 at P 188; *see pro forma* LGIP § 3.1.1.1.

[176] Order No. 2023, 184 FERC ¶ 61,054 at P 505; Order No. 2023-A, 186 FERC ¶ 61,199 at P 189; *see pro forma* LGIP § 3.1.1.1.

[177] Order No. 2023-A, 186 FERC ¶ 61,199 at P 189; *see pro forma* LGIP § 13.3.

for all interconnection requests under the LGIP.[178] As discussed below, Filing Parties propose $50,000 application fees and $250,000 study deposits (and in certain circumstances, $100,000 study deposits).

107. First, Filing Parties propose to retain their existing, uniform $50,000 application fee for all interconnection requests submitted under the LGIP, which is required to be submitted in cash.[179] Filing Parties explain that this deposit is applied toward ISO-NE's costs to review the interconnection requests and the modeling and data prior to the start of the cluster study, as well as of the costs of developing the interconnection agreement. Filing Parties explain that, currently, reviewing interconnection requests and associated modeling data regularly exceeds this level of expense. Filing Parties contend that it is reasonable to maintain this amount to ensure that ISO-NE has sufficient funds to review data and modeling promptly upon receiving an interconnection request during the relevant cluster request window.[180]

108. Filing Parties state that, consistent with Order No. 2023-A, they propose to modify section 3.4.4 to specify that, where the interconnection request is withdrawn prior to commencement of the cluster study due to a deficiency in the request, $5,000 of the application fee will be forfeited as well as any already-spent portion of the application fee.[181] Filing Parties explain that this will ensure that, despite the need for Filing Parties' higher application fee relative to the *pro forma* LGIP, interconnection customers are not inappropriately penalized for being withdrawn at the close of the cluster request window. Filing Parties assert that, as is the case today, any unused amounts of the remaining application fee will be refunded to the interconnection customer if it withdraws within ten business days following the scoping meeting or upon executing an LGIA.[182]

109. Second, Filing Parties propose to revise ISO-NE LGIP section 3.4.1.1 to require a uniform $250,000 study deposit.[183] Filing Parties explain that, for interconnection

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[178] Compliance Filing Transmittal at 43; Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 3.4.1.1. (Study Deposits), 3.4.2 (Initiation an Interconnection Request), 3.4.4 (Deficiencies in Interconnection Request). *See also* Tariff, § II, Schedule 22 (22.0.0), §§ 3.4.1.1. (Study Deposits), 3.4.2 (Initiation an Interconnection Request), 3.4.4 (Deficiencies in Interconnection Request).

[179] Compliance Filing Transmittal at 44.

[180] *Id.*

[181] *Id.*

[182] *Id.*

[183] *See* Proposed Tariff, § II, Schedule 22 (24.0.0), § 5.1.1.2 (Transitional Cluster

requests in New England, project size is not a ready indicator of study cost or complexity. Filing Parties further explain that, due to the nature of the New England Transmission System, interconnection studies have to consider many variables beyond the proposed project size that could lead to upgrades. Filing Parties contend that the study deposit reflects the current costs of studies in New England.[184]

110. Filing Parties add that, due to the need to allow interconnection customers that have already received NRIS to also obtain CNRIS (or to allow uprates to increase CNRIS), Filing Parties propose a lower, $100,000 study deposit for these projects, to recognize that they are already part of the NRIS base case for a given cluster study. Filing Parties state that all interconnection requests will ultimately be allocated their full share of cluster study costs on a 50% MW and 50% per capita basis consistent with Order No. 2023.[185]

ii. Protest and Answers

111. Glenvale contends that ISO-NE has ignored Order Nos. 2023 and 2023-A's requirement to use a tiered approach for both the study deposits and initial commercial readiness deposit based on the size of the proposed project.[186] Glenvale argues that, under ISO-NE's proposal, a 75 MW resource would face a study deposit of $250,000 and an initial commercial readiness deposit of $500,000, for a total of $750,000, more than double the amount mandated by the Commission. Glenvale adds that, as the proposed resource size gets smaller, the discrepancy becomes more stark.

112. Glenvale contends that the initial deposit of $50,000 is ten times higher than the $5,000 application fee directed by the Commission.[187] Glenvale argues that the fee being "potentially" refundable is of little comfort to developers of smaller projects. Glenvale explains that this additional fee brings the total up-front outlay of deposits and fees under ISO-NE's proposal to $800,000, even for a proposed 5 MW project or uprate submitted under the LGIP. Glenvale argues that this total amount is facially inconsistent with the

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Study).

[184] Compliance Filing Transmittal at 45.

[185] *Id.*; *see also* Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 3.4.1.1 (Study Deposits), 5.1.1.2 (Transitional Cluster Study).

[186] Glenvale Protest at 9.

[187] *Id.* at 12.

requirements of Order Nos. 2023 and 2023-A and unduly burdensome to a developer of smaller resources.

113. ISO-NE responds that its flat study deposits are existing independent entity variations, which are necessary to account for regional differences, and that remain just and reasonable and accomplish the goals of Orders Nos. 2023 and 2023-A.[188] ISO-NE states that, for decades, its study deposits have been the greater of 100 percent of the estimated cost of the study or $250,000, and provided in cash. ISO-NE contends that the study deposit is appropriate because it reflects the estimated costs of the study based on ISO-NE's experience.[189] ISO-NE explains that the complexity of interconnection studies in New England results in higher costs than in other regions. ISO-NE contends that the scope of the cluster study will include not only a comprehensive steady state (thermal, voltage, and short circuit) evaluation of the proposed interconnection, but also a full stability analysis, as the region has several stability-limited interfaces that cannot be degraded by system additions.[190] ISO-NE further explains that, due to the tightly-integrated nature of the New England transmission system, the cluster study process will also require sub-transmission analysis in multiple areas of the system, which can take more time and therefore cost more money than transmission-only studies. ISO-NE explains that if cluster study costs are lower than this projection, any unused study funds are subject to refund. ISO-NE furthermore asserts that, consistent with past efforts, ISO-NE will revisit these amounts in the future if costs end up being lower as experience is gained implementing the new cluster study construct.

114. ISO-NE also explains that ISO-NE cannot incur expenses undertaking interconnection studies without deposits on hand.[191] ISO-NE explains that, while the *pro forma*'s tiered study deposit structure may be appropriate for transmission providers that are for-profit entities, they are inappropriate for non-profit entities that must invoice in advance of doing study work.[192]

115. ISO-NE adds that the $50,000 application fee is an existing independent entity variation.[193] ISO-NE contends that, given the need for prompt review of modeling, site

[188] ISO-NE June 20 Answer at 9.

[189] *Id.* at 11.

[190] *Id.*

[191] *Id.* at 10.

[192] *Id.* at 9-10.

[193] *Id.* at 15.

control, and other information required to be submitted with an interconnection request, ISO-NE must have these funds on hand during the relevant cluster request window. ISO-NE adds that any unspent funds above $5,000 would be refunded to the interconnection customer if it withdraws prior to the close of the customer engagement window, within ten business days following the scoping meeting, or upon executing an interconnection agreement.

116. Glenvale responds that ISO-NE remains silent on the discriminatory impact of its proposals on smaller-sized large generators.[194] Glenvale adds that ISO-NE provides no data or analysis demonstrating that the deposit amounts it seeks to impose are appropriate, or just and reasonable.

iii. Commission Determination

117. We grant Filing Parties' requested independent entity variation that provides for a flat $250,000 study deposit for large generating facilities to enter a cluster study. We find that this amount is just and reasonable, and not unduly discriminatory or preferential because, according to Filing Parties, the higher study costs reflect the scope of ISO-NE's cluster study, which includes not only a comprehensive steady state (thermal, voltage, and short circuit) evaluation of the proposed interconnection, but also a full stability analysis. Additionally, Filing Parties explain that, due to the tightly integrated nature of the New England transmission system, the cluster study will also require sub-transmission analysis in multiple areas of the system, which can take more time and money than transmission-only studies. Further, we find that extending the $250,000 deposit to smaller generators is reasonable due to regional differences because, as explained by Filing Parties, project size is not a ready indicator of study cost or complexity for interconnection requests in New England.[195] According to Filing Parties, due to the nature of the New England transmission system, interconnection studies have to consider many variables beyond the proposed project size that could lead to upgrades.[196] We also find that Filing Parties' requested independent entity variation accomplishes the purpose of the study deposit structure in the final rule because the reason for the tiered deposit approach in Order No. 2023 was to approximate study costs,[197] we find that ISO-NE's proposed flat deposit structure reasonably approximates study costs in New England.

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[194] Glenvale July 4 Answer at 9.

[195] Compliance Filing Transmittal at 45.

[196] *Id.*

[197] Order No. 2023, 184 FERC ¶ 61,054 at P 504.

118. We also grant Filing Parties' requested independent entity variation to maintain ISO-NE's existing $50,000 application fee. With regard to Glenvale's protest, we disagree that the $50,000 application fee is excessive or unreasonable. As explained by Filing Parties, the review of interconnection requests and associated modeling data and the development of an interconnection agreement regularly exceeds $50,000.[198] Accordingly, maintaining ISO-NE's existing application fee amount ensures that ISO-NE has sufficient funds to review data and modeling promptly after receiving an interconnection request.

119. For similar reasons, we find that Filing Parties have met the independent entity variation standard. Specifically, we find that the proposal is just and reasonable, and not unduly discriminatory or preferential, because, as noted above, Filing Parties have explained that the $50,000 application fee provides ISO-NE with funds that are applied to ISO-NE's costs to review interconnection requests and that the cost of reviewing an interconnection request and associated modeling data regularly exceeds $50,000. We also find that Filing Parties' proposal for ISO-NE to retain its $50,000 application fee accomplishes with the purposes of Order No. 2023-A because only $5,000 – the application fee amount required by Order Nos. 2023 and 2023-A – is guaranteed to be forfeited when an interconnection request is withdrawn due to a deficiency in the request, with any unspent funds being returned to the customer, and therefore the non-refundable amount is consistent with the *pro forma* LGIP.[199] Filing Parties' requested deviation would ensure that, despite the need for a higher application fee, an interconnection customer's request would not be inappropriately penalized for being withdrawn at the close of the cluster request window.

g. Site Control

120. In Order No. 2023, the Commission revised the definition of "site control" in section 1 (Definitions) of the *pro forma* LGIP and article 1 (Definitions) of the *pro forma* LGIA.[200] The definition, as modified, states that 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 generating facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the generating facility; or (3) any other documentation that clearly demonstrates the right

[198] Compliance Filing Transmittal at 44.

[199] *Id*; Order No. 2023, 184 FERC ¶ 61,054 at PP 223, 226.

[200] Order No. 2023, 184 FERC ¶ 61,054 at P 584; *see pro forma* LGIP § 1; *see also pro forma* LGIA art. 1.

of an interconnection customer to exclusively occupy a site of sufficient size to construct and operate the generating facility.

121. The Commission revised section 3.4.2 of the *pro forma* LGIP to require interconnection customers to demonstrate 90% site control at the time of submission of the interconnection request.[201] The Commission further revised sections 8.1 and 11.3 of the *pro forma* LGIP to require interconnection customers to provide evidence of 100% site control for the generating facility at the time of execution of the facilities study agreement and when executing, or requesting the unexecuted filing of, the LGIA.[202] The Commission also revised sections 3.4.2 and 11.3 of the *pro forma* LGIP to state that, if an interconnection customer cannot demonstrate the requisite level of site control at the relevant milestone of the interconnection process, its interconnection request will be deemed withdrawn and it could be subject to withdrawal penalties under certain circumstances.[203]

122. The Commission modified section 3.4.2 of the *pro forma* LGIP to provide that site control for a generating facility that is co-located with one or more generating facilities on the same site and behind the same point of interconnection must be demonstrated by a contract or other agreement that allows for shared land use for all generating facilities that are co-located that meets the provisions of the site control definition.[204]

123. The Commission required a transmission provider to establish per-MW acreage requirements for each generating facility technology type and to publicly post these acreage requirements.[205] The Commission modified the *pro forma* LGIP and *pro forma* LGIA definitions of "generating facility" and "generating facility capacity" to clarify that these definitions include hybrid generating facilities, and stated that a transmission provider's per-MW acreage requirements for each generating facility technology-type must include specific requirements for hybrid generating facilities.[206] The Commission

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[201] Order No. 2023, 184 FERC ¶ 61,054 at P 594; *see pro forma* LGIP § 3.4.2.

[202] Order No. 2023, 184 FERC ¶ 61,054 at P 594; *see pro forma* LGIP §§ 8.1, 11.3.

[203] *See infra* P 124.

[204] Order No. 2023, 184 FERC ¶ 61,054 at P 586; *see pro forma* LGIP § 3.4.2.

[205] Order No. 2023, 184 FERC ¶ 61,054 at P 595; *see pro forma* LGIP §§ 3.4.2, 11.3.

[206] Order No. 2023, 184 FERC ¶ 61,054 at P 603; *see pro forma* LGIP § 1; *see also pro forma* LGIA art. 1.

further clarified that generating facilities that are co-located on the same site and behind the same point of interconnection are subject to the technology-specific acreage requirements based on the generating facilities' technology-type.

124. The Commission eliminated the interconnection customer's options to: (1) provide a deposit in lieu of site control demonstration, except in limited circumstances where an interconnection customer demonstrates a regulatory limitation to obtaining site control; and (2) post $250,000 of non-refundable security in lieu of site control at LGIA execution. The Commission revised section 3.4.2 of the *pro forma* LGIP to provide that interconnection customers with regulatory limitations may submit an initial deposit in lieu of site control of $10,000 per MW, subject to a floor of $500,000 and a ceiling of $2 million, which shall be refundable but may not be applied toward interconnection studies or withdrawal penalties, if applicable. The Commission stated that, when an interconnection customer facing regulatory limitations provides a deposit in lieu of site control, the deposit will be accepted and held by the transmission provider until the interconnection customer can demonstrate 90% site control prior to execution of the facilities study agreement or 100% site control at execution of the facilities study agreement or thereafter. The Commission also modified Appendix B (Milestones) of the *pro forma* LGIA to clarify that an interconnection customer facing qualifying regulatory limitations must demonstrate 100% site control within 180 calendar days of the effective date of the LGIA; if it cannot, the LGIA may be terminated per article 17 (Default) of the *pro forma* LGIA and the interconnection customer may be subject to withdrawal penalties.[207]

125. The Commission required each transmission provider to define regulatory limitations relevant to its service territory, to publicly post the definition, and to provide a narrative description of how it defines regulatory limitations as part of its compliance filing.[208] The Commission did not require a uniform definition of regulatory limitations for all transmission providers, but clarified that a regulatory limitation is generally a federal, state, Tribal, or local law that makes it practically infeasible to obtain site control within the time frame detailed in the *pro forma* LGIP.

i. Compliance Filing

126. Filing Parties propose revisions to ISO-NE LGIP sections 1, 3.4.2, 8.1, and 11.3.1.1 and ISO-NE *pro forma* LGIA Article 1 and Appendix B to incorporate the site

[207] Order No. 2023, 184 FERC ¶ 61,054 at P 605; *see pro forma* LGIA, app. B.

[208] Order No. 2023, 184 FERC ¶ 61,054 at P 607.

control reforms adopted in Order Nos. 2023 and 2023-A with certain requests for independent entity variations.[209]

127. First, Filing Parties propose to revise the definition of "Site Control" to specify the documentation that an interconnection customer can use to demonstrate site control of sufficient size. Specifically, Filing Parties do not adopt the *pro forma* language and instead propose to retain the following existing language requiring documentation establishing that an interconnection customer: (1) is the owner in fee simple or holds an easement; (2) holds a valid written leasehold or other contractual interest; (3) holds a valid written option to purchase or a leasehold interest; (4) holds an executed written contract to purchase, acquire an easement, a license, or a leasehold interest; or (5) has filed applications for required permits to site on federal or state property. Filing Parties state that these revisions clarify that site control must be exclusive to the interconnection customer itself and not by another affiliated or non-affiliated entity.[210] Filing Parties propose to delete "land" from the first sentence of the definition of "Site Control." Filing Parties adopt the *pro forma* language in the definition of "Site Control" stating that the system operator will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

128. Second, Filing Parties propose to retain the current site control requirements in the ISO-NE LGIP, which requires that an interconnection customer provide evidence of 100% site control. Specifically, Filing Parties propose to require (1) that interconnection customers seeking CNRIS provide evidence of 100% site control and (2) that interconnection customers seeking NRIS demonstrate 100% site control or provide a deposit in lieu of site control of $10,000 per MW, subject to a minimum of $500,000 and a maximum of $2,000,000, in circumstances where an interconnection customer demonstrates a regulatory limitation to obtaining site control. Filing Parties state that the existing higher level of site control, as opposed to the 90% required in Order No. 2023, has not been identified as a barrier to interconnection customers seeking to enter the queue.[211] Filing Parties assert that allowing easier entry into the interconnection queue could introduce new administrative burdens for tracking a lower level of site control. Filing Parties contend that retaining the 100% requirement is consistent with the intent of Order No. 2023 to increase readiness requirements for interconnection requests and

[209] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), Generating Facility, Site Control, 3.4.2 (Initiating an Interconnection Request), 8.1 (Interconnection Facilities Study Agreement), 11.3.1.1 (Site Control and LGIA Deposit); *id.*, app. 11 (LGIA), art. 1 (Definitions), Site Control, app. B (Milestones).

[210] Compliance Filing Transmittal at 49.

[211] *Id.* at 48-49.

superior to the requirement since an interconnection customer will have to demonstrate more site control earlier in the process.

129. With respect to the Commission's required revisions to the definition of "Generating Facility Capacity" in the *pro forma* LGIP and LGIA to clarify that these definitions include more than one device for the production and/or storage for later injection of electricity, Filing Parties state that "Generating Facility Capacity" is not a defined term in Schedules 22 and 23 of the ISO-NE Tariff. Filing Parties state that the ISO-NE LGIP, ISO-NE *pro forma* LGIA, ISO-NE SGIP and ISO-NE *pro forma* SGIA instead use the terms "Large Generating Facility" and "Generating Facility" and that the defined term that matches the Commission's *pro forma* "Generating Facility Capacity" is "Generating Facility."[212]

130. Filing Parties do not provide a definition of "regulatory limitations" or state where the definition is publicly posted.

ii. Commission Determination

131. We find that Filing Parties' proposed revisions concerning the site control reforms partially comply with the requirements of Order Nos. 2023 and 2023-A. Specifically, we accept Filing Parties' proposed revisions to the ISO-NE LGIP section 1, definition of "generating facility," 3.4.2, 8.1, and 11.3.1.1, and ISO-NE *pro forma* LGIA Appendix B, because, as discussed further below, Filing Parties adopt the Commission's *pro forma* LGIP and *pro forma* LGIA provisions or have otherwise justified an independent entity variation. However, as discussed below, we find that Filing Parties' proposal does not comply with the site control reforms concerning the definition of "generating facility" in the LGIA and the regulatory limitations relevant to the ISO-NE service territory.

132. We grant Filing Parties' requested independent entity variations to the definition of "site control" in ISO-NE LGIP section 1 and ISO-NE *pro forma* LGIA article 1. While Filing Parties' proposal is more limited than the Commission's *pro forma* definition, which allows "any other documentation" to demonstrate site control, we find that Filing Parties' proposed deviations are comprehensive and provide additional clarity regarding the documentation that an interconnection customer may use to demonstrate site control. Accordingly, we find that Filing Parties' variations concerning the definition of site control meet the Commission's independent entity variation standard because they are just and reasonable, are not unduly discriminatory or preferential, and accomplish the purposes of Order Nos. 2023 and 2023-A because it provides the interconnection

[212] *Id.* at 26. ISO-NE LGIP section 1 states, "Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities."

customer with sufficient options to demonstrate it has secured the exclusive right necessary to construct its proposed generating facility.[213]

133. While Filing Parties adopt the revised definition of "generating facility" in the ISO-NE LGIP, Filing Parties do not adopt the revised definition of "generating facility" in article 1 of the ISO-NE *pro forma* LGIA. Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that incorporates the required language to article 1 of the ISO-NE *pro forma* LGIA, or justifies not including the definition in the ISO-NE *pro forma* LGIA under the independent entity variation standard.

134. We grant Filing Parties' requested independent entity variations to ISO-NE LGIP section 3.4.2, which require that interconnection customers seeking CNRIS provide evidence of 100% site control and interconnection customers seeking NRIS provide evidence of 100% site control or a deposit in lieu of site control in circumstances where an interconnection customer demonstrates a regulatory limitation. We find that requiring an interconnection customer to demonstrate 100% site control earlier in the interconnection process accomplishes the purposes of Order Nos. 2023 and 2023-A to adopt more stringent readiness requirements for resources entering the interconnection queue while still accommodating development challenges faced by interconnection customers, given that this has not been identified as a barrier to interconnection customers seeking to enter the queue.[214]

135. Finally, because Filing Parties do not provide a definition of "regulatory limitations" or state where the definition is publicly posted, we find that Filing Parties' proposal does not comply with the Commission's directive that each transmission provider define regulatory limitations relevant to its service territory. Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that defines regulatory limitations relevant to their service territory, to publicly post the definition, and to provide a narrative description of how they define regulatory limitations,[215] or justify the proposal under the independent entity variation standard.

h. Commercial Readiness

136. In Order No. 2023, the Commission revised section 1 of the *pro forma* LGIP to define "commercial readiness deposit" and sections 3.4.2, 7.5, 8.1, and 11.3 of the *pro forma* LGIP to require interconnection customers to submit commercial readiness

[213] *See* Order No. 2023, 184 FERC ¶ 61,054 at P 585.

[214] *Id.* P 596.

[215] *Id.* P 607.

deposits to help reduce the submission of speculative, commercially non-viable interconnection requests into interconnection queues.[216] For the initial commercial readiness deposit submitted with its interconnection request, the interconnection customer must pay a deposit of two times its study deposit to enter the cluster study.[217] The commercial readiness deposit to enter the cluster restudy is the amount required to bring the total amount of the interconnection customer's commercial readiness deposit to 5% of the interconnection customer's network upgrade cost assignment identified in the cluster study,[218] and the commercial readiness deposit to enter the facilities study is the amount required to bring the total amount of the interconnection customer's commercial readiness deposit to 10% of the interconnection customer's network upgrade cost assignment identified in the cluster study or restudy, as applicable.[219]

137. Order No. 2023-A expanded the types of instruments that may be used by interconnection customers as a commercial readiness deposit to include surety bonds or other forms of financial security that are reasonably acceptable to the transmission provider.[220]

i. Compliance Filing

138. Filing Parties propose revisions to ISO-NE LGIP sections 1, 3.1, 3.4.2, 5.1.1.2, 7.5, 8.1, and 11.3.1.1 and section 4.1 of the ISO-NE *pro forma* LGIA, to incorporate the Commission's *pro forma* LGIP commercial readiness deposit amounts adopted in Order Nos. 2023 and 2023-A with deviations.[221]

139. Filing Parties propose to require an initial commercial readiness deposit of two times its proposed $250,000 study deposit (a total of $500,000) to enter the initial cluster

[216] Order No. 2023, 184 FERC ¶ 61,054 at P 690; *see pro forma* LGIP §§ 1, 3.4.2, 7.5, 8.1, 11.3.

[217] Order No. 2023, 184 FERC ¶ 61,054 at P 692; *see pro forma* LGIP § 3.4.2.

[218] Order No. 2023, 184 FERC ¶ 61,054 at P 693; *see pro forma* LGIP § 7.5.

[219] Order No. 2023, 184 FERC ¶ 61,054 at P 693; *see pro forma* LGIP § 8.1.

[220] Order No. 2023-A, 186 FERC ¶ 61,199 at P 185.

[221] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), Commercial Readiness Deposit, 3.1 (General), 3.4.2 (Initiating an Interconnection Request), 5.1.1.2 (Transitional Cluster Study), 7.5 (Cluster Study Restudies), 8.1 (Interconnection Facilities Study Agreement), 11.3.1.1 (Site Control and LGIA Deposit); *see also pro forma* LGIA art. 4.1.

study.[222] Filing Parties propose to adopt the *pro forma* commercial readiness deposit requirements to enter the cluster restudy and facilities study where the interconnection customer must submit a deposit to bring the total amount of the interconnection customer's commercial readiness deposit to 5% and 10%, respectively, of the interconnection customer's recent network upgrade cost estimate.

140. Filing Parties propose additional deviations from the *pro forma* commercial readiness requirements.[223] First, for commercial readiness deposits aside from the CETU Participation Deposit, Filing Parties propose to adopt the option for interconnection customers to submit letters of credit for the commercial readiness deposits required to initiate an interconnection request in ISO-NE LGIP section 3 (Interconnection Requests) and to transition to the cluster study in ISO-NE LGIP section 5 (Procedures for Transition).[224] Filing Parties propose to revise ISO-NE LGIP section 3.1, which addresses the form of deposit submitted to ISO-NE, to recognize letters of credit as an acceptable form of commercial readiness deposits.[225] Filing Parties state that ISO-NE will post on its public website the acceptable form of letters of credit and a list of allowed financial institutions, together with additional guidance regarding the submittal of letters of credit.[226] Filing Parties state that this approach is similar to how ISO-NE administers letters of credit for purposes of financial assurance and the manner in which letters of credit have been administered in other RTOs.[227] Filing Parties state that these changes are reasonable because they add transparency to the process of how letters of credit acceptance will be administered and do not change the underlying requirement of the *pro forma*.

141. For commercial readiness deposits aside from the CETU Participation Deposit, Filing Parties propose to deviate from the *pro forma* in ISO-NE LGIP section 3.4.2 and

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[222] Compliance Filing Transmittal at 43.

[223] *Id.* at 46.

[224] *Id.*

[225] Filing Parties add that the proposed revisions clarify that: (1) interconnection customers may provide cash, a letter of credit, or a combination thereof; (2) the letters of credit must be in a form and from a financial institution acceptable to ISO-NE; and (3) there will be a limited, ten-day cure period where technical errors with a letter of credit may be resolved. Filing Parties state that technical errors are errors not associated with the dollar amount of the security. *Id.* at 46-47.

[226] *Id.* at 47.

[227] *Id.*

do not include the *pro forma* language that the deposit may be in an "other form of security reasonably acceptable to Transmission Provider."[228] With regard to surety bonds, Filing Parties state that, while not envisioned in Order No. 2023, Order No. 2023-A expands the types of instruments that may be used by interconnection customers as a commercial readiness deposit to also include surety bonds. Filing Parties state that, because there are no established processes at ISO-NE for the administration of surety bonds, Filing Parties propose to accept only cash and/or letters of credit during the transition process for commercial readiness deposits other than the CETU Participation Deposit (which will be provided only in cash) in order to develop the necessary processes and systems.[229] Filing Parties note that the transition process is expected to commence on August 12, 2024, assuming a Commission order is issued by that date. Filing Parties contend that this date would leave them with insufficient time to establish all of the processes needed to support surety bonds, and to begin accepting surety bonds only for commercial readiness deposits under the interconnection procedures for the first cluster study.[230] Filing Parties state that these deviations are reflected in ISO-NE LGIP sections 3.1 and 5 (to exclude surety bonds from the transition process).

142. Filing Parties state that they have included language in ISO-NE LGIP section 3.1 that would allow, for commercial readiness deposits aside from the CETU Participation Deposit, interconnection customers to replace the commercial readiness deposit with a surety bond once ISO-NE is able to accept them.[231] Filing Parties explain that ISO-NE's acceptance of surety bonds will be limited to the commercial readiness deposits required by Order No. 2023 and will not extend to other provisions of the Tariff.[232]

ii. Protests/Comment/Answers

143. Glenvale argues that the Commission was clear about requiring a tiered approach for the initial commercial readiness deposit (based on size of the proposed generating facility) and indicated the Commission's belief "that the deposits should not be so high that viable projects from smaller developers are unable to enter the queue."[233] Glenvale notes that, under Filing Parties' proposal, where the initial commercial readiness deposit

[228] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.4.2(v).

[229] Compliance Filing Transmittal at 47.

[230] *Id.*

[231] *Id.* at 48.

[232] *Id.*

[233] Glenvale Protest at 7 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 704).

is a flat $500,000, a developer of a 75 MW resource would face a study deposit of $250,000 and an initial commercial readiness deposit of $500,000, for a total of $750,000, much more than double the amount mandated by the Commission.[234]

144. In response, ISO-NE argues that its proposed commercial readiness deposit amount is consistent with Order No. 2023, which requires the initial commercial readiness deposit to be set at double the study deposit, and subsequent commercial readiness deposits to be based on each interconnection customer's "identified network upgrade cost estimate."[235] Additionally, ISO-NE argues that the commercial readiness deposit level is appropriate, because in New England, network upgrade costs have been found to be high.[236]

145. RENEW states that it supports Filing Parties' proposal to allow interconnection customers who submitted cash or letters of credit for the commercial readiness deposit during the transition process to replace it with a surety bond after the transition period.[237] RENEW argues that this proposal is reasonable because it gives ISO-NE time to develop procedures for accepting and managing surety bonds while giving transition interconnection customers the option to switch to surety bonds which, according to RENEW, could lower development costs for some participants while increasing competition for new generation in New England.[238]

146. On the other hand, Longroad urges the Commission to reject Filing Parties' proposal to limit the use of surety bonds during the transition process and to direct Filing Parties to implement the use of surety bonds for the commercial readiness deposit and all study deposits, and to do so beginning with the transitional studies, as required by Order

[234] Glenvale also provides examples of costs for a 200 MW resource, 25 MW resource, and 5 MW uprate. *Id.* at 9-10.

[235] ISO-NE June 20 Answer at 12 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 703).

[236] *Id.* ISO-NE explains that network upgrade costs in ISO-NE have been found to exceed $900/kW for onshore wind, $400/kW for solar PV projects, and $230/kW for battery projects (citing Lawrence Berkley National Lab, Interconnection Cost Analysis in ISO-New England (June 2023), https://eta-publications.lbl.gov/sites/default/files/iso-ne_interconnection_costs_vfinal.pdf).

[237] RENEW Comments at 7-8 (citing Compliance Filing Transmittal at 47-48).

[238] *Id.*

No. 2023-A.[239] Longroad also argues that accepting surety bonds only for one of the financial security requirements associated with the new cluster study process will create unnecessary complexity and costs for developers seeking to interconnect to the ISO-NE system, as developers preferring to use surety bonds would nonetheless be required to provide a different form of financial security for the other deposits. Longroad argues that ISO-NE's proposal regarding surety bonds is inefficient and potentially confusing and will increase the costs of providing financial security for developers, as surety bonds are generally easier and less expensive to procure than other accepted forms of financial security.[240] Longroad explains that the costs of holding and using a letter of credit are negotiated through a lengthy debt and/or equity financing process, and those costs tend to reflect the totality of the investment being made, rather than the costs of providing the credit service. Longroad contends that these dynamics make it costly and time consuming to either secure a new letter of credit or increase the capacity of an existing letter of credit, whereas surety bonds are commonly procured to provide security for a specific purpose, rather than as a pool of credit upon which a developer may draw.[241]

147. Longroad argues that Filing Parties have failed to justify why Longroad and other market participants must wait until 2025 for these protections, or why they should not apply to the transitional studies.[242] Longroad contends that surety bonds are long-established, standard, and well-understood financial instruments, acquired through brokers via standardized procedures and backed by large insurance companies. Longroad argues that there is nothing commercially unusual in requiring that ISO-NE include surety bonds as an acceptable form of financial security. Longroad adds that ISO-NE has been on notice about the surety bond requirement since the issuance of Order No. 2023-A on March 21, 2024.

148. Longroad argues that Filing Parties' proposal does not achieve the purposes of Order No. 2023-A with respect to financial security requirements.[243] Longroad explains that the Commission explained that its intent was to remove hurdles to the interconnection of new generation raised by limitations on the acceptable forms of financial security. Longroad also argues that Filing Parties make no demonstration that their failure to comply with Order No. 2023-A is based on regional differences. Longroad contends that financial instruments such as surety bonds do not function

[239] Longroad Protest at 10.

[240] *Id.* at 7.

[241] *Id.* at 7-8.

[242] *Id.* at 8.

[243] *Id.*

differently in New England than in other parts of the country. Longroad notes that the California Independent System Operator Corporation, for example, already accepts surety bonds for generator interconnection customers.[244]

149. ISO-NE responds that their proposed revisions comply with Order No. 2023-A's requirements regarding surety bonds with narrow exceptions that are necessary for regional variations and that comply with the independent entity variation standard.[245] ISO-NE reiterates that it is necessary to limit the acceptable forms of commercial readiness deposit during the transition process. ISO-NE argues that this temporary limitation is necessary to allow ISO-NE time to create the necessary processes to accept a type of security that it has no experience with as it is not currently an acceptable form of security in New England. ISO-NE argues that, while Longroad appears to believe that ISO-NE can quickly create a surety bond process, the development of an approved list of surety bond providers, a form surety bond, internal business processes to review, accept, and hold surety bonds, as well as participant training takes time.[246] ISO-NE asserts that it acted immediately after the issuance of Order No. 2023-A to propose rules for the acceptance of surety bonds as part of the NEPOOL stakeholder process and began implementation activities during this same time period.[247]

150. Longroad argues that ISO-NE's concerns about accepting surety bonds in the interconnection process can be addressed using established contractual mechanisms, such as provisions under which the issuer of the surety bond would not be permitted to withhold payment on the surety bond pending an investigation of the validity of the claim or pending dispute resolution or litigation regarding the claim, so long as they are implemented without unreasonable restrictions.[248] Longroad notes that, in *New York Independent System Operator, Inc.*, the Commission conditionally accepted tariff revisions from the New York Independent System Operator (NYISO) to adopt a comprehensive financial assurance policy, and in that case, the Commission rejected NYISO's proposal to eliminate the use of surety bonds as an acceptable form of collateral and required NYISO to accept surety bonds that include a provision under which the issuer of the surety bond would not be permitted to withhold payment, finding these to be a "sufficiently reliable form of security for small market participants" while still

[244] *Id.* at 8-9.

[245] ISO-NE June 20 Answer at 18.

[246] *Id.* at 21.

[247] ISO-NE July 19 Answer at 17.

[248] Longroad August 5 Answer at 2, 3-5.

protecting NYISO.[249] Longroad suggests that ISO-NE should be required to accept surety bonds that are payable within 10 days of demand.[250]

151. ISO-NE responds that Longroad is asking that the Commission dictate specific surety bond terms, which are not part of the Order No. 2023-A requirements, and are appropriately left to ISO-NE's judgment as part of implementation of the Order No. 2023 compliance package.[251] ISO-NE argues that the specific terms of a surety bond, including the potential for the inclusion of a provision under which the issuer of the surety bond would not be permitted to withhold payment, as suggested by Longroad, and the timing of such clause, are in fact some of the issues that necessitate the additional time for consideration by ISO-NE before it can receive such form of security as commercial readiness deposits from interconnection customers.[252]

iii. Commission Determination

152. We find that Filing Parties' proposed revisions concerning commercial readiness partially comply with the requirements of Order Nos. 2023 and 2023-A. We find that Filing Parties' proposed initial commercial readiness deposit of $500,000 is just and reasonable and accomplishes the purposes of Order No. 2023 by deterring speculative interconnection requests and is consistent with Order No. 2023's requirement that the initial commercial readiness deposit be set at double the study deposit.[253] While higher than the *pro forma* LGIP, we find the variation is justified because the $500,000 amount reflects historically high network upgrade costs in ISO-NE.[254] However, we find that Filing Parties have not adopted certain language in *pro forma* LGIP section 3.4.2 and have not explained their deviation from the *pro forma*. Therefore, we direct Filing Parties to submit a compliance filing within 60 days of the date of this order to adopt the *pro forma* LGIP section 3.4.2 language that a commercial readiness deposit may be in an "other form of security reasonably acceptable to Transmission Provider" or justify the proposal under the independent entity variation standard.

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[249] *Id.* at 4 (citing *N.Y. Indep. Sys. Operator, Inc.*, 104 FERC ¶ 61,311, at PP 1, 54-58 (2003)).

[250] *Id.* at 5.

[251] ISO-NE August 7 Answer at 3.

[252] *Id.* at 4.

[253] Order No. 2023, 184 FERC ¶ 61,054 at P 703.

[254] ISO-NE June 20 Answer at 12.

153. We find that Filing Parties have met the independent entity variation standard with respect to Filing Parties' proposal to not accept surety bonds for study deposits and commercial readiness deposits during the transition process. Order Nos. 2023 and 2023-A required transmission providers to accept letters of credit and surety bonds for certain commercial readiness deposits and deposits required prior to the transitional serial study and transitional cluster study. However, we are persuaded by Filing Parties' assertions that additional time from the issuance of Order No. 2023-A is necessary for ISO-NE to develop the processes and systems necessary to accept surety bonds during the transition period in the New England region and, accordingly, find that Filing Parties have met their burden to demonstrate that their requested independent entity variation is just and reasonable and accomplishes the purposes of Order Nos. 2023 and 2023-A. We find that Filing Parties' proposal will help prevent delays in the transition process and allow interconnection customers to interconnect in a timely manner. We note that the exclusion of surety bonds as an acceptable form of financial security is limited to the transition period and until Filing Parties develop the necessary processes and systems to accept them. We therefore direct Filing Parties to submit a compliance filing within 60 days of the date of this order to specify when ISO-NE will complete development of those processes and systems and start accepting surety bonds for study deposits and commercial readiness deposits.

i. LGIA Deposit

154. In Order No. 2023, the Commission added the new term "LGIA deposit" to section 1 of the *pro forma* LGIP and article 1 of the *pro forma* LGIA and revised section 11.3 of the *pro forma* LGIP to require an interconnection customer to submit a deposit when executing the LGIA, or requesting the filing of an unexecuted LGIA, that will increase the total commercial readiness deposit paid to be equal to 20% of the estimated network upgrade costs identified in the LGIA (excluding the study deposit and site control deposit submitted when an interconnection customer faces a regulatory limitation).[255] Additionally, the Commission revised section 11.3 of the *pro forma* LGIP to require that an interconnection customer submit the LGIA deposit when returning the executed LGIA to the transmission provider, or within 10 business days of the interconnection customer requesting that the LGIA be filed unexecuted at the Commission.

155. The Commission also revised the *pro forma* LGIP and *pro forma* LGIA to treat the LGIA deposit as part of the security the interconnection customer must provide for the construction of network upgrades and transmission provider's interconnection

[255] Order No. 2023, 184 FERC ¶ 61,054 at P 714; *see pro forma* LGIP §§ 1, 11.3; *see also pro forma* LGIA art. 1.

facilities.[256] Finally, the Commission revised article 11.5 (Provision of Security) of the *pro forma* LGIA to require the transmission provider to draft Appendix B of the interconnection customer's LGIA to clearly explain and estimate at which point of construction the interconnection customer's LGIA deposit will be depleted, and the interconnection customer must provide additional financial security.[257]

i. Compliance Filing

156. Filing Parties propose revisions to ISO-NE LGIP sections 1 (Definitions) and 11.3.1.1 (Site Control and LGIA Deposit) and ISO-NE *pro forma* LGIA article 1 to incorporate the Commission's *pro forma* LGIA deposit provisions adopted in Order Nos. 2023 and 2023-A.[258] Filing Parties do not adopt the proposed revisions to article 11.5 (Provision of Security) of the *pro forma* LGIA.

ii. Commission Determination

157. We find that Filing Parties' proposed revisions concerning the LGIA deposit partially comply with the requirements of Order Nos. 2023 and 2023-A. Specifically, we accept Filing Parties' proposed revisions to ISO-NE LGIP sections 1 and 11.3, and ISO-NE LGIA article 1 because Filing Parties adopt the Commission's *pro forma* LGIP provisions.

158. However, Filing Parties, without justification, do not adopt the full article 11.5 of the *pro forma* LGIA. For example, Filing Parties do not adopt the *pro forma* language that states "Transmission Provider must use the LGIA Deposit required in Section 11.3 of the LGIP before requiring Interconnection Customer to submit security in addition to that LGIA Deposit." Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that adopts all of article 11.5 of the *pro forma* LGIA or justify the proposal under the independent entity variation standard.

[256] Order No. 2023, 184 FERC ¶ 61,054 at P 717; *see pro forma* LGIP § 11.3; *see also pro forma* LGIA art. 11.5.

[257] Order No. 2023, 184 FERC ¶ 61,054 at P 693; *see pro forma* LGIA art. 11.5.

[258] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), LGIA Deposit, 11.3.1.1 (Site Control and LGIA Deposit); *id.*, app. 11, arts. 1 (Definitions), LGIA Deposit, 11.5 (Provision of Security).

j. Withdrawal Penalties

159. In Order No. 2023, the Commission added the term "withdrawal penalty" to section 1 of the *pro forma* LGIP and article 1 of the *pro forma* LGIA.[259] The Commission revised section 3.7 (Withdrawal) of the *pro forma* LGIP and added sections 3.7.1 (Withdrawal Penalty), 3.7.1.1 (Calculation of the Withdrawal Penalty), and 3.7.1.2 (Distribution of the Withdrawal Penalty) related to withdrawal penalties to the *pro forma* LGIP.[260] The Commission required transmission providers to apply withdrawal penalties to an interconnection customer if: (1) the interconnection customer withdraws its interconnection request at any point in the interconnection process; (2) the interconnection customer's interconnection request has been deemed withdrawn by the transmission provider at any point in the interconnection process; or (3) the interconnection customer's generating facility does not reach commercial operation (such as when an interconnection customer's LGIA is terminated prior to reaching commercial operation).[261]

160. However, a withdrawal penalty must only be assessed if the withdrawal has a material impact on the cost or timing of any interconnection request with an equal or lower queue position. The Commission stated that the interconnection customer will also be exempt from paying a withdrawal penalty if: (1) the interconnection customer withdraws its interconnection request after receiving the most recent cluster study report and the network upgrade costs assigned to the interconnection customer's request have increased 25% compared to the previous cluster study report; or (2) the interconnection customer withdraws its interconnection request after receiving the individual facilities study report and the network upgrade costs assigned to the interconnection customer's request have increased by more than 100% compared to costs identified in the cluster study report.[262]

161. The Commission added *pro forma* LGIP section 3.7.1.1 to require a transmission provider to assess a withdrawal penalty on an interconnection customer with a proposed generating facility that does not reach commercial operation based either on the actual study costs or on a percentage of the interconnection customer's assigned network upgrade costs, depending on in which phase the interconnection customer withdraws its

[259] Order No. 2023, 184 FERC ¶ 61,054 at P 780; *see pro forma* LGIP § 1; *see also pro forma* LGIA art. 1.

[260] Order No. 2023, 184 FERC ¶ 61,054 at P 780; *see pro forma* LGIP §§ 3.7, 3.7.1, 3.7.1.1, 3.7.1.2.

[261] Order No. 2023, 184 FERC ¶ 61,054 at P 783.

[262] *Id.* P 784.

interconnection request.[263] Thus, the withdrawal penalty for an interconnection customer will be calculated as the greater of the study deposit or: (1) two times the study cost if the interconnection customer withdraws during the cluster study or after receipt of a cluster study report; (2) 5% of the interconnection customer's identified network upgrade costs if the interconnection customer withdraws during the cluster restudy or after receipt of any applicable restudy reports; (3) 10% of the interconnection customer's identified network upgrade costs if the interconnection customer withdraws during the facilities study, after receipt of the individual facilities study report, or after receipt of the draft LGIA; or (4) 20% of the interconnection customer's identified network upgrade costs if, after executing, or requesting to file unexecuted, the LGIA, the interconnection customer's LGIA is terminated before its generating facility achieves commercial operation.

162. The Commission also added *pro forma* LGIP section 3.7.1.2 to require a transmission provider to use the withdrawal penalty funds as follows: (1) to fund studies and restudies in the same cluster; (2) if withdrawal penalty funds remain, to offset net increases in costs borne by other remaining interconnection customers from the same cluster for network upgrades shared by both the withdrawing and non-withdrawing interconnection customers prior to the withdrawal; and (3) if any withdrawal penalty funds remain, they will be returned to the withdrawing interconnection customer.[264]

163. In Order No. 2023-A, the Commission modified *pro forma* LGIP section 3.7.1.2.1 (Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster) to clarify that withdrawal penalties dispersed to remaining interconnection customers cannot exceed the total amount of withdrawal penalties collected from the cluster.[265] The Commission also revised *pro forma* LGIP section 3.7.1 to state that there will be no withdrawal penalty assessed if the withdrawal does not have a material impact on any interconnection request in the same cluster, as well as to add clarifying edits to reference cluster restudies.[266] The Commission modified *pro forma* LGIP section

[263] *Id.* P 791; *see pro forma* LGIP § 3.7.1.

[264] Order No. 2023, 184 FERC ¶ 61,054 at P 798; *see pro forma* LGIP § 3.7.1.2.

[265] Order No. 2023-A, 186 FERC ¶ 61,199 at P 231; *see pro forma* LGIP § 3.7.1.2.1.

[266] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 233, 243; *see pro forma* LGIP §§ 3.7.1, 3.7.1.1(a).

3.7.1.2.1 to clarify that the interconnection studies referenced in that section include cluster restudies and interconnection facilities studies.[267]

164. Finally, the Commission defined "transitional withdrawal penalty" in *pro forma* LGIP section 1 and modified *pro forma* LGIP sections 5.1.1, 5.1.1.1, and 5.1.1.2 to reference the transitional withdrawal penalty.[268]

i. Compliance Filing

165. Filing Parties propose revisions to sections 1, 3.7, 3.7.1, 3.7.1.1, 3.7.1.2, 5.1.1, 5.1.1.1, and 5.1.1.2 of the ISO-NE LGIP and article 1 of the ISO-NE *pro forma* LGIA to incorporate the Commission's *pro forma* revisions related to withdrawal penalties adopted in Order Nos. 2023 and 2023-A.[269]

ii. Commission Determination

166. We find that Filing Parties' proposed revisions regarding withdrawal penalties comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties adopt the Commission's *pro forma* tariff revisions without modification.

k. Transition Process

167. In Order No. 2023, the Commission established a transition process from a first-come, first-served serial study process to the first-ready, first-served cluster study process in *pro forma* LGIP section 5 (Procedures for Interconnection Requests Submitted Prior to Effective Date of the Cluster Study Revisions).[270] The Commission required transmission providers to offer existing interconnection customers up to three transition options, depending on which phase of the serial study process their interconnection requests are in: (1) a transitional serial study, (2) a transitional cluster study, and (3)

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[267] Order No. 2023-A, 186 FERC ¶ 61,199 at P 237; *see pro forma* LGIP § 3.7.1.2.1.

[268] Order No. 2023-A, 186 FERC ¶ 61,199 at P 240; *see pr forma* LGIP §§ 1, 5.1.1, 5.1.1.1, 5.1.1.2.

[269] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), Transitional Withdrawal Penalty, Withdrawal Penalty, 3.7 (Withdrawal), 3.7.1 (Withdrawal Penalty), 3.7.1.1 (Calculation of the Withdrawal Penalty), 3.7.1.2 (Distribution of the Withdrawal Penalty), 5.1.1, 5.1.1.1 (Transitional Serial Study), 5.1.1.2 (Transitional Cluster Study); *id.*, app. 11, art. 1 (Definitions), Withdrawal Penalty.

[270] Order No. 2023, 184 FERC ¶ 61,054 at P 855; *see pro forma* LGIP §§ 1, 5.

withdrawal from the interconnection queue without penalty.[271] The Commission added several new terms related to the transition process to the *pro forma* LGIP, as well as a *pro forma* transitional cluster study agreement in new Appendix 7 (Transitional Cluster Study Agreement) of the *pro forma* LGIP and a *pro forma* Transitional Serial Interconnection Facilities Study Agreement in new Appendix 8 (Transitional Serial Interconnection Facilities Study Agreement) of the *pro forma* LGIP.[272]

168. The Commission required transmission providers to offer the transitional serial study option to interconnection customers that have been tendered a facilities study agreement, even if they have not yet executed the agreement, as of 30 calendar days after the filing date of the transmission provider's initial filing to comply with Order No. 2023.[273] Similarly, the Commission required transmission providers to offer the transitional cluster study option to interconnection customers with an assigned queue position as of 30 calendar days after the filing date of the transmission provider's initial filing to comply with Order No. 2023. The Commission required the transmission provider to include the filing date for its compliance in *pro forma* LGIP sections 5.1.1, 5.1.1.1, and 5.1.1.2.[274]

169. The Commission also required the transmission provider to tender the appropriate transitional study agreements to eligible interconnection customers no later than the Commission-approved effective date of the transmission provider's compliance filing with Order No. 2023.[275] The Commission adopted a deadline—60 calendar days after the Commission-approved effective date—for an interconnection customer to either exit the queue without penalty or choose a transition option and meet the relevant site control and deposit requirements.[276] Furthermore, the Commission clarified that transmission providers that have already adopted a cluster study process or are currently undergoing a

[271] Order No. 2023, 184 FERC ¶ 61,054 at P 855; *see pro forma* LGIP § 5.1.1.

[272] *See pro forma* LGIP § 1, apps. 7, 8.

[273] Order No. 2023, 184 FERC ¶ 61,054 at P 855; *see pro forma* LGIP §§ 5.1.1.1, 5.1.1.2.

[274] *See pro forma* LGIP §§ 5.1.1, 5.1.1.1, 5.1.1.2.

[275] Order No. 2023, 184 FERC ¶ 61,054 at P 867.

[276] *Id.* P 864; *see pro forma* LGIP §§ 5.1.1, 5.1.1.1, 5.1.1.2.

transition to a cluster study process will not be required to implement a new transition process.[277]

170. The Commission also adopted transition process deposits, withdrawal penalties, and deadlines.[278] The Commission required that: (1) interconnection customers electing the transitional serial study must provide a deposit equal to 100% of the interconnection facility and network upgrade costs allocated to the interconnection customer in the system impact study; and (2) interconnection customers electing the transitional cluster study must provide a deposit equal to $5 million.[279]

171. In Order No. 2023-A, the Commission added definitions to the *pro forma* LGIP for the terms "transitional cluster study agreement" and "transitional serial interconnection facilities study agreement."[280] The Commission clarified that withdrawals occurring after the 60-day deadline will be subject to the new withdrawal penalties, with certain exceptions. To reflect these clarifications, the Commission also added new *pro forma* LGIP section 5.1.2 (Transmission Providers with Existing Cluster Study Processes or Currently in Transition) establishing that interconnection customers in the queue of a transmission provider not conducting a transition process under *pro forma* LGIP section 5.1.1 must comply with the new readiness requirements proposed by the transmission provider within 60 days of the Commission-approved effective date of the transmission provider's compliance filing.[281]

i. Compliance Filing

172. Filing Parties propose revisions to ISO-NE LGIP sections 1, 5, 5.1.1, 5.1.1.1, and 5.1.1.2, and Appendices 5 and 6 to incorporate the framework for the transition process adopted in Order Nos. 2023 and 2023-A, except to fill in the bracketed language regarding the filing date.[282]

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[277] Order No. 2023, 184 FERC ¶ 61,054 at P 861.

[278] *Id.* P 855.

[279] *Id.* P 859.

[280] Order No. 2023-A, 186 FERC ¶ 61,199 at P 263; *see pro forma* LGIP § 1.

[281] Order No. 2023-A, 186 FERC ¶ 61,199 at P 75; *see pro forma* LGIP § 5.1.2.

[282] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), Transitional Cluster Study, Transitional Cluster Study Agreement, Transitional Cluster Study Report, Transitional Serial Interconnection Facilities Study, Transitional Serial Interconnection Facilities Study Agreement, Transitional Serial Interconnection Facilities Study Report,

173. Filing Parties state that, to comply with Order No. 2023, Filing Parties propose to adopt the transition process set forth in Order No. 2023 in full, including Transitional Serial Facilities Studies and a transitional cluster study, with limited deviations, primarily to incorporate ISO-NE Tariff terminology and service constructs.[283] Filing Parties state that, in addition to adopting the required transition process, Filing Parties also request an independent entity variation to offer interconnection customers additional processes to: (1) account for ISO-NE's current disaggregation of the CNRIS FCM-related milestones from the interconnection study process; (2) ensure that late stage projects are not harmed by the transition; and (3) allow for the ongoing CETU regional planning study, Cluster Interconnection System Impact Study, and/or Cluster Interconnection Facilities Study under the existing clustering constructs to be included in the transition process, including the addition of distribution level studies in the base case for the transitional cluster study.[284]

174. Filing Parties explain that the Compliance Filing revisions also incorporate a new ISO-NE LGIP section 5.1.1.3 to provide for the conduct of a Transitional CNR Group Study, given the transition process's disruption to the current means by which interconnection customers achieve CNRIS through ISO-NE's capacity market and the need to reintegrate this into the interconnection study process.[285] The proposed ISO-NE LGIP section 5.1.1.3 provides for ISO-NE to perform the Transitional CNR Group Study prior to the start of the transitional cluster study to evaluate the capacity deliverability of any generating facility for which the interconnection customers have: (1) a valid request for CNRIS; (2) not previously secured a capacity supply obligation; and (3) an expected commercial operation date on or before June 1, 2028.[286] Filing Parties explain that ISO-NE will perform the Transitional CNR Group Study in the same manner as the current CNR Group Study, which, as discussed above, will be replaced with the cluster study for resources subject to the ISO-NE interconnection procedures going forward, and any interconnection requests that are identified as not requiring any capacity deliverability-related upgrades will be eligible to receive CNRIS at the level of capacity network

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5 (Procedures for Transition), 5.1.1, 5.1.1.1 (Transitional Serial Study), 5.1.1.2 (Transitional Cluster Study), 5.1.1.3 (Transitional CNR Group Study); *id.*, app. 5 (Transitional Cluster Study Agreement); *id.*, app. 6 (Transitional Serial Interconnection Facilities Study Agreement).

[283] Compliance Filing Transmittal at 57.

[284] *Id.* at 58.

[285] Proposed Tariff, § II, Schedule 22 (24.0.0), § 5.1.1.3 (Transitional CNR Group Study).

[286] Compliance Filing Transmittal at 58.

resource capability studied. Filing Parties add that interconnection requests that qualify under this process will be required to elect critical path schedule monitoring under the existing section III.13 of the Tariff, and submit a deposit of $1,000,000, as indicia of viability, which will be refunded upon the generating facility reaching commercial operation. Filing Parties explain that, if the generating facility does not reach commercial operation, ISO-NE will refund the deposit minus any required withdrawal penalty under ISO-NE LGIP section 3.7, consistent with the treatment of other interconnection requests.[287]

175. Filing Parties also propose to allow for ISO-NE to complete additional late-stage system impact studies before the Transition Process commences. Specifically, Filing Parties propose to provide in ISO-NE LGIP section 5.1.1.2 that, for interconnection requests with assigned queue positions as of 30 calendar days after May 14, 2024, and for which system impact studies are projected to be completed between June 13, 2024, and August 30, 2024, ISO-NE will tender the interconnection customer a transitional cluster study agreement. Filing Parties state that, however, if ISO-NE completes the system impact study and the interconnection customer accepts it by August 30, 2024, the interconnection request would no longer proceed to the transitional cluster study. Filing Parties explain that, instead, the interconnection customer will be tendered an interconnection agreement pursuant to section 11 of the ISO-NE LGIP and will be refunded any deposits, if any deposits had been submitted by that time, associated with participation in the transitional cluster study.[288]

176. Regarding its proposal to continue ongoing cluster studies, Filing Parties note that in Order No. 2023, the Commission states that it "recognize[s] that many transmission providers have adopted or are in the process of adopting similar reforms to those adopted in this final rule," and that it did "not intend to disrupt these ongoing transition processes or stifle further innovation."[289] Consistent with this guidance, Filing Parties propose certain deviations in order to include the following ongoing studies under the existing clustering provisions in the transition: the Third Maine CETU Regional Planning Study and the Second Cape Cod Cluster System Impact Study. Filing Parties propose to revise ISO-NE LGIP section 4.2.4 to provide that, for any cluster system impact study completed prior to the eligibility date, any interconnection requests that seek to continue in the queue would continue through the current Cluster Interconnection Facilities Study process and would be required to submit an additional deposit as they would under the current rules. Filing Parties explain that this is consistent with the treatment for non-

[287] *Id.* at 58-59.

[288] *Id.* at 59.

[289] *Id.* at 60 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1765).

CETU enabled interconnection requests with a completed system impact study prior to August 30, 2024, which will be eligible for Transitional Interconnection Facilities Studies, and required to submit commercial readiness deposits. Filing Parties also propose to revise ISO-NE LGIP section 4.3.2.1.1 to provide that, for any CETU regional planning study completed prior to the eligibility date, any interconnection requests that seek to continue in the queue, together with their enabling CETU, would be required to enter the transitional cluster study, but continue to submit the deposits required under the current clustering rules.[290]

177. Filing Parties also propose an addition to ISO-NE LGIP section 4.1.1 to establish that the base case for the transitional cluster study will include distributed energy resources that are part of an affected system operator study, provided that the affected system operator study received approval from ISO-NE under ISO-NE LGIP section I.3.9 within 90 calendar days of the start of the cluster study (or transitional cluster study).[291] Filing Parties state that this change is necessary to account for ongoing state interconnection studies and to avoid undue delay for projects subject to those studies being able to move forward in concert with the transitional cluster study.[292]

178. Finally, without explanation, Filing Parties propose a deviation in ISO-NE LGIP sections 5.1.1 and 5.1.1.1 to add "without further opportunity to cure" to the sentence providing that any interconnection customer that fails to meet the transition process entry requirements shall have its interconnection request deemed withdrawn by System Operator pursuant to ISO-NE LGIP section 3.7.

ii. Comments

179. Several parties support Filing Parties' proposed deviation that would allow ISO-NE to continue studying late-stage serial system impact studies that can be completed

[290] *Id.*

[291] Filing Parties explain that, in New England, all requests to interconnect to distribution facilities are subject to the applicable state interconnection process. ISO-NE states that affected system operator studies are studies performed under the state jurisdictional interconnection processes that require coordination with ISO-NE's interconnection queue. ISO-NE states that it serves as the affected party to affected system operator studies and helps to coordinate these projects' approval through section I.3.9 of the Tariff. ISO-NE states that as part of its implementation efforts related to Order No. 2023, ISO-NE has already begun outreach to distribution utilities and distributed energy resource developers about the impact of the Order No. 2023 changes and the implications for affected system operator studies. *Id.* at 61 n.166.

[292] *Id.* at 61.

prior to August 30, 2024.[293] New Leaf states that completing these "nearly finished" serial studies will prevent these projects from having to enter into the Transitional Cluster, which will reduce duplicative study work and reduce the volume of projects that need to be studied in the transition.[294] New Leaf contends that this process will not cause any delay to the timely commencement of the transitional cluster.[295] Clean Energy Associations contend that allowing system impact study evaluation to continue for certain late-stage projects is an important effort by ISO-NE to preserve the ability of these projects to move through the interconnection queue without delay.[296] Clean Energy Associations assert that the benefits of moving these projects through the interconnection queue include: (1) ISO-NE will experience a reduction in later study efforts for ISO-NE staff by minimizing the number of projects entering the transitional cluster, allowing for a more timely, successful transition; (2) allowing these projects to continue forward can prevent interconnection customers from having to invest resources in transitioning them to a later cluster after already investing significantly to reach this late stage of the process; and (3) enabling these projects to come online more quickly to meet regional resource adequacy needs and state clean energy objectives.[297]

180. RENEW supports the proposed revisions that allow certain late-stage interconnection customers to establish CNRIS through an expanded interim reconfiguration auction qualification process.[298] RENEW contends that the transition proposal meets the intent of Order No. 2023 of an efficient transition process for achieving the capacity portion of late-stage interconnection requests and is just and reasonable because it "provides late stage projects, which have substantially completed the process and do not require deliverability upgrades to participate in FCM activities on the same schedule as energy market activities."[299] Clean Energy Associations also state that preserving the termination of capacity network resource capability under FCM rules will maintain settled operating and investment expectations by enabling these transitional

[293] RENEW Comments at 8; New Leaf Comments at 5; Clean Energy Comments at 15.

[294] New Leaf Comments at 5.

[295] *Id.*

[296] Clean Energy Associations Comments at 15.

[297] *Id.* at 16.

[298] RENEW Comments at 3-4.

[299] *Id.* at 4-5 (citing Compliance Filing Transmittal at 59).

projects to operate under the risks which they were already willing to accept at the time they submitted their interconnection requests.[300]

iii. Commission Determination

181. We find that Filing Parties' proposed transition process revisions partially comply with the requirements of Order Nos. 2023 and 2023-A. We find that, as discussed further below, Filing Parties largely adopt the transition process set forth in Order Nos. 2023 and 2023-A. We further find that Filing Parties' requested independent entity variations meet the Commission's independent entity variation standard. However, we direct further compliance with respect to one unexplained deviation, as described below.

182. Specifically, we find that Filing Parties' proposed deviations to ISO-NE LGIP section 5 meet the Commission's independent entity variation standard. First, we accept Filing Parties' proposal to incorporate a new ISO-NE LGIP section 5.1.1.3 to provide for the conduct of a Transitional CNR Group Study. The addition of the Transitional CNR Group Study is just and reasonable and not unduly discriminatory or preferential because it provides for late-stage projects, which have substantially completed the process and do not require deliverability upgrades, to participate in the FCM activities on the same schedule as energy market activities. We find that Filing Parties' proposal accomplishes the purposes of Order Nos. 2023 and 2023-A because it "appropriately balances the need to move expeditiously to the new cluster study process with the need to respect the investments and expectations of interconnection customers at an advanced stage in the existing interconnection process."[301]

183. Similarly, we find that Filing Parties' proposal to allow for ISO-NE to complete additional late-stage system impact studies before the transition process commences meets the independent entity variation standard. We find that Filing Parties' proposed revisions to ISO-NE LGIP section 5.1.1.2 are just and reasonable because they will introduce more efficiencies in the transitional cluster study and ensure that late-stage projects are not forced to restart studies when they are almost complete. We further find that Filing Parties' proposal accomplishes the purposes of Order Nos. 2023 and 2023-A because it "appropriately balances the need to move expeditiously to the new cluster study process with the need to respect the investments and expectations of

[300] Clean Energy Associations Comments at 14-15; New Leaf Comments at 5; Clean Energy Associations Comments at 15.

[301] Order No. 2023, 184 FERC ¶ 61,054 at P 856.

interconnection customers at an advanced stage in the existing interconnection process."[302]

184. We also find that Filing Parties' incorporation of ongoing cluster studies meets the Commission's independent entity variation standard. Specifically, we find that Filing Parties' proposal to include the ongoing studies for the Third Maine CETU Regional Planning Study and the Second Cape Cod Cluster System Impact Study under the existing clustering provisions is just and reasonable, and not unduly discriminatory or preferential, and accomplishes the purposes of Order Nos. 2023 and 2023-A because doing so will prevent these ongoing processes from being disrupted. In Order No. 2023, the Commission stated that it "recognize[s] that many transmission providers have adopted or are in the process of adopting similar reforms to those adopted in this final rule," and that it did "not intend to disrupt these ongoing transition processes or stifle further innovation."[303]

185. With regard to the base case for the transitional cluster study, we find that Filing Parties' proposed deviations meet the independent entity variation standard. Specifically, we find that Filing Parties' deviation is just and reasonable and not unduly discriminatory or preferential because it will account for ongoing state interconnection studies, allow projects subject to those studies to be able to move forward in concert with the transitional cluster study, and ensure state and ISO-NE queues are appropriately coordinated. We also find that Filing Parties' deviation with regard to the base case for the transitional cluster study accomplishes the purposes of Order Nos. 2023 and 2023-A because it provides for a transition process that respects the investments and expectations of customers.[304]

186. Finally, with regard to Filing Parties' unexplained deviation in sections 5.1.1 and 5.1.1.1, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order to remove "without further opportunity to cure" or justify the deviation under the independent entity variation standard.

l. Elimination of Reasonable Efforts

187. In Order No. 2023, the Commission revised sections 2.2 (Comparability), 3.5.4, 7.4, 8.3 (Interconnection Facilities Study Procedures), and Attachment A to Appendix 3 (formerly Appendix 4) of the *pro forma* LGIP to eliminate the reasonable efforts standard for conducting cluster studies, cluster restudies, facilities studies, and affected system

[302] *Id.*

[303] *Id.* P 1765.

[304] Order No. 2023, 184 FERC ¶ 61,054 at P 856.

studies by the tariff-specified deadlines.[305] The Commission added new section 3.9 (Penalties for Failure to Meet Study Deadlines) to the *pro forma* LGIP to implement a structure of study delay penalties.[306] Specifically, delays of cluster studies beyond the tariff-specified deadline will incur a penalty of $1,000 per business day; delays of cluster restudies beyond the tariff-specified deadline will incur a penalty of $2,000 per business day; delays of affected system studies beyond the tariff-specified deadline will incur a penalty of $2,000 per business day; and delays of facilities studies beyond the tariff-specified deadline will incur a penalty of $2,500 per business day. The Commission explained that, among other things, these penalty amounts are intended to incentivize transmission providers to meet study deadlines and that the structure of increasing penalties reflects the progressively greater harm caused by delayed studies at later interconnection stages.[307]

188. The Commission also specified that the study delay penalty regime contains the following safeguards for transmission providers: (1) no study delay penalties will be assessed until the third cluster study cycle (including any transitional cluster study cycle, but not transitional serial studies) after the Commission-approved effective date of the transmission provider's filing in compliance with Order No. 2023; (2) there will be a 10-business day grace period, such that no study delay penalties will be assessed for a study that is delayed by 10 business days or fewer; (3) deadlines may be extended for a particular study by 30 business days by mutual agreement of the transmission provider and all interconnection customers with interconnection requests in the relevant study; (4) study delay penalties will be capped at 100% of the initial study deposits received for all of the interconnection requests in the relevant study; and (5) transmission providers will have the ability to appeal any study delay penalties to the Commission, with the Commission determining whether good cause exists to grant the relief requested on appeal.[308]

189. The Commission further provided the following features to the study delay penalty structure: (1) transmission providers must distribute study delay penalties to interconnection customers in the relevant study that did not withdraw, or were not deemed withdrawn, from the interconnection queue before the missed study deadline on a pro rata per interconnection request basis to offset their study costs; (2) non-RTO/ISO transmission providers and transmission-owning members of RTOs/ISOs may not

[305] *Id.* P 962; *see pro forma* LGIP §§ 2.2, 3.5.4, 7.4, 8.3; *see also pro forma* LGIP, app. 3, attach. A.

[306] Order No. 2023, 184 FERC ¶ 61,054 at P 962; *see pro forma* LGIP § 3.9.

[307] Order No. 2023, 184 FERC ¶ 61,054 at PP 974-978.

[308] *Id.* P 972.

recover study delay penalties through transmission rates; (3) RTOs/ISOs may submit an Federal Power Act (FPA) section 205 filing to propose a default structure for recovering study delay penalties and/or to recover the costs of any specific study delay penalties;[309] and (4) transmission providers must post quarterly on their OASIS or other publicly accessible website (a) the total amount of study delay penalties from the previous reporting quarter and (b) the highest study delay penalty paid to a single interconnection customer in the previous reporting quarter.[310] In Order No. 2023-A, the Commission clarified that study delay penalties would be allocated to interconnection customers on a pro rata basis proportionate to each interconnection customer's final study cost in the relevant study.[311]

i. Compliance Filing

190. Filing Parties propose revisions to ISO-NE LGIP sections 2.2, 3.5.4, 7.4, and 8.3 and add section 3.9 to the ISO-NE LGIP to incorporate the revisions related to the reasonable efforts standard adopted in Order Nos. 2023 and 2023-A, with certain requested independent entity variations.[312]

191. Filing Parties state that they propose to incorporate the shift from the reasonable efforts standard to Tariff-designated deadlines in full, in ISO-NE LGIP section 3.9, including the potential exposure to penalties for both ISO-NE and PTOs in the event that studies are completed after the Tariff-required deadlines.[313]

192. In ISO-NE LGIP section 3.9(1), Filing Parties propose to add that "The responsibilities of System Operator and Interconnecting Transmission Owner in the

[309] The typical standard of review under FPA section 205 would apply to these filings, i.e., the filer must show that any proposal to recover study delay penalties is just, reasonable, and not unduly discriminatory or preferential. *See* 16 U.S.C. § 824d.

[310] Order No. 2023, 184 FERC ¶ 61,054 at P 963.

[311] Order No. 2023-A, 186 FERC ¶ 61,199 at P 439.

[312] ISO-NE, Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 2.2 (Comparability), 3.5.4, 3.9 (Penalties for Failure to Meet Study Deadlines), 7.4 (Cluster Study Procedures), 8.3 (Interconnection Facilities Study Procedures); *id.*, app. 3 (Interconnection Facilities Study Agreement), attach. A (Interconnection Customer Schedule Election for Conducting the Interconnection Facilities Study).

[313] Compliance Filing Transmittal at 62.

conduct of such studies are set forth in the Transmission Operating Agreement and ISO New England Planning Procedures."

193. With respect to the recovery of penalties, Filing Parties state that they intend to make a later FPA section 205 filing to either propose a generic penalty recovery framework or individual filings pursuant to FPA section 205 to recover penalties associated with a particular cluster, should penalties be levied.[314]

194. Filing Parties do not revise ISO-NE LGIP Attachment A to Appendix 3 to eliminate the reasonable efforts standard.

ii. Commission Determination

195. We find that Filing Parties' proposed revisions related to the reasonable efforts standard partially comply with the requirements of Order Nos. 2023 and 2023-A. Specifically, we accept Filing Parties' revisions to ISO-NE LGIP sections 2.2, 3.5.4, 7.4, and 8.3 because Filing Parties adopt the Commission's *pro forma* LGIP provisions without modification.

196. We find that the proposed language in ISO-NE LGIP section 3.9(1), specifying that the responsibilities of the System Operator and Interconnecting Transmission Owner conducting cluster studies, cluster restudies, facilities studies, and affected system studies set forth in the Transmission Operating Agreement is just, reasonable, not unduly discriminatory or preferential, and accomplishes the purposes of Order Nos. 2023 and 2023-A, because the revisions conform the requirements of Order Nos. 2023 and 2023-A to the constructs unique to the ISO-NE Tariff, where ISO-NE and the PTOs are each responsible for conducting certain studies. Order No. 2023 acknowledged that in RTOs/ISOs, transmission-owning members perform certain interconnection studies.[315]

197. However, we find that Filing Parties' proposed revisions to ISO-NE LGIP Attachment A to Appendix 3 do not comply with Order Nos. 2023 and 2023-A because Filing Parties do not follow the Commission's directive to eliminate the reasonable efforts standard. Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days of the date of this order that eliminates the reasonable efforts standard from ISO-NE LGIP Attachment A to Appendix 3 or justify their proposal under the independent entity variation standard.

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[314] *Id.* at 63 n.175.

[315] *See* Order No. 2023, 184 FERC ¶ 61,054 at P 995.

m. Affected System Study Process and Modeling Requirements

198. In Order No. 2023, the Commission adopted an affected system study process and added several related definitions to the *pro forma* LGIP.[316]

199. The Commission revised section 3.6 (Coordination with Affected Systems) and adopted section 3.6.1 (Initial Notification) of the *pro forma* LGIP, which requires the transmission provider to notify the affected system operator within 10 business days of the first instance of an identified potential affected system impact, which may occur at the completion of either the cluster study or the cluster restudy.[317]

200. The Commission also adopted several requirements to establish an affected system process under *pro forma* LGIP section 9 (Affected System Study), which pursuant to *pro forma* LGIP section 9.1 (Applicability) applies to the transmission provider when it is acting as the affected system transmission provider (i.e., when the transmission provider is studying the impacts on its own transmission system of proposed interconnections to other transmission providers' transmission systems).[318] First, the Commission adopted section 9.2 (Response to Initial Notification) of the *pro forma* LGIP, which requires the affected system transmission provider to respond to notification of a potential affected system impact in writing within 20 business days, indicating whether it intends to conduct an affected system study.[319] Section 9.2 also requires that, within 15 business days of the affected system transmission provider's affirmative response of its intent to conduct an affected system study, the affected system transmission provider must share a non-binding good faith estimate of the cost and schedule to complete the affected system study.

201. The Commission next adopted section 9.3 (Affected System Queue Position) of the *pro forma* LGIP.[320] Under section 9.3, the interconnection requests of affected system interconnection customers that have executed an affected system study agreement will be higher-queued than the interconnection requests of those host system interconnection customers that have not yet received their cluster study results, and

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[316] *Id.* PP 1110, 1112; *see pro forma* LGIP § 1.

[317] Order No. 2023, 184 FERC ¶ 61,054 at P 1119; *see pro forma* LGIP §§ 3.6, 3.6.1.

[318] Order No. 2023, 184 FERC ¶ 61,054 at P 1113; *see pro forma* LGIP § 9.1.

[319] Order No. 2023, 184 FERC ¶ 61,054 at P 1120; *see pro forma* LGIP § 9.2.

[320] Order No. 2023, 184 FERC ¶ 61,054 at P 1138; *see pro forma* LGIP § 9.3.

lower-queued than those interconnection customers that have already received their cluster study results. All affected system interconnection requests studied within the same affected system cluster will be equally queued.

202. The Commission next adopted section 9.4 (Affected System Study Agreement/Multiparty Affected System Study Agreement) of the *pro forma* LGIP to require that the transmission provider tender the affected system study agreement within 10 business days of sharing the schedule for the study with the affected system interconnection customers.[321] Section 9.4 also requires the affected system interconnection customer to compensate the affected system transmission provider for the actual costs of the affected system study, and the difference between the affected system study deposit and actual cost of the affected system study will be detailed in an invoice and paid by or refunded to the affected system interconnection customer within 30 calendar days of the receipt of such invoice.[322] An affected system interconnection customer's failure to pay the difference between these amounts will result in loss of that affected system interconnection customer's affected system queue position. Section 9.4 also requires that the affected system transmission provider notify the host transmission provider of the affected system interconnection customer's breach of its obligations under this section, should such breach occur.[323]

203. The Commission next adopted section 9.5 (Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement) of the *pro forma* LGIP, which provides the affected system interconnection customer with 10 business days from the date of receipt of the affected system study agreement to execute and deliver it to the affected system transmission provider.[324] Section 9.5 also provides that, if the affected system interconnection customer does not provide all required technical data when it delivers the affected system study agreement, the affected system transmission provider shall notify the affected system interconnection customer of the deficiency within five business days of the receipt of the affected system study agreement, and the affected system interconnection customer has 10 business days to cure the deficiency after receipt of such notice (provided that the deficiency does not include failure to deliver the executed affected system study agreement or deposit).

204. The Commission next adopted section 9.6 (Scope of Affected System Study) of the *pro forma* LGIP, which requires the affected system study to consider the base case,

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[321] Order No. 2023, 184 FERC ¶ 61,054 at P 1154; *see pro forma* LGIP § 9.4.

[322] Order No. 2023, 184 FERC ¶ 61,054 at P 1157.

[323] *Id.* P 1159.

[324] *Id.* P 1158; *see pro forma* LGIP § 9.5.

as well as all higher-queued generating facilities on the affected system transmission provider's transmission system, and to consist of a power flow, stability, and short circuit analysis.[325] Section 9.6 also requires the affected system study to provide a list of affected system network upgrades that are required because of the affected system interconnection customer's proposed interconnection, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The affected system study may consist of a system impact study, a facilities study, or some combination thereof.

205. The Commission next adopted section 9.7 (Affected System Study Procedures) of the *pro forma* LGIP, which requires clustering of affected system interconnection requests for study purposes where multiple interconnection requests that are part of a single cluster in the host system's cluster study process cause the need for an affected system study.[326] Section 9.7 also requires the affected system transmission provider to complete the affected system study and provide the affected system interconnection customer with affected system study results within 150 calendar days after receipt of the affected system study agreement. Section 9.7 also requires the affected system transmission provider to provide the affected system study report to the host transmission provider at the same time it provides the report to the affected system interconnection customer. The affected system transmission provider must notify the affected system interconnection customer that an affected system study will be late.[327] Lastly, *pro forma* LGIP section 9.7 requires affected system transmission providers to study all affected system interconnection requests using Energy Resource Interconnection Service (ERIS)[328] modeling standards.[329]

206. The Commission added a new section 11.2.1 (Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report) to the *pro forma* LGIP.[330] Under

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[325] Order No. 2023, 184 FERC ¶ 61,054 at P 1160; *see pro forma* LGIP § 9.6.

[326] Order No. 2023, 184 FERC ¶ 61,054 at P 1133; *see pro forma* LGIP § 9.7.

[327] Order No. 2023, 184 FERC ¶ 61,054 at P 1135.

[328] ERIS is an interconnection service that allows the interconnection customer to connect its generating facility to the transmission provider's transmission system to be eligible to deliver the generating facility's electric output using the existing firm or non-firm capacity of the transmission provider's transmission system on an as available basis. ERIS in and of itself does not convey transmission service. *Pro forma* LGIP § 1.

[329] Order No. 2023, 184 FERC ¶ 61,054 at P 1276.

[330] *Id.* P 1123; *see pro forma* LGIP § 11.2.1.

this section, if the interconnection customer does not receive its affected system study results before the deadline in its host system for LGIA execution, or the deadline to request that the LGIA be filed unexecuted, the host transmission provider must, at the interconnection customer's request, delay the deadline for the interconnection customer to finalize its LGIA. The interconnection customer will have 30 calendar days after receipt of the affected system study report to execute the LGIA, or request that the LGIA be filed unexecuted. Additionally, if the interconnection customer prefers to proceed to the execution of its LGIA, or request that the LGIA be filed unexecuted, before it has received its affected system study results, it may notify the host transmission provider of its intent to proceed with the execution of the LGIA, or request that the LGIA be filed unexecuted.[331] If the host transmission provider determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued interconnection customer, the transmission provider must notify the relevant interconnection customer of such impact and establish that the new deadline is 30 calendar days after such notice is provided.

207. The Commission adopted section 9.8 (Meeting with Transmission Provider) of the *pro forma* LGIP, which requires the affected system transmission provider and the affected system interconnection customer to meet within 10 business days of the affected system transmission provider tendering the affected system study report to the affected system interconnection customer.[332]

208. The Commission adopted section 9.9 (Affected System Cost Allocation) of the *pro forma* LGIP, which requires the allocation of affected system network upgrade costs using a proportional impact method in accordance with *pro forma* LGIP section 4.2.1(1)(b).[333]

209. The Commission adopted section 9.10 (Tender of Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement) of the *pro forma* LGIP.[334] Under section 9.10, an affected system transmission provider must tender an affected system facilities construction agreement to the affected system interconnection customer within 30 calendar days of providing the affected system study report. The affected system transmission provider must provide 10 business days after receipt of the affected system facilities construction agreement for the affected system

[331] Order No. 2023, 184 FERC ¶ 61,054 at P 1124.

[332] *Id.* P 1169; *see pro forma* LGIP § 9.8.

[333] Order No. 2023, 184 FERC ¶ 61,054 at P 1149; *see pro forma* LGIP § 9.9.

[334] Order No. 2023, 184 FERC ¶ 61,054 at P 1165; *see pro forma* LGIP § 9.10.

interconnection customer to execute the agreement or have the affected system transmission provider file it unexecuted with the Commission.

210. The Commission adopted section 9.11 (Restudy) of the *pro forma* LGIP to include a maximum 60-calendar day restudy period for any affected system restudies.[335] Section 9.11 also adopts a 30-calendar day notification requirement for the affected system transmission provider to notify the affected system interconnection customer of the need for affected system restudy upon discovery of such need.[336]

211. In Order No. 2023-A, the Commission clarified that an affected system transmission provider may pause an affected system study that is planned or in progress if the relevant host transmission provider decides to conduct a cluster restudy. The Commission added *pro forma* LGIP: (1) section 3.6.2 (Notification of Cluster Restudy) to require the host transmission provider to notify any relevant affected system operators of a cluster restudy at the same time it notifies the interconnection customers in the cluster restudy; and (2) section 3.6.3 (Notification of Cluster Restudy Completion) to require the host transmission provider to notify the affected system operator of the completion of the cluster restudy and of a potential affected system impact caused by an interconnection request within 10 business days of the completion of the cluster restudy.[337]

212. The Commission also added *pro forma* LGIP section 9.2.2 (Response to Notification of Cluster Restudy) to allow the affected system transmission provider five business days from receiving notification of the cluster restudy to send a written notification to the relevant affected system interconnection customers and the host transmission provider if it intends to delay commencement or completion of a planned or in-progress affected system study until after the completion of the cluster restudy.[338] The Commission revised *pro forma* LGIP section 9.5 to remove the requirement for an affected system interconnection customer to execute and return its previously received affected system study agreement and submit its affected system study deposit if the

[335] Order No. 2023, 184 FERC ¶ 61,054 at P 1170; *see pro forma* LGIP § 9.11.

[336] Order No. 2023, 184 FERC ¶ 61,054 at P 1171.

[337] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 498, 500; *see pro forma* LGIP §§ 3.6.2, 3.6.3.

[338] Order No. 2023-A, 186 FERC ¶ 61,199 at P 498; *see pro forma* LGIP § 9.2.2.

affected system transmission provider decides to delay the affected system study, pursuant to *pro forma* LGIP section 9.2.2.[339]

i. Compliance Filing

213. Filing Parties propose revisions to ISO-NE LGIP sections 1, 3.6A, 3.6A.1, 3.6A.2, 3.6A.3, 9, 9.1, 9.2, 9.2.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 9.11, and 11.2.1 that incorporate the *pro forma* revisions related to the affected system study process that the Commission adopted in Order Nos. 2023 and 2023-A.[340]

214. Filing Parties state that the requirements for affected systems are reflected in new ISO-NE LGIP section 3.6A, as well as in the Attachments to the ISO-NE LGIP.[341] Filing Parties state that they propose to adopt the new affected systems rules with limited ministerial deviations to account for the division of responsibilities between ISO-NE and PTOs.

215. Regarding affected systems outside of the New England Control Area, Filing Parties propose new ISO-NE LGIP section 3.6A. Filing Parties state that ISO-NE will coordinate the conduct of any studies required to determine the impact of the interconnection request on affected systems outside of the New England Control Area with affected system operators. Filing Parties state that interconnection customer will

[339] Order No. 2023-A, 186 FERC ¶ 61,199 at P 499; *see pro forma* LGIP § 9.5.

[340] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 1 (Definitions), Affected System Facilities Construction Agreement, Affected System Interconnection Customer, Affected System Network Upgrades, Affected System Queue Position, Affected System Study, Affected System Study Agreement, Affected System Study Report, Multiparty Affected System Facilities Construction Agreement, Multiparty Affected System Study Agreement, 3.6A (Coordination with Affected Systems Outside of the New England Control Area), 3.6A.1 (Initial Notification), 3.6A.2 (Notification of Cluster Restudy), 3.6A.3 (Notification of Cluster Restudy Completion), 9 (Affected System Study), 9.1 (Applicability), 9.2.1 (Response to Initial Notification), 9.2.2 (Response to Notification of Cluster Restudy), 9.3 (Affected System Queue Position), 9.4 (Affected System Study Agreement/Multiparty Affected System Study Agreement), 9.5 (Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement), 9.6 (Scope of Affected System Study), 9.7 (Affected System Study Procedures), 9.8 (Results Meeting), 9.9 (Affected System Cost Allocation), 9.10 (Tender of Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement), 9.11 (Restudy), 11.2.1 (Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report).

[341] Compliance Filing Transmittal at 64.

cooperate with ISO-NE and the affected system operator in all matters related to the conduct of studies and the determination of modifications to affected systems outside of the New England Control Area. Filing Parties state that an interconnecting transmission owner in the New England Control Area whose system may be impacted by a proposed interconnection on an affected system outside of the New England Control Area shall cooperate with ISO-NE and the affected system to whom a proposed interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to interconnecting transmission owner's portion of the New England transmission system.[342]

216. Finally, without explanation, Filing Parties propose in the second to last sentence in the final paragraph of ISO-NE LGIP section 9.6 that the affected system study, rather than the affected system study *report*, will provide a list of required facilities that are required as a result of affected system interconnection customer's interconnection.

ii. Commission Determination

217. We find that Filing Parties' proposed affected system study process and modeling revisions partially comply with the requirements of Order No. 2023 related to affected systems outside of the New England Control Area. Specifically, we find that Filing Parties' revisions to ISO-NE LGIP sections 1, 3.6A, 3.6A.1, 3.6A.2, 3.6A.3, 9, 9.1, 9.2, 9.2.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 9.10, 9.11, and 11.2.1 comply with the requirements of Order No. 2023 because they adopt the new affected systems rules that are related to affected systems outside of the New England Control Area with limited ministerial deviations to account for the division of responsibilities between ISO-NE and the PTOs.

218. However, we note that Filing Parties omit the word "report" from the second to last sentence in proposed section 9.6 of the ISO-NE LGIP without explanation.[343] Accordingly, we direct Filing Parties to submit a further compliance filing within 60 days

[342] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.6A (Coordination with Affected Systems Outside of the New England Control Area).

[343] Order No. 2023-A adopted the following language as the second to last sentence of the final paragraph in *pro forma* LGIP section 9.6:

> The Affected System Study *Report* shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. (emphasis added).

of the date of this order that corrects the omission of the word "report," or justifies their proposal under the independent entity variation standard.

n. Affected System *Pro Forma* Agreements

219. In Order No. 2023, the Commission adopted several *pro forma* agreements to improve the efficiency and transparency of the interactions among the parties during the affected system study process. The Commission first adopted a *pro forma* affected system study agreement in new Appendix 9 (Two-Party Affected System Study Agreement) of the *pro forma* LGIP and a *pro forma* multiparty affected system study agreement in new Appendix 10 (Multiparty Affected System Study Agreement) of the *pro forma* LGIP.[344] These *pro forma* affected system study agreements stipulate how to study the impact of interconnecting generating facilities on an affected system to identify network upgrades needed to accommodate the interconnection request. The Commission next adopted a *pro forma* affected system facilities construction agreement in new Appendix 11 (Two-Party Affected System Facilities Construction Agreement) of the *pro forma* LGIP and a *pro forma* multiparty affected system facilities construction agreement in new Appendix 12 (Multiparty Affected System Facilities Construction Agreement) of the *pro forma* LGIP.[345] These *pro forma* affected system facilities construction agreements standardize the terms and conditions regarding construction of affected system network upgrades.

220. In Order No. 2023-A, the Commission removed articles 3.1.2.2 (Recommencing of Work) and 3.1.2.3 (Right to Suspend Due to Default) from the Two-Party and Multiparty Affected System Facilities Construction Agreement (*pro forma* LGIP appendices 11 and 12, respectively) to ensure consistency between the *pro forma* affected system facilities construction agreements and the *pro forma* LGIA.[346]

i. Compliance Filing

221. Filing Parties state that they incorporate these rules by adding Appendices 7, 8, 9, and 10 to the ISO-NE LGIP to incorporate the two-party affected system study agreement, multiparty affected system study agreement, two-party affected system facilities construction agreement, and multiparty affected system facilities construction

[344] Order No. 2023, 184 FERC ¶ 61,054 at PP 1171, 1232; *see pro forma* LGIP, apps. 9, 10.

[345] Order No. 2023, 184 FERC ¶ 61,054 at P 1233; *see pro forma* LGIP, apps. 10, 11.

[346] Order No. 2023-A, 186 FERC ¶ 61,199 at P 533; *see pro forma* LGIP, apps. 10, 11.

agreement, respectively, adopted in Order Nos. 2023 and 2023-A.[347] Filing Parties state that each of these appendices were adopted in full from the *pro forma* versions, with limited ministerial deviations to account for the division of responsibilities between ISO-NE and PTOs, limited terminology changes consistent with the ISO-NE Tariff, and the inclusion of necessary miscellaneous terms, consistent with those used in other attachments to the ISO-NE LGIP.[348]

222. Filing Parties propose for Appendices 9 (Two-Party Affected System Facilities Construction Agreement) and 10 (Multi-Party Affected System Facilities Construction Agreement) to provide that the parties to an affected system facilities construction agreement are the interconnecting transmission owner and the affected system interconnection customer(s).

223. Without explanation, Filing Parties omit section 3.2.2 (Repayment) from both their proposed Appendix 9, ISO-NE's Two-Party Affected System Facilities Construction Agreement and their proposed Appendix 10, ISO-NE's Multi-Party Affected System Facilities Construction Agreement.

224. In the first paragraph of Filing Parties' proposed Appendix 10 Multiparty Affected System Facilities Construction Agreement, the agreement states "Interconnecting Transmission Owner Interconnecting Transmission Owner" instead of "Interconnecting Transmission Owner."

ii. Commission Determination

225. We find that Filing Parties' proposed revisions to add Appendices 7, 8, 9, and 10 to the ISO-NE LGIP partially comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties largely adopt the *pro forma* affected system agreements with limited terminology changes consistent with the ISO-NE Tariff, and the inclusion of necessary miscellaneous terms, consistent with those used in other attachments to the ISO-NE LGIP. We find that the inclusion of Filing Parties' proposed miscellaneous terms, which are consistent with those used in other attachments to the ISO-NE LGIP, is compliant with Order Nos. 2023 and 2023-A, because the *pro forma* affected system agreements provide a placeholder wherein such agreements "shall include standard

[347] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ apps. 7 (Two-Party Affected System Study Agreement), 8 (Multi-party Affected System Study Agreement), 9 (Two-Party Affected System Facilities Construction Agreement), 10 (Multi-party Affected System Facilities Construction Agreement).

[348] Compliance Filing Transmittal at 64. While Filing Parties sometimes list appendices 8 to 11 in their Compliance Filing Transmittal, in the proposed ISO-NE LGIP the titles correspond to appendices 7 to 10.

miscellaneous terms . . . which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party."[349]

226. We also grant Filing Parties' requested independent entity variation in Appendices 9 and 10 to provide that the parties to an affected system facilities construction agreement are the interconnecting transmission owner and the affected system interconnection customer(s), and not ISO-NE. We find that this deviation is just, reasonable, and not unduly discriminatory or preferential, because it reflects the divisions of responsibilities in the interconnection process in ISO-NE, where the PTOs, not ISO-NE, are responsible for facilities and upgrades schedules and construction. We find that this deviation accomplishes the purposes of Order Nos. 2023 and 2023-A, because it "reduc[es] delays through improved coordination among relevant parties."[350]

227. However, without explanation, Filing Parties omit section 3.2.2 (Repayment) of the *pro forma* from Appendix 9 and Appendix 10. We therefore direct Filing Parties, within 60 days of the date of this order, to adopt the *pro forma* provisions in sections 3.2.2 of both appendices or justify their proposal under the independent entity variation standard. We also direct Filing Parties to correct "Interconnecting Transmission Owner Interconnecting Transmission Owner" to "Interconnecting Transmission Owner" in the first paragraph of Appendix 10.

o. Co-Located Generating Facilities

228. In Order No. 2023, the Commission revised *pro forma* LGIP section 3.1.2 to require transmission providers to allow more than one generating facility to co-locate on a shared site behind a single point of interconnection and share a single interconnection request.[351] The Commission clarified that interconnection customers have the choice to structure their interconnection requests for co-located generating facilities according to their preference (i.e., as separate interconnection requests or as a shared interconnection request) and that Order No. 2023 does not require interconnection customers to share a single interconnection request for multiple generating facilities located on the same

[349] *See pro forma* LGIP, apps. 9 § 7, 10 § 7, 11 § 11.1, 12 § 11.1.

[350] *See* Order No. 2023, 184 FERC ¶ 61,054 at P 1232. In Order Nos. 2023 and 2023-A, the Commission did not opine on whether, in RTOs/ISOs, the RTO/ISO must be a party to the affected systems facilities construction agreements.

[351] Order No. 2023, 184 FERC ¶ 61,054 at P 1346; *see pro forma* LGIP § 3.1.2 (Submission).

site.[352] The Commission also clarified that co-located generating facilities can be owned by a single interconnection customer with multiple generating facilities sharing a site, or by multiple interconnection customers that have a contract or other agreement that allows for shared land use.[353]

i. Compliance Filing

229. Filing Parties propose revisions to ISO-NE LGIP section 3.1 to incorporate revisions related to co-located generating facilities with shared interconnection requests adopted in Order Nos. 2023 and 2023-A.[354] Filing Parties state that the Tariff already allows for co-located facilities under the existing interconnection procedures, and for interconnection customers to share interconnection facilities.[355] Filing Parties state that they revise the ISO-NE LGIP to adopt the *pro forma* language allowing interconnection customers sharing a generation site to submit a single, combined interconnection request or separate interconnection requests with minor deviations for terminology.[356]

ii. Commission Determination

230. We find that ISO-NE has complied with the co-located generating facilities requirements of Order Nos. 2023 and 2023-A. Specifically, we find that Filing Parties' proposed revisions accomplish the purposes of Order Nos. 2023 and 2023-A because Filing Parties adopt the Commission's *pro forma* LGIP provisions with only limited terminology changes consistent with the ISO-NE Tariff.

p. Revisions to the Modification Process to Require Consideration of Generating Facility Additions

231. In Order No. 2023, the Commission revised section 4.4.3 of the *pro forma* LGIP to require transmission providers to evaluate the proposed addition of a generating facility at the same point of interconnection prior to deeming such an addition a material modification, if the addition does not change the originally requested interconnection

[352] Order No. 2023, 184 FERC ¶ 61,054 at PP 1351-1352.

[353] *Id.* P 1355.

[354] Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.1 (General).

[355] Compliance Filing Transmittal at 65.

[356] *Id.*

service level.[357] The Commission found that automatically deeming a request to add a generating facility to an existing interconnection request to be a material modification without such evaluation creates a significant barrier to access to the transmission system and renders existing interconnection processes unjust and unreasonable.[358]

232. The Commission clarified that interconnection customers may continue to request changes to proposed generating facilities at any time in the interconnection process; however, transmission providers are only required to evaluate whether a request to add a generating facility to an existing interconnection request is material if the request is submitted before the interconnection customer returns the executed facilities study agreement to the transmission provider. Once the executed facilities study agreement is returned, the transmission provider may decide to automatically treat requests to add a generating facility to an existing interconnection request as material modifications without review.[359] The Commission also created an exception from these requirements for transmission providers that employ fuel-based dispatch assumptions.[360]

i. Compliance Filing

233. Filing Parties state that they propose revisions to ISO-NE LGIP section 4.4.3 to incorporate the Commission's revisions to the modifications process to require transmission providers to consider generating facility additions adopted in Order Nos. 2023 and 2023-A.[361] Filing Parties state that they revised the ISO-NE LGIP to adopt the *pro forma* language needed to implement these revisions with minor deviations for terminology.[362]

234. Filing Parties request an independent entity variation related to ISO-NE LGIP section 7.5 to allow interconnection customers to reduce the size of their proposed generating facility between the cluster study and the cluster restudy.[363] Specifically, Filing Parties propose that after the completion of a cluster study (not including the

[357] Order No. 2023, 184 FERC ¶ 61,054 at P 1406; *see pro forma* LGIP § 4.4.3.

[358] Order No. 2023, 184 FERC ¶ 61,054 at P 1407.

[359] *Id.* PP 1409-1410.

[360] *Id.* P 1411.

[361] Proposed ISO-NE, Tariff, § II, Schedule 22 (24.0.0), § 4.4.3 (Modifications).

[362] Compliance Filing Transmittal at 65.

[363] *Id.* at 56.

transitional cluster study), if ISO-NE determines that a cluster restudy is required (because of interconnection request withdrawals), an interconnection customer with an interconnection request remaining in the cluster may request a one-time decrease in the size of the generating facility for the restudy. Filing Parties state that if the cluster study results identified that the interconnection customer is not responsible for any shared network upgrades with another generating facility or Elective Transmission Upgrade proposed in a separate interconnection request included in the cluster, the reduction will not constitute a material modification and the restudy will proceed using the reduced facility size.

235. Filing Parties state that, in Order No. 2023, as clarified by Order No. 2023-A, the Commission declined to require that transmission providers allow for size reductions following the cluster study, but before the cluster restudy. However, Filing Parties submit that this deviation is consistent with Order No. 2023, which allowed, but did not require, transmission providers to allow interconnection customers to reduce the generating facility size between the cluster study and the facilities study.[364] Filing Parties further explain that, because the facilities study is waivable in New England, this stage of the process (i.e., between the cluster study and the cluster restudy) is the appropriate one for an interconnection customer to make such a request. Filing Parties state that, moreover, allowing for the reduction in size under the specified conditions will not adversely impact any other interconnection customer included in the cluster, since there would be no change in the cost or timing for their requests.

ii. Protest/Comment

236. Several parties support Filing Parties' proposal to permit interconnection customers to request a project size reduction where the interconnection customer has no shared upgrade requirement identified in the initial cluster study and where a cluster restudy would be triggered regardless of the reduction.[365] Clean Energy Associations contend that, while the Commission in Order No. 2023 declined to require transmission providers to accept size reductions prior to the cluster restudy without material modification review, Filing Parties' proposal is consistent with the Commission's objective of preventing avoidable project withdrawals.[366] Clean Energy Associations state that allowing modest project size reductions that do not adversely impact other interconnection customers provides beneficial optionality as more information is gained

[364] *Id.* at 57 (citing *pro forma* LGIP § 4.4.1 (Modifications)).

[365] RENEW Comments at 7 (citing Compliance Filing Transmittal at 56); Clean Energy Associations Comments at 10.

[366] Clean Energy Associations Comments at 10-11.

through the interconnection process, helping to avoid disruptive withdrawals and allow more projects to advance through the interconnection process.[367]

237. Clean Energy Associations contend that Filing Parties' proposal also addresses the Commission's concerns that allowing project size reductions could lead to delays in the study process, striking an appropriate balance by providing clear and limited circumstances for size reductions instead of providing a blanket opportunity for all projects to reduce project size during cluster restudy.[368] Clean Energy Associations note that, specifically, Filing Parties' proposal includes two conditions to ensure that project size reduction requests do not constitute material modifications to ensure they will not adversely impact other interconnection customers: (1) the project requesting a size reduction cannot share network upgrades with another interconnection request, and (2) a restudy must already have been deemed necessary. Clean Energy Associations explain that, because non-material modifications do not adversely impact the costs or processing time for other interconnection customers, these conditions sufficiently restrict processing delays by ensuring there is little to no impact on other projects and that the size reduction request is not triggering the need for a restudy and further delay. Additionally, Clean Energy Associations agree with Filing Parties that, because the facilities study is waivable in New England, the *pro forma* option for project size reduction at that stage is more appropriately addressed by Filing Parties' proposed deviation. Clean Energy Associations argue that Filing Parties' proposal should deliver meaningful benefits.

238. BlueWave argues that the proposal should be modified to allow a project developer to reduce the size of its project even when a cluster restudy is not triggered, provided that the project developer agrees to fund the full network upgrade amount identified in the cluster study notwithstanding the project's reduction in size.[369] BlueWave argues that modifying the proposal in this manner would allow downsized projects to remain in the queue without restudy, avoiding the concerns of disruptions and delays for project developers, while at the same time preventing even the possibility of negative impacts on other queue positions.[370] In addition, BlueWave argues that the Commission should require that Filing Parties make explicit in the ISO-NE LGIP that equipment changes or substitutions (e.g., of inverters, transformers, or grounding configuration changes) that do not affect a facility's size, made at any point during the interconnection process, will not be deemed a material modification requiring withdrawal from the interconnection process and resubmittal of an application for interconnection.

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[367] *Id.* at 9.

[368] *Id.* at 11 (citing Order No. 2023-A, 186 FERC ¶ 61,199 at P 144).

[369] BlueWave Protest at 5-6.

[370] BlueWave Protest at 6.

BlueWave contends that such an allowance would recognize the difficulties that developers face in predicting which equipment they will be able to procure in the face of long lead times and supply chain difficulties (and then successfully procuring such equipment on schedule) and acknowledge that such changes do not constitute modifications that have "a material impact on the cost or timing of any interconnection request with an equal or later queue position."[371]

239. In response to BlueWave, ISO-NE notes that Filing Parties' proposal allows for interconnection customers to make a request to reduce the size of a project following the conclusion of a cluster study under the material modification rules contained in ISO-NE LGIP section 4.4.[372] Following this, ISO-NE contends that, to the extent that BlueWave seeks to be able to automatically reduce the size of an interconnection request during the cluster study process, its request is at odds with Order No. 2023-A, which explicitly rejected requests to include in the *pro forma* LGIP provisions allowing interconnection customers to reduce the size of their projects by as much as 60% following the conclusion of a cluster study. ISO-NE argues that BlueWave suggests that a size reduction where an interconnection customer agrees to pay for all network upgrades identified to accommodate the studied project size should be allowed in all circumstances. ISO-NE argues that such an allowance could negatively affect other interconnection customers in a given cluster study despite BlueWave's assertions to the contrary, and it therefore must be evaluated pursuant to the material modification rules. ISO-NE explains that allowing a project the opportunity to reduce its size may require a restudy to determine the extent to which the size reduction interacts with other projects proposed in that cluster. ISO-NE further explains that, even if an interconnection customer were to agree to pay for all network upgrades needed to accommodate its full request, a reduced size could result in upgrades in other areas of the system changing or being reassigned.[373]

240. Regarding BlueWave's request that the Commission require that ISO-NE specify that equipment changes or substitutions that do not affect a facility's size would not be a material modification, ISO-NE argues that, while its interconnection procedures allow interconnection customers to propose to change inverters, such changes must be evaluated to determine materiality and impacts on other customers in the same cluster.[374] ISO-NE explains that different inverters, with different sizes or characteristics, can

[371] *Id*. (citing Order No. 2023 184 FERC ¶ 61,054 at P 337).

[372] ISO-NE June 20 Answer at 24.

[373] *Id.* at 24-25.

[374] *Id.* at 25 (citing Proposed Tariff, § II, Schedule 22 (24.0.0), § 4.4 (Modifications)).

behave differently when studied, potentially resulting in violations identified and the resulting upgrades needed to correct them changing.[375] ISO-NE argues that Order No. 2023's modifications to the material modification rules recognize this by modifying the definition of material modification to account for the equal queue positions of all interconnection customers in a given cluster, and requiring that size reduction requests be evaluated through the material modification process.[376] ISO-NE contends that the Commission should therefore reject this request as inconsistent with Order No. 2023.

iii. Commission Determination

241. We find that Filing Parties' proposed revisions concerning the modification process in ISO-NE's LGIP section 4.4.3 comply with the requirements of Order Nos. 2023 and 2023-A. Filing Parties largely adopt the Commission's *pro forma* LGIP provisions with limited terminology changes consistent with the Tariff.

242. We grant Filing Parties' requested independent entity variation to allow interconnection customers to reduce the size of their proposed generating facilities between the cluster study and the cluster restudy without constituting a material modification if the interconnection customer is not responsible for any shared network upgrades. Filing Parties state that allowing for a one-time reduction in size under the specified conditions will not adversely impact any other interconnection customer included in the cluster, because there would be no change in the cost or timing for their interconnection requests.[377] We therefore find that this proposed deviation is just and reasonable and accomplishes the purposes of Order Nos. 2023 and 2023-A because it provides interconnection customers flexibility to reduce their project size under specific circumstances while ensuring a reliable, efficient, transparent, and timely interconnection process.

243. We decline to direct Filing Parties to adopt BlueWave's request to allow project size reductions after the cluster study where there is no restudy or before the cluster restudy where there are shared network upgrades. In Order No. 2023, the Commission left the determination of what constitutes a material impact up to the transmission provider.[378] As ISO-NE states, allowing project size reductions without the cluster restudy or where there are shared network upgrades could negatively affect other

[375] *Id.* at 25-26.

[376] *Id.* at 26 (citing *pro forma* LGIP § 4.4 (Modifications); Order No. 2023 184 FERC ¶ 61,054 at P 279).

[377] Compliance Filing Transmittal at 56.

[378] Order No. 2023-A, 186 FERC ¶ 61,199 at P 233.

interconnection customers in a given cluster, and it therefore must be evaluated pursuant to the material modification rules.[379] Interconnection customers may request a material modification assessment under section 4.4 of the ISO-NE LGIP for project size reductions where there is no cluster restudy or there are shared upgrades, and if those reductions are found to not be material, the interconnection customer may proceed with them without a loss of queue position.[380]

244. Regarding BlueWave's request that the Commission direct Filing Parties to specify in the ISO-NE LGIP that equipment changes or substitutions that do not affect a facility's size would not constitute a material modification, we decline to do so. The Commission clarified in Order No. 2023 that an equipment change that does not change the originally requested interconnection service level and does not qualify for evaluation under the transmission provider's technological change procedure must be evaluated by the transmission provider to determine if it is a material modification.[381] As ISO-NE notes, ISO-NE LGIP section 4.4 allows interconnection customers to propose changes to their interconnection requests, but such changes must be evaluated to determine materiality and impacts on other customers in the same cluster.[382] As such, we decline BlueWave's request.

q. Availability of Surplus Interconnection Service

245. In Order No. 2023, the Commission revised section 3.3.1 (Surplus Interconnection Service Request) of the *pro forma* LGIP to require transmission providers to allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA.[383] The Commission found that this reform will enable interconnection customers with unused interconnection service to let other generating facilities use that interconnection service earlier than is currently allowed and, therefore, increase overall efficiency of the interconnection queue and in turn ensure just and reasonable rates.[384]

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[379] ISO-NE June 20 Answer at 24-25.

[380] Order No. 2023, 184 FERC ¶ 61,054 at P 287.

[381] *Id*. P 1415.

[382] ISO-NE June 20 Answer at 25 (citing Proposed Tariff, § II, Schedule 22 (24.0.0), § 4.4).

[383] *Id.* P 1436; *see pro forma* LGIP § 3.3.1 (Surplus Interconnection Service Requests).

[384] Order No. 2023, 184 FERC ¶ 61,054 at P 1437.

The Commission clarified that this reform does not modify how the surplus interconnection service process is conducted, but rather addresses when a request for surplus interconnection service may be submitted.[385] The Commission further clarified that the original interconnection customer must have an LGIA in place, either executed or requested to be filed unexecuted with the Commission, prior to the transmission provider tendering any LGIA for surplus interconnection service.[386]

i. Compliance Filing

246. Filing Parties propose revisions to ISO-NE LGIP section 3.3 to incorporate the Commission's *pro forma* revisions related to the availability of surplus interconnection service adopted in Order Nos. 2023 and 2023-A, but with one deviation with respect to the timing of when surplus service for CNRIS is available.[387]

247. Filing Parties state that ISO-NE included the surplus interconnection service rules in the ISO-NE LGIP in compliance with Order Nos. 845 and 845-A. According to Filing Parties, the existing definition of surplus interconnection service in the ISO-NE LGIP relies on the concept of an "Unused Capability"[388] at an existing generating facility as needing to be available before a customer can request surplus service. Filing Parties state that this concept is further broken down by service type with NRIS and CNRIS both having their own calculation for "Unused Capability."

248. In the Compliance Filing, Filing Parties propose to revise the definition of "Unused Capability" to allow for surplus service for NRIS to be available upon execution of the interconnection agreement and to retain the existing requirement that for surplus service for CNRIS to be available only where the existing generating facility has achieved commercial operation.[389] Filing Parties explain that they are proposing this

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[385] *Id.* P 1447.

[386] *Id.* P 1445.

[387] Compliance Filing Transmittal at 66; Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.3 (Utilization of Surplus Interconnection Service).

[388] Unused Capability is defined in section 1 of both the ISO-NE LGIP and ISO-NE *pro forma* LGIA.

[389] Compliance Filing Transmittal at 66 (citing *ISO New England Inc.*, 170 FERC ¶ 61,209, at P 111 (2020) (accepting the definition of Unused Capability for CNRIS but directing further changes regarding NRIS); *see ISO New England Inc.*, Docket No. ER19-1951-002 (Sept. 17, 2020) (delegated order) (accepting the revised definition of Unused Capability)).

deviation -- that surplus service for CNRIS is available only where the existing generating facility has achieved commercial operation -- because a generating facility's capacity network resource capability cannot be measured until a generating facility is in commercial operation -- that is, under current capacity market rules, the amount of qualified capacity is based on the performance of the resource, which is not known until the facility enters operation. In addition, Filing Parties explain that the facility must meet the capacity supply obligation based on the qualified amount, which must be less than or equal to the amount of CNRIS.[390]

ii. Commission Determination

249. We find that Filing Parties' proposed revisions concerning surplus interconnection service comply with Order Nos. 2023 and 2023-A because they adopt the *pro forma* language regarding surplus interconnection service, with one deviation that Filing Parties justify as an independent entity variation. Specifically, as Filing Parties explain, ISO-NE's capacity market rules create the situation where the amount of any potential surplus interconnection service for CNRIS can only be identified once a generating facility is in commercial operation. Filing Parties explain that, in ruling on ISO-NE's Order No. 845 compliance filing, the Commission accepted ISO-NE's proposal to limit the availability of surplus interconnection service for CNRIS to only that level of service that is continuously available, finding that for CNRIS customers, allowing a varying amount of surplus interconnection service as described in Order No. 845 is not consistent with ISO-NE's existing market rules.[391] Consistent with that finding, here, we find that ISO-NE's proposal to limit surplus interconnection service for CNRIS to facilities in commercial operation is just, reasonable, and not unduly discriminatory or preferential, because it aligns the availability of surplus service for CNRIS with ISO-NE's capacity market rules. As ISO-NE notes, under the ISO-NE Tariff, a facility's qualified capacity is based on the performance of the resource, which is not known until the facility enters operation.[392] Thus, with respect to CNRIS, we grant Filing Parties' requested independent entity variation as CNRIS is not determined until a resource's performance has been verified. Thus, surplus CNRIS cannot be made available until a resource is commercially operational, its performance verified, and CNRIS assigned. This accomplishes the purposes of Order Nos. 2023 and 2023-A because surplus CNRIS is made available as soon as it is verified pursuant to ISO-NE's capacity market rules. With respect to NRIS, we find that the proposal accomplishes the purposes of Order Nos. 2023 and 2023-A because it allows interconnection customers pursuing ISO-NE's NRIS, which is similar

[390] Compliance Filing Transmittal at 66.

[391] *ISO New England Inc.*, 170 FERC ¶ 61,209 at P 110.

[392] Compliance Filing Transmittal at 24, 66.

to the *pro forma* definition of ERIS, to access surplus interconnection service earlier than is currently allowed, thereby increasing overall efficiency of the interconnection queue.[393]

r. Operating Assumptions for Interconnection Studies

250. In Order No. 2023, the Commission revised sections 3.1.2, 3.2.1.2 (The Study), 3.2.2.2 (The Study), 3.3.1, 3.4.2, 4.4.3, 7.3, 8.2 (Scope of Interconnection Facilities Study), and Appendix 1 (Interconnection Request for a Large Generating Facility) of the *pro forma* LGIP and article 17.2 (Violation of Operating Assumptions for Generating Facilities) and Appendix H (Operating Assumptions for Generating Facility) of the *pro forma* LGIA to require transmission providers, at the request of the interconnection customer, to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources (whether standalone, co-located generating facilities, or part of a hybrid generating facility)—i.e., whether the interconnecting generating facility will or will not charge during peak load conditions—unless good utility practice, including applicable reliability standards, otherwise requires the use of different operating assumptions.[394] The Commission required interconnection customers to provide the proposed operating assumptions in the initial interconnection request.[395] The Commission also required that, if a transmission provider finds the interconnection customer's proposed operating assumptions in conflict with good utility practice, the transmission provider must provide the interconnection customer with a written explanation of why the operating assumptions are insufficient or inappropriate no later than 30 calendar days before the end of the customer engagement window and allow the interconnection customer to resubmit the operating assumptions at least 10 calendar days before the end of the customer engagement window.[396] Finally, the Commission added article 17.2 to the *pro forma* LGIA to describe a violation of operating assumptions and Appendix H to the *pro forma* LGIA as the location for the interconnection customer to memorialize its operating assumptions.[397]

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[393] Order No. 2023 184 FERC ¶ 61,054 at P 1436.

[394] Order No. 2023, 184 FERC ¶ 61,054 at P 1509; *see pro forma* LGIP §§ 3.1.2, 3.2.1.2, 3.2.2.2, 3.3.1, 3.4.2, 4.4.3, 7.3, 8.2, app.1; *see also pro forma* LGIA art. 17.2, app. H.

[395] Order No. 2023, 184 FERC ¶ 61,054 at P 1520; *see pro forma* LGIP § 3.4.2(v).

[396] *Id.* P 1511.

[397] *Id.* P 1521; *see pro forma* LGIA art. 17.2, app. H.

i. Compliance Filing

251. Filing Parties propose revisions to ISO-NE LGIP 3.1, 3.3, 7.3, and 8.2 to comply with the Order Nos. 2023 and 2023-A requirements related to operating assumptions for interconnection studies.[398]

252. Filing Parties state that Order No. 2023 allows interconnection customers to specify operating assumptions for storage projects in order to prevent transmission providers from studying storage devices charging at peak load.[399] However, Filing Parties state that allowing individual customers to specify operating assumptions does not align with the New England market construct where these resources are subject to the Security Constrained Economic Dispatch (SCED). Filing Parties state that allowing individual customers to specify operating assumptions will complicate cluster studies, will complicate negotiation of Interconnection Agreements, and will ultimately complicate system operations.[400]

253. Filing Parties state that rather than adopt the *pro forma* requirements related to the specification of operating assumptions, they propose a uniform set of study assumptions for all storage projects, which will have the same effect as the requirements in Order No. 2023. Filing Parties propose to study all storage resources as charging at peak shoulder load, which for New England is net system-wide level 18,000 MW. Filing Parties state that cluster studies, therefore, will identify upgrades needed to charge at that load level, potentially reducing the upgrades needed from those that would be necessary if projects were studied for charging at peak load. Filing Parties state that, rather than incorporate specific operating restrictions in each storage facility's Interconnection Agreement, Filing Parties propose to rely on ISO-NE's SCED process to prevent storage devices from being dispatched to charge at load levels higher than the peak shoulder load under which the facility was studied, if such charging would cause a system overload.[401]

254. Filing Parties state that this proposal, which received support from stakeholders, including storage developers, is consistent with the requirements of Order No. 2023 as it

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[398] Proposed Tariff, § II, Schedule 22 (24.0.0), §§ 3.1 (General), 3.3 (Utilization of Surplus Interconnection Service), 7.3 (Scope of Cluster Study), and 8.2 (Scope of Interconnection Facilities Study).

[399] Compliance Filing Transmittal at 66-67.

[400] *Id.*

[401] On May 31, 2024, Filing Parties submitted an errata to correct text in the last full paragraph on page 67 of the original filing. *See* Errata to Compliance Filing Transmittal at 2.

is more efficient from a study and operations perspective, but will accomplish the same goal of not studying storage devices for charging at peak load. Filing Parties further state that their proposal is just and reasonable as an independent entity variation because it appropriately aligns the interconnection of storage resources with the existing SCED market construct.[402]

ii. Comments

255. Several parties support Filing Parties' proposal to study all energy storage resources as charging at peak shoulder load.[403] RENEW argues that this approach would allow energy storage resources to optimize their operations according to real-time grid reliability conditions rather than under limits established during the interconnection study process, which may become irrelevant over time.[404] Additionally, RENEW contends that the proposed revisions to rely on SCED to alleviate overloads is an efficient solution, and is a just and reasonable improvement over what was contemplated in Order Nos. 2023 and 2023-A.[405]

256. New Leaf states that the ability for storage systems to optimize operations according to real time grid conditions is particularly important for New England where electric demand is expected to grow significantly in the coming decades. New Leaf also notes that while they believe the ISO-NE proposal is just, reasonable, and will work better for the region than the *pro forma* requirement, it will be important for ISO-NE and stakeholders to evaluate how the proposed process works in practice and future improvements may be warranted.

257. Clean Energy Associations state that ISO-NE's proposal captures the spirit of the parameters handed down in Order No. 2023; specifically, it achieves the goal of avoiding unnecessary network upgrades that would result from worst-case, unrealistic assumptions about battery charging behavior that are not likely to materialize.[406] Clean Energy Associations state that this method will also eliminate the need to incorporate additional control technologies, which could ease costs to interconnection customers and preserve

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[402] Compliance Filing Transmittal at 66-67.

[403] RENEW Comments at 2; New Leaf Comments at 4; Clean Energy Associations Comments at 8.

[404] RENEW Comments at 2.

[405] *Id.* at 2-3.

[406] Clean Energy Associations Comments at 8 (citing Compliance Filing Transmittal at 67).

optimal flexibility for battery storage market participation by allowing security constrained economic dispatch to serve as the mechanism to discipline battery charging behavior.[407]

iii. Commission Determination

258. We find that Filing Parties' proposed revisions to ISO-NE LGIP sections 3.1, 3.3, 7.3, and 8.2 meet the independent entity variation standard. We find that Filing Parties' proposal is just and reasonable because studying all storage resources as charging at net shoulder system load will identify upgrades needed to charge at that load level, potentially reducing the upgrades needed relative to those that would be necessary if projects were studied for charging at peak load. We also find that Filing Parties' proposed revisions accomplish the purposes of Order Nos. 2023 and 2023-A because using this uniform set of study assumptions for all storage projects will have the same effect as the purposes of Order Nos. 2023 and 2023-A—— avoiding excessive and unnecessary network upgrades that may hinder the timely development of new generating facilities that would result from studying all storage resources as charging at peak load. As Filing Parties explain, allowing individual customers to specify operating assumptions will complicate ISO-NE's cluster studies, negotiation of interconnection agreements, and system operations, and we agree that Filing Parties' proposed independent entity variation will be more efficient from a study and operations perspective for ISO-NE. We therefore grant Filing Parties' request for an independent entity variation because their proposal is just, reasonable, and not unduly discriminatory or preferential and it accomplishes the purposes of Order Nos. 2023 and 2023-A to prevent studying storage resources as charging at peak load.

s. Incorporating the Enumerated Alternative Transmission Technologies

259. In Order No. 2023, the Commission revised section 7.3 of the *pro forma* LGIP, and sections 3.3.6 and 3.4.10 of the *pro forma* SGIP.[408] The Commission required transmission providers to evaluate the following enumerated list of alternative transmission technologies: static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting.[409] The Commission revised *pro forma* LGIP section 7.3 to require transmission providers to evaluate the list

[407] *Id.* at 8-9 (citing Compliance Filing Transmittal at 67).

[408] Order No. 2023, 184 FERC ¶ 61,054 at P 1578; *see pro forma* LGIP § 7.3; *see also pro forma* SGIP §§ 3.3.6, 3.4.10.

[409] Order No. 2023, 184 FERC ¶ 61,054 at P 1578.

of alternative transmission technologies enumerated in Order No. 2023 during the cluster study, including any restudies, of the generator interconnection process in all instances (i.e., for all interconnection customers in a cluster), without the need for a request from an interconnection customer. The Commission required transmission providers to evaluate each alternative transmission technology listed in *pro forma* LGIP section 7.3 and to determine, in the transmission provider's sole discretion, whether it should be used, consistent with good utility practice, applicable reliability standards, and other applicable regulatory requirements. Finally, the Commission required transmission providers to include, in the *pro forma* LGIP cluster study report, an explanation of the results of the evaluation of the enumerated alternative transmission technologies for feasibility, cost, and time savings as an alternative to a traditional network upgrade.

260. The Commission revised sections 3.3.6 and 3.4.10 of the *pro forma* SGIP, consistent with the *pro forma* LGIP requirement, to require transmission providers to evaluate the enumerated alternative transmission technologies when performing interconnection studies for small generating facilities, without the need for a request from an interconnection customer.[410] The Commission required such evaluations to occur during the *pro forma* SGIP feasibility study and system impact study of the generator interconnection process. The Commission found that it is appropriate for these evaluations to occur during the relevant *pro forma* SGIP studies where network upgrades are identified, consistent with the *pro forma* LGIP requirement. The Commission required transmission providers to evaluate each alternative transmission technology listed in *pro forma* SGIP sections 3.3.6 and 3.4.10 and determine, in the transmission provider's sole discretion, whether it should be used, consistent with good utility practice, applicable reliability standards, and other applicable regulatory requirements.

261. In Order No. 2023-A, the Commission added the definitions of "applicable reliability standards" and "applicable laws and regulations" to the *pro forma* SGIP, added the term "applicable reliability standards" to the performance standards in *pro forma* LGIP section 7.3 and *pro forma* SGIP sections 3.3.6 and 3.4.10, and replaced "other applicable regulatory requirements" with the term "applicable laws and regulations" in *pro forma* LGIP section 7.3 and *pro forma* SGIP sections 3.3.6 and 3.4.10.[411] Additionally, the Commission revised *pro forma* LGIP section 7.3 and *pro forma* SGIP sections 3.3.6 and 3.4.10 to clarify that good utility practice, applicable reliability standards, and applicable laws and regulations apply to both the transmission provider's

[410] *Id.* P 1580.

[411] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 623-624; *see pro forma* LGIP § 7.3; *see also pro forma* SGIP §§ 3.3.6, 3.4.10, attach. 1.

evaluation of the enumerated alternative transmission technologies and the determination to use the technology.[412]

i. Compliance Filing

262. Filing Parties propose revisions to ISO-NE LGIP section 7.3 to incorporate the framework for the enumerated alternative transmission technologies adopted in Order Nos. 2023 and 2023-A.[413] Filing Parties explain that they adopt the *pro forma* LGIP section 7.3 revisions with minor deviations to conform terminology to that of the ISO-NE Tariff.[414] Specifically, Filing Parties propose to add language to the *pro forma* LGIP section 7.3 to specify that the evaluation and determination of each identified alternative transmission technology shall be done in the manner described in the ISO-NE Planning Procedures.

263. Regarding the changes to incorporate the framework for the enumerated alternative transmission technologies in the ISO-NE SGIP, Filing Parties explain that certain Order No. 2023 requirements directed by the Commission to the *pro forma* SGIP are implemented by certain revisions proposed by Filing Parties in the Related Changes filing. According to Filing Parties, the specific revisions directed by the Commission to *pro forma* SGIP sections 3.2.2 and 3.4.3 to state that the transmission provider was required to examine various alternative transmission technologies as part of the feasibility and system impact studies are implemented by the new ISO-NE SGIP section 7.3 proposed in their Related Changes filing in Docket No. ER24-2007. Filing Parties explain that these sections, as proposed in the Related Changes, are compliant with Order No. 2023 as they now contain substantively identical requirements to those included by the Commission in the *pro forma* SGIP.[415]

ii. Commission Determination

264. We find that Filing Parties' proposed revisions to the ISO-NE LGIP relating to alternative transmission technologies comply with the requirements of Order Nos. 2023 and 2023-A because Filing Parties largely adopt the Commission's *pro forma* language. With regard to Filing Parties' proposal to add language to ISO-NE LGIP section 7.3 to specify that the evaluation and determination of each identified alternative transmission

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[412] Order No. 2023-A, 186 FERC ¶ 61,199 at PP 625-627; *see pro forma* LGIP § 7.3; *see also pro forma* SGIP §§ 3.3.6, 3.4.10.

[413] Proposed Tariff, § II, Schedule 22 (24.0.0), § 7.3 (Scope of Cluster Study).

[414] Compliance Filing Transmittal at 68.

[415] *Id.* at 70.

technology shall be done in the manner described in the ISO-NE Planning Procedures, we find that Filing Parties' proposed deviation meets the independent entity variation standard. We find that Filing Parties' proposal is just, reasonable, and not unduly discriminatory or preferential because including this information in the ISO-NE Planning Procedures will provide additional transparency for interconnection customers on the evaluation and determination criteria. We also find that Filing Parties' proposed revisions accomplish the purposes of Order Nos. 2023 and 2023-A because ISO-NE would evaluate the enumerated alternative transmission technologies in all instances, without a request from an interconnection customer.[416]

265. Further, we accept Filing Parties' omission of *pro forma* SGIP sections 3.2.2 and 3.4.3 relating to alternative transmission technologies because these provisions are not applicable to ISO-NE's new SGIP process as revised in the Related Changes filing. Filing Parties' new proposal in ISO-NE SGIP section 7.3 mirrors the proposed revisions in ISO-NE LGIP section 7.3 and, for similar reasons as discussed above, we find that Filing Parties' proposal accomplishes the purposes of Order No. 2023 and 2023-A to evaluate alternative transmission technologies in the SGIP.

t. Modeling and Ride-Through Requirements for Non-Synchronous Generating Facilities

266. In Order No. 2023, the Commission revised Attachment A (Large Generating Facility Data) to Appendix 1 of the *pro forma* LGIP and Attachment 2 (Small Generator Interconnection Request) of the *pro forma* SGIP to require each interconnection customer requesting to interconnect a non-synchronous generating facility to submit to the transmission provider: (1) a validated user-defined root mean square (RMS) positive sequence dynamic model; (2) an appropriately parameterized generic library RMS positive sequence dynamic model, including a model block diagram of the inverter control system and plant control system, that corresponds to a model listed in a new table of acceptable models or a model otherwise approved by the Western Electricity Coordinating Council (WECC); and (3) a validated electromagnetic transient (EMT) model, if the transmission provider performs an EMT study as part of the interconnection study process.[417]

267. The Commission also: (1) defined a user-defined model as any set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software-based and represent the entities' control strategies but does not necessarily correspond to any particular generic library

[416] Order No. 2023, 184 FERC ¶ 61,054 at P 1585.

[417] Order No. 2023, 184 FERC ¶ 61,054 at P 1659; *see pro forma* LGIP, app. 1, attach. A; *see also pro forma* SGIP, attach. 2.

model, as contained in Attachment A to Appendix 1 of the *pro forma* LGIP and Attachment 2 of the *pro forma* SGIP; (2) revised Attachment A to Appendix 1 of the *pro forma* LGIP and Attachment 2 of the *pro forma* SGIP to add a table of acceptable generic library models, based on the current WECC list of approved dynamic models for renewable energy generating facilities; and (3) revised section 4.4.4 of the *pro forma* LGIP and section 1.4 (Modification of the Interconnection Request) of the *pro forma* SGIP to require that any proposed modification of the interconnection request be accompanied by updated models of the proposed generating facility.[418]

268. The Commission revised article 9.7.3 (Ride Through Capability and Performance) of the *pro forma* LGIA and article 1.5.7 of the *pro forma* SGIA to require that, during abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous generating facility must ensure that, within any physical limitations of the generating facility, its control and protection settings are configured or set to: (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.[419]

269. The Commission further revised the *pro forma* LGIA to require that all newly interconnecting large generating facilities provide frequency and voltage ride through capability consistent with any standards and guidelines that are applied to other generating facilities in the balancing authority area on a comparable basis.[420] The Commission also replaced the term "applicable reliability council" with "electric reliability organization," revised the definition of "applicable reliability standards," replaced the term "control area" with "balancing authority area" throughout the *pro forma* LGIP, *pro forma* LGIA, and *pro forma* SGIA, and added the term "balancing authority."[421]

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[418] Order No. 2023, 184 FERC ¶ 61,054 at P 1660; *see pro forma* LGIP § 4.4.4, app. 1, attach. A; *see also pro forma* SGIP § 1.4, attach. 2.

[419] Order No. 2023, 184 FERC ¶ 61,054 at P 1715.

[420] *Id.* P 1733; *see pro forma* LGIA art. 9.7.3.

[421] Order No. 2023, 184 FERC ¶ 61,054 at P 1735; *see pro forma* LGIP § 1; *see*

270. In Order No. 2023-A, the Commission revised *pro forma* LGIA article 9.7.3 and *pro forma* SGIA article 1.5.7 to state that a non-synchronous generating facility must ensure that, within any physical limitations of the generating facility, its control and protection settings are configured or set to continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response.[422]

i. Compliance Filing

271. Filing Parties propose revisions to the ISO-NE LGIP sections 1 and 4.4.4 and Attachment A to Appendix 1, ISO-NE *pro forma* LGIA articles 1 and 9.7.3, ISO-NE SGIP sections 4.4.4 and Attachment A to Appendix 1, and ISO-NE *pro forma* SGIA article 1.5.7 to incorporate the *pro forma* revisions adopted in Order Nos. 2023 and 2023-A, with requests for certain independent entity variations.[423]

272. Filing Parties state that in 2016, ISO-NE implemented modeling and data requirements to make inverter-based generating facilities study-ready and, as part of that effort, eliminated the use of user-defined RMS positive sequence models for interconnection studies.[424] Filing Parties also state that currently, Attachment A to the ISO-NE LGIP requires the submission of library models.

273. To comply with the Order No. 2023 requirement for transmission providers to accept both user-defined and generic models while leaving to the discretion of the transmission provider to determine which models to use for study purposes, Filing Parties propose to revise both Attachment A to Appendix 1 of the ISO-NE LGIP and Attachment

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also pro forma LGIA art. 1.

[422] Order No. 2023-A, 186 FERC ¶ 61,199 at P 661; *see pro forma* LGIA art. 9.7.3; *see also pro forma* SGIA art. 1.5.7.

[423] Proposed Tariff, § II, Schedule 22 (24.0.0), § 1 (Definitions), Applicable Reliability Standards, Balancing Authority, Balancing Authority Area, Electric Reliability Organization, 4.4.4; *id.*, app. 1 (Interconnection Request), attach. A (Technical Data Required for Cluster Study); *id.*, app. 11 (LGIA), arts. 1 (Definitions), Applicable Reliability Standards, Balancing Authority, Balancing Authority Area, Electric Reliability Organization, 9.7.3 (Ride Through Capability and Performance); Proposed Tariff, § II, Schedule 23 (SGIP) (20.0.0), art. 4.4.4; *id.*, app. 1 (Interconnection Request), attach. A (Technical Data Required for Cluster Study); *pro forma* SGIA art 1.5.7.

[424] Compliance Filing Transmittal at 69.

A to Appendix 1 of the ISO-NE SGIP to include the required changes with modifications.[425]

274. Specifically, Filing Parties propose to remove the language referencing the table of acceptable generic library models, the language referencing models otherwise approved by WECC, and Table 1 "Acceptable Generic Library RMS Positive Sequence Dynamics Models (Table 1)." Furthermore, Filing Parties do not include Table 1 in their revised Tariff. Filing Parties propose to add language to specify that the user model will only be used for understanding equipment behavior and not to finalize upgrade requirements. Filing Parties also propose to replace "Large Generator Facility" with "Small Generator Facility" in the revisions to the ISO-NE LGIP Attachment A to Appendix 1.

275. Filing Parties explain that the deviations are necessary to account for the structure of ISO-NE's interconnection request form, and to clarify that while ISO-NE will accept user-defined models to verify the performance of proposed generating facility equipment, it will not use those models to avoid or finalize upgrades identified in the studies or in base cases going forward, consistent with Order No. 2023.[426]

276. Filing Parties do not replace the terms "applicable reliability council" and "NERC" with "electric reliability organization," revise the definition of "applicable reliability standards," or adopt the new definitions "balancing authority" and "balancing authority area." Filing Parties do not explain the omission of these Tariff revisions.

277. Regarding the changes to incorporate the modeling and ride-through requirements in the ISO-NE SGIP, Filing Parties explain that the Commission revised section 1.4 of the *pro forma* SGIP to ensure that projects seeking modifications include modified modeling and to *pro forma* SGIP Attachment 2 to require additional modeling information for small generators. Filing Parties state that these directives are implemented by the new ISO-NE SGIP section 7.3 and revisions to ISO-NE SGIP Attachment A proposed in their Related Changes filing in Docket No. ER24-2007.[427] Filing Parties explain that these sections, as proposed in the Related Changes filing, are compliant with Order No. 2023 insofar as they contain substantively identical requirements to those included by the Commission in the *pro forma* SGIP.

278. Regarding the required changes by the Commission to the *pro forma* SGIA Article 1.5.7 and the SGIA definitions, Filing Parties state that they propose "incremental changes" to the ISO-NE *pro forma* SGIA Article 1.5 to incorporate voltage and

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[425] *Id.* (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1671).

[426] *Id.* at 69-70.

[427] *Id.* at 70.

frequency requirements that are fully consistent with the *pro forma* SGIA revisions adopted in Order No. 2023.[428]

ii. Commission Determination

279. We find that Filing Parties' proposed revisions concerning modeling and ride through requirements partially comply with the requirements of Order Nos. 2023 and 2023-A because, except as discussed below, Filing Parties adopt the revised language in the Commission's *pro forma* LGIP, *pro forma* LGIA, *pro forma* SGIP, and *pro forma* SGIA.

280. We find that Filing Parties' proposed revisions do not comply with the ride-through requirements of Order Nos. 2023 and Order No. 2023-A.[429] Specifically, Filing Parties' proposed revisions in SGIA Article 1.5.7 do not state that the control and protection settings of small generating facilities are configured or set to continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response as revised by Order No. 2023-A.[430] Accordingly, we direct Filing Parties to incorporate the *pro forma* language adopted in Order No. 2023-A or to justify their proposal to omit that language under the independent entity variation standard.

281. We also find that Filing Parties' proposed revisions do not comply with the Order No. 2023 directives to replace the term "applicable reliability council" with "electric reliability organization," replace the term "control area" with "balancing authority area," and replace the term "NERC" with "ERO" throughout the *pro forma* LGIP, *pro forma* LGIA, *pro forma* LGIP, and *pro forma* SGIA. Accordingly, we direct Filing Parties to revise the ISO-NE LGIP, ISO-NE *pro forma* LGIA, ISO-NE SGIP, and ISO-NE *pro forma* SGIA to adopt the new and revised *pro forma* definitions above as directed by Order No. 2023 or to justify their proposal to omit those revisions under the independent entity variation standard.

282. Lastly, we find that Filing Parties' proposed revisions do not comply with the Order No. 2023 directives to reference a defined selection of acceptable models in Table 1 or a model otherwise approved by WECC as required by Order No. 2023.[431] Without

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[428] *Id.* at 70-71.

[429] Order No. 2023-A, 186 FERC ¶ 61,199 at P 661.

[430] *Id.*; *see also pro forma* SGIA art. 1.5.7.

[431] Order No. 2023, 184 FERC ¶ 61,054 at PP 1659-1660.

explanation, Filing Parties also omit Table 1. Additionally, in their revisions to ISO-NE LGIP Attachment A to Appendix 1, Filing Parties erroneously insert "Small Generating Facility" instead of "Large Generating Facility." We direct Filing Parties to include Table 1 in the ISO-NE LGIP and the ISO-NE SGIP and correct the errors described above to reflect the *pro forma* LGIP and *pro forma* SGIP language required by Order No. 2023 or to justify their proposal under the independent entity variation standard.

u. Other Compliance Directives

283. On August 20, 2024, the Commission issued an Errata Notice, which contained additional revisions to the Commission's *pro forma* LGIP, *pro forma* LGIA, and *pro forma* SGIA.[432] We direct Filing Parties to incorporate the revisions made in the Errata Notice when it submits its further compliance filing within 60 days of the date of this order.

2. Order No. 2023 Related Changes

284. Filing Parties state that the Related Changes filing in Docket No. ER24-2007-000, made pursuant to FPA section 205, is a companion filing to Compliance Filing submitted in Docket No. ER24-2009-000. Filing Parties state that the proposed changes in the Related Changes filing are limited to the Tariff provisions that may be considered to be beyond the scope of Order Nos. 2023 and 2023-A's compliance obligations, but are affected by Filing Parties' Compliance Filing. According to Filing Parties, the two filings are integrally linked because, in order to effectuate the changes proposed in the Related Changes, certain revisions proposed in the Compliance Filing must also be approved. Moreover, Filing Parties state that they consent to the Commission directing changes to the Related Changes consistent with those directed in response to the Compliance Filing.[433]

285. Filing Parties state that Order Nos. 2023 and 2023-A required the discontinuation of the serial first-come, first-served interconnection process and move to a first-ready, first-served cluster study process with readiness requirements, withdrawal penalties, and cost allocation methods for large generating facilities where all interconnection requests included in the cluster are considered equally queued. Filing Parties state that, while Order Nos. 2023 and 2023-A limited this change to large generating facilities, in order to implement the change, ISO-NE must unravel certain complex constructs[434] developed

[432] *Improvements to Generator Interconnection Procs. & Agreements*, Errata Notice, 188 FERC ¶ 61,134.

[433] Order No. 2023 Related Changes Transmittal at 4 & n.9.

[434] *Id*. at 2.

since Order No. 2003.[435] Filing Parties explain that these constructs were developed after Order No. 2003 to address unique challenges in the region, all of which were designed around the long-standing serial queue construct under which each individual interconnection request is considered separately queued.[436] Filing Parties state that, although ISO-NE's current rules governing small generating facility and Elective Transmission Upgrade interconnections to the New England system are not set forth in the same Tariff schedule as the rules for large generating facilities, all New England region interconnection requests are processed under a single integrated queue and are currently subject to the same rules that Order Nos. 2023 and 2023-A's cluster study process unravels.[437]

286. Filing Parties state that the Related Changes harmonize all of the Tariff rules that are affected by the reforms adopted in Order Nos. 2023 and 2023-A and proposed in the Compliance Filing.[438] Filing Parties state that the Related Changes extend the *pro forma* changes required in Order Nos. 2023 and 2023-A to interconnection requests subject to the ISO-NE SGIP, Elective Transmission Upgrade interconnection procedures, and, to some extent, the Regional Network Service and Through or Out provisions of ISO-NE's Tariff.[439] Filing Parties state that the Related Changes include revisions to the ISO-NE SGIP beyond those explicitly required in Order Nos. 2023 in order to align ISO-NE's SGIP with ISO-NE's LGIP and include small generating facilities in the new cluster study process, revisions to the Elective Transmission Upgrade interconnection procedures to ensure it remains aligned with the ISO-NE LGIP and include Elective Transmission Upgrades in the cluster study process, and revisions to sections II.19 and II.34 of the Tariff to require that system impact studies related to regional transmission service requests take place in the cluster study incorporated as part of the cluster study process.[440]

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[435] *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

[436] Order No. 2023 Related Changes Transmittal at 2.

[437] *Id.* at 1-2.

[438] *Id.* at 3.

[439] *Id.* at 5.

[440] *Id.* at 2.

287. Filing Parties explain that the Related Changes are necessary to ensure that the changes adopted in Order Nos. 2023 and 2023-A are carried across all of ISO-NE's interconnection procedures and conform to the unique constructs, definitions, and terminology previously accepted by the Commission for inclusion in the interconnection procedures under the standards established in Order Nos. 2003, 2006, and 2023, including the "independent entity variation" standard, and that continue to meet the standards for variance.[441] Filing Parties request that both the Related Changes and the Compliance Filing become effective August 12, 2024.

288. As discussed further below, Filing Parties submit three sets of changes: (1) changes to the ISO-NE SGIP, (2) changes to the Elective Transmission Upgrade Interconnection Procedures, and (3) revisions to sections II.19 and II.34 of the Tariff.

a. Revisions to Tariff Schedule 23 SGIP

289. Filing Parties state that, in Order Nos. 2023 and 2023-A, while the Commission declined to extend the cluster study process to the *pro forma* SGIP, it did not prohibit voluntary proposals to do so. Filing Parties state that, because all interconnection requests in New England are currently subject to nearly identical rules and procedures, have the same queue dependencies, are considered in clusters under the same circumstances, and have to enter in the same process to participate in the Forward Capacity Market, they propose to adopt the new, first-ready, first-served cluster study process in ISO-NE's SGIP as well (with the same limited modifications proposed in the Compliance Filing revisions, as well as additional modifications appropriate for small generating facilities). Filing Parties state that these revisions are necessary in order to provide for an equal playing field for all resources interconnecting to the Administered Transmission System in New England, both for interconnection and market participation purposes. Filing Parties state that it is therefore necessary to replace the rules currently included in the ISO-NE SGIP with a revised schedule that replicates the rules that are being proposed in the ISO-NE LGIP as part of the Compliance Filing revisions filed in compliance with Order Nos. 2023 and 2023-A. Filing Parties state that this replacement includes the entire SGIP, including related appendices (with limited changes to the SGIA), and the addition of new appendices that are substantially similar to those required by Order Nos. 2023 and 2023-A for the LGIP.[442]

290. Filing Parties state that, with these revisions, small generating facilities will be subject to the same procedures, including the cluster study process, as the large generating facilities. Filing Parties state that, in addition, the same suite of rules that apply to large generating facilities with respect to establishing Capacity Network

[441] *Id.* at 6.

[442] *Id*. at 36-38.

Resource Interconnection Service, cost allocation for Network Upgrades and interconnection facilities, clustering, and modelling apply to small generating facilities subject to ISO-NE's Interconnection Procedures.[443]

291. Filing Parties add that interconnection requests submitted under the SGIP experience the same set of factors that contribute to delays in ISO-NE's queue as large generating facilities, namely, the need to restudy as the result of the withdrawal of higher queued projects, interconnection customer modeling and data issues, and delays in receiving cost estimates from Transmission Owners.[444] Filing Parties state that extending the cluster study process framework to small generating facilities subject to the ISO-NE SGIP will result in providing small generating facilities with a more efficient and predictable process. Filing Parties explain the fact that small generating facilities experience the same queue dependencies and are subject to the same Tariff rules in section II.48 (Interconnection Service Capabilities), III.13 (Forward Capacity Market), and Tariff Schedule 11 (Generator Interconnection Related Upgrade and Elective Transmission Interconnection Related Upgrade Costs), as well as the clustering rules in Tariff Attachment K if CETU-eligible, also necessitate that they be subject to the same study construct.[445]

292. Filing Parties add that the extension of all aspects of the cluster study process to the ISO-NE SGIP will also provide the additional benefit of extending certain LGIP-exclusive processes to small generating facilities, most notably Surplus Interconnection Service, which was not previously available under the ISO-NE SGIP. Filing Parties explain that allowing small generating facilities to use the Surplus Interconnection Service construct will eliminate an inconsistency in the application of the rules and provide more flexibility for small generating facilities to maximize the use of their Interconnection Service. Filing Parties add that the Related Changes also extend the application of rules related to the consideration of Alternative Transmission Technologies (i.e., proposed Section 7.3), and the practice of studying Generating Facilities that include a storage device at shoulder, rather than peak load, to small generating facilities (i.e., proposed Sections 3.1, 3.3, 7.3, and 8.2), allowing for greater flexibility in project design for interconnection customers. Filing Parties explain that, by extending these provisions, the Related Changes will carry the Commission's goals in Order Nos. 2023 and 2023-A through to small generating facilities.[446]

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[443] *Id.* at 38.

[444] *Id.* at 46.

[445] *Id.* at 39.

[446] *Id.*

i. Filing

293. Filing Parties propose to incorporate a small generator study deposit schedule for study deposits and commercial readiness deposits for both the standard cluster study process and the transitional study process. Filing Parties explain that the deposit schedule reflects lower amounts for small generating facilities both during the transition process and the regular cluster study process, as compared to large generating facilities.[447] Filing Parties propose in the ISO-NE SGIP a $15,000 application fee, a $100,000 study deposit and a $200,000 commercial readiness deposit to enter the cluster study process.[448] Filing Parties propose to require small generators entering the cluster restudy and facilities study to submit a commercial readiness deposit equal to the amount required for large generators – i.e., interconnection customer must submit a deposit to bring the total amount of the interconnection customer's commercial readiness deposit to 5% and 10%, respectively, of the interconnection customer's recent network upgrade cost estimate.

294. Filing Parties explain that the amounts of the application fee and study deposit, while greater than those provided for in the Commission's *pro forma* SGIP, have been reduced from those in ISO-NE's current LGIP to recognize the smaller size of the projects. Filing Parties explain that this is consistent with the principle reflected in Order No. 2023, which retains lower study deposit amounts for small generating facilities in the Commission's *pro forma* SGIP.[449] Filing Parties contend that studies for small generating facilities experience costs that are similar to those for large generating facilities and that interconnection customers are required to pay the actual cost of the studies. Filing Parties add that, following the initial deposit/fee amounts, under the proposed tariff, small generating facilities would need to provide the same percentage of commercial readiness deposits as large generating facilities relative to the upgrades for which they are identified as being responsible.[450] Filing Parties state that studies for small generating facilities can be as complex, or in some cases are more complex, than those for large generating facilities and can require additional studies, such as local or sub-transmission studies, by the interconnecting transmission owner and affected parties

[447] *Id.* at 41.

[448] *Id.* at 43. *See also* Proposed Tariff, § II, Schedule 23 (20.0.0), §§ 3.4.1.1 (Study Deposits), 3.4.2 (Initiating an Interconnection Request), 7.5 (Cluster Study Restudies), 8.1 (Interconnection Facilities Study Agreement), 11.3.1.1 (Site Control and SGIA Deposit).

[449] *Id.*

[450] *Id*.

depending on the point of interconnection.[451] Filing Parties state that the average cost to complete these studies has been approximately $174,078.[452]

295. Filing Parties also propose to extend the concept of withdrawal penalties to small generating facilities so that small generating facilities will be subject to the same withdrawal penalty framework (i.e., same penalty exemptions and calculation method) as large generating facilities.[453]

ii. Protests and Answers

296. Glenvale argues that Filing Parties' proposed amounts for study deposits, transitional cluster study deposits, and withdrawal penalties are burdensome and discriminatory for smaller resources. Glenvale contends that the Commission should direct Filing Parties to adopt study deposit amounts in the ISO-NE SGIP that are no greater than the amounts that would apply to similarly-sized projects under the LGIP approach set forth in Order Nos. 2023 and 2023-A.[454]

297. Glenvale argues that Filing Parties propose a cluster study for small generating facilities despite the Commission not providing this requirement in Order No. 2023. Glenvale states that it does not object to this concept but asserts that Filing Parties' proposed Tariff mechanisms are unjust, unreasonable, and unduly discriminatory. Glenvale notes that Filing Parties propose an up-front outlay of $300,000 (a $100,000 study deposit and an initial commercial readiness deposit of $200,000). Glenvale contends that this $300,000 up-front outlay substantially exceeds the amount that Order Nos. 2023 and 2023-A would require of even a small facility covered by the revised *pro forma* LGIP, pursuant to which a 20 MW resource would be required to provide up-front deposits of only $165,000 (a $55,000 study deposit plus a $110,000 initial commercial readiness deposit). Glenvale argues that, while Filing Parties explain that these amounts are reduced from those in the proposed LGIP, the proposed SGIP amounts must be evaluated against the *pro forma* SGIP and that Filing Parties fail to adequately support

[451] *Id*. at 32.

[452] *Id*. at 34.

[453] *See* Proposed Tariff, § II, Schedule 22 (24.0.0), § 3.7.1 (Withdrawal Penalty); *id.*, Schedule 23 (20.0.0), § 3.7.1 (Withdrawal Penalty).

[454] Glenvale Protest at 3-4.

the proposed amounts as a meaningful explanation as to why small interconnection requests should be treated differently in New England than elsewhere.[455]

298. Glenvale further argues that the $500,000 transitional cluster study deposit represents a barrier to entry for smaller resources that is unsupported by the requirements of Order Nos. 2023 and 2023-A.[456] Glenvale contends that, as a result of Filing Parties' decision to include interconnection requests from small projects in the cluster study process, it will not be possible for developers to submit requests until late 2025, except during the transitional cluster study application window. Glenvale explains that, therefore, a developer that is currently ready to move forward with a project must choose between (1) a substantial delay for its project, or (2) onerous up-front costs in the form of these arbitrary deposit amounts, beyond the requirements of Order Nos. 2023 and 2023-A.

299. Regarding withdrawal penalties, Glenvale states that Filing Parties' proposed revisions impose steep penalties for withdrawal, depending on when in the study process the withdrawal occurs. Glenvale contends that smaller generators could be included in the cluster study process in a manner that respects the Commission's concern for developers of smaller facilities.[457]

300. ISO-NE responds that the complexity of interconnection studies in New England results in higher costs than in other regions.[458] ISO-NE contends that the scope of the cluster study will include not only a comprehensive steady state (thermal, voltage, and short circuit) evaluation of the proposed interconnection, but also a full stability analysis, as the region has several stability-limited interfaces that cannot be degraded by system additions. ISO-NE argues that, therefore, it proposes to set the study deposits at a level that reflects the historical costs of system impact studies, including studies for Glenvale, as well as the expected cost of a cluster study with this scope. ISO-NE explains that if cluster study costs are lower than this projection, any unused study funds are subject to refund. ISO-NE further asserts that, consistent with past efforts, ISO-NE will revisit these amounts in the future if costs end up being lower, as experience is gained implementing the new cluster study construct.

301. ISO-NE asserts that the amounts of the study deposit, initial commercial readiness deposits, and transitional cluster study deposit reflect a reasonable estimate of both the

[455] *Id.* at 17-19.

[456] *Id.* at 19.

[457] *Id.* at 20.

[458] ISO-NE June 20 Answer at 11.

estimated study cost for a small generating facility participating in a cluster (i.e., a $100,000 study deposit), the likely network upgrade costs associated with a small generating facility (i.e., a $200,000 initial commercial readiness deposit), and the expenses associated with reviewing data and negotiating interconnection agreements for small generating facilities (i.e., a $15,000 application fee).[459]

302. ISO-NE explains that Order Nos. 2023 and 2023-A do not revise the Commission's *pro forma* SGIP to include small generating facilities in the cluster study process, but they also do not preclude a filing pursuant to FPA section 205 to modify ISO-NE's SGIP or its Elective Transmission Upgrade interconnection procedures. ISO-NE notes that Order No. 2023 states that transmission providers may propose both independent entity variations from the final rule's requirements under FPA section 206 *and* additional revisions under FPA section 205, to the extent that they are deemed necessary.[460] ISO-NE argues that it has shown that historical study costs are in line with the proposed study deposit amounts, and the study deposit amounts listed will likely need to be paid over the course of the study based on expected study costs (i.e., there is no significant savings resulting from lower study deposit amounts).[461]

iii. Commission Determination

303. We accept Filing Parties' Order No. 2023 Related Changes related to Tariff Schedule 23 as just and reasonable and not unduly discriminatory, effective August 12, 2024, as requested.

304. We find that Filing Parties' proposed deviations from the Commission's *pro forma* SGIP and *pro forma* SGIA satisfy the independent entity variation standard. Specifically, we find that Filing Parties' proposal is just and reasonable and accomplishes the purposes of Order No. 2006[462] by reducing interconnection time for interconnection customers and

[459] *Id.* at 13-14 (citing Order No. 2023 Related Revisions Transmittal at 43).

[460] *Id.* at 6 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1767).

[461] ISO-NE July 19 Answer at 7.

[462] In Order No. 2023, the Commission stated that, "[i]n Order No. 2006, the Commission adopted standard procedures and a standard agreement for interconnecting generating facilities no larger than 20 MW (called the *pro forma* SGIP and the *pro forma* SGIA), citing the same purposes outlined in Order No. 2003." Order No. 2023, 184 FERC ¶ 61,054 at P 2. At issue here are ISO-NE's interconnection procedures for small generators to which the requirements of Order No. 2023 would not apply. Accordingly, Filing Parties' proposal, including the deposit amounts for small generating facilities in the SGIP (i.e., $100,000 study deposit and an initial commercial readiness deposit of $200,000), as discussed below, cannot be evaluated directly against the requirements of

ISO-NE. We also find that processing small generating facilities alongside large generating facilities pursuant to a first-ready, first-served cluster study process will improve efficiency and deter speculative interconnection requests. We note that since the issuance of Order No. 2006, the Commission has accepted proposals from several RTO/ISO transmission providers to study large and small generators in the same cluster study process.[463] The Commission has also found that the inclusion of small generators in cluster studies provides "greater certainty in a shorter and less complex interconnection process than the serial study process in the *pro forma* SGIP."[464] Moreover, we note that ISO-NE already exempts all distribution-connected resources from the SGIP process and therefore this proposal only applies to small generating facilities seeking to interconnect to the transmission system.[465]

305. For these reasons, we grant Filing Parties' request to deviate from the Order No. 2006 requirements and accept Filing Parties' proposed revisions to the SGIP to include small generator interconnection requests in the LGIP process and therefore accept the related study deposits and withdrawal penalties because they accomplish the purposes of Order No. 2006 by maintaining consistency between ISO-NE's SGIP and LGIP and facilitating the efficient interconnection of these resources, and the proposed amounts reflect a reasonable estimate of the costs for a small generating facility participating in a cluster.

306. With regard to Glenvale's protest that the proposed study deposit amounts are too high for small generators, we find that Filing Parties' proposed fees and deposits are reasonable for small generators in ISO-NE given evidence in the record. For example, we note that, according to Filing Parties, since 2019, 54 system impact studies for small generating facilities have been completed, and the average cost to complete these studies has been approximately $174,078.[466] Further, we find that, based on Filing Parties' representations, its proposed amounts reflect a reasonable estimate of the estimated study

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Order No. 2023 but rather must be evaluated as a deviation from Order No. 2006.

[463] *See e.g., Midwest Indep. Transmission Sys. Operator, Inc.*, 148 FERC ¶ 61,246, PP 7 and 12 (2014) (noting that FERC accepted MISO's modifications to remove the SGIP entirely from the Tariff and replace it with a single GIP and GIA that covers all generator interconnection projects regardless of size); *Southwest Power Pool, Inc.*, Docket No. ER10-681-000 (Jan. 29, 2010) (Order No. 2006 Compliance Filing).

[464] *Ariz. Pub. Serv. Co.*, 184 FERC ¶ 61,188 (2023).

[465] *New Eng. Power Pool Participants Comm. & Participating Transmission Owners Admin. Comm.*, 180 FERC ¶ 61,129, at PP 17-21 (2022).

[466] Order No. 2023 Related Changes Transmittal at 34.

cost for a small generating facility participating in a cluster, the likely network upgrade costs associated with a small generating facility, and the expenses associated with reviewing data and negotiating interconnection agreements for small generating facilities.[467]

307. In addition, because small and large generators will participate in the same cluster studies and, according to ISO-NE, project size is not a ready indicator of study costs in ISO-NE,[468] we find that it is reasonable for small generators to pay higher study costs than they would otherwise pay under the *pro forma* SGIP. According to Filing Parties, studies for small generating facilities can be as complex, or in some cases more complex, than those for large generating facilities and can require additional studies, such as local or sub-transmission studies, by the interconnecting transmission owner depending on the point of interconnection.[469] Therefore, we find that the $500,000 transitional cluster study deposit, as a demonstration of commercial viability, is a sufficient mechanism to ensure that non-viable small generators do not unnecessarily strain ISO-NE resources. However, as Filing Parties state, consistent with past efforts, ISO-NE plans to revisit these amounts in the future if costs end up being lower, as experience is gained implementing the new cluster study construct.[470]

b. Revisions to Tariff Schedule 25 Elective Transmission Upgrade Interconnection Procedures

i. Filing

308. Filing Parties state that the Related Changes harmonize Schedule 25 of the ISO-NE Tariff, which governs ISO-NE's Elective Transmission Upgrade interconnection procedures, to the revisions made to the ISO-NE LGIP/LGIA to comply with Order Nos. 2023 and 2023-A, including the cluster study process.[471] Filing Parties state that the

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[467] *Id.* at 43.

[468] *Id*. at 44.

[469] *Id.* at 32.

[470] *Id*. at 11.

[471] *Id.* at 45. Elective Transmission Upgrades are new transmission facilities interconnecting to the transmission system or an upgrade to existing transmission facilities for which the interconnection customer has agreed to pay all of the costs of the Elective Transmission Upgrade and of any additions or modifications to the transmission system that are required to accommodate the Elective Transmission Upgrade. Proposed Tariff, § II, Schedule 25 (10.0.0), § 1 (Definitions).

Elective Transmission Upgrade interconnection procedures is modeled directly on the ISO-NE LGIP with limited differences to account for its application to transmission projects, rather than generation projects. Filing Parties state that, as a result, the same study process applies to Elective Transmission Upgrades as large generating facilities, the deposits are the same for Elective Transmission Upgrades as large generating facilities, and they are subject to the same rules related to cost allocation, affected systems studies, establishing capacity capability, and clustering. Filing Parties state that Elective Transmission Upgrades subject to the Elective Transmission Upgrades interconnection procedures also are subject to the same set of factors that contribute to delays in ISO-NE's queue as large generating facilities.[472]

309. Filing Parties state that extending the cluster study framework to the Elective Transmission Upgrade interconnection procedures is reasonable because, since its inception, the Elective Transmission Upgrade interconnection procedures has mirrored the ISO-NE LGIP in all areas (including study deposits), except for the data and modeling information required being different for transmission rather than generation projects. Filing Parties add that Elective Transmission Upgrades experience the same queue dependencies and are subject to the same Tariff rules in section II.48 (Interconnection Service Capabilities), III.13 (Forward Capacity Market), and Tariff Schedule 11 (Generator Interconnection Related Upgrade and Elective Transmission Interconnection Related Upgrade Costs), as well as the clustering rules in Tariff Attachment K if CETU-eligible. Filing Parties contend that these facts necessitate that the ISO-NE LGIP and the Elective Transmission Upgrade interconnection procedures be subject to the same study construct.[473]

310. Filing Parties note, however, that the proposed revisions to Schedule 25 do not include rules related to Surplus Interconnection Service, or rules related to operating assumptions for storage devices since those requirements are not applicable to Elective Transmission Upgrades because, by definition, Elective Transmission Upgrades cannot be storage resources and Surplus Interconnection Service relies on the availability of Unused Capability, a concept that is not readily transferable to Elective Transmission Upgrades, which by their nature are operated to their full capability.[474]

311. Filing Parties submit that it is just and reasonable to extend all of the cluster study-related requirements identified in Order Nos. 2023 and 2023-A, with the exception of those rules that can apply only to Generating Facilities, to Elective Transmission

[472] Order No. 2023 Related Changes Transmittal at 45.

[473] *Id.* at 47.

[474] *Id.*

Upgrades because it will accomplish the Commission's stated goals and provide for an integrated interconnection process.[475]

ii. Commission Determination

312. We find that Filing Parties' proposed revisions to the Elective Transmission Upgrade interconnection procedures are just and reasonable. As Filing Parties state, the Elective Transmission Upgrade interconnection procedures are modeled directly on the ISO-NE LGIP with limited differences to account for its application to transmission projects, rather than generation projects. Filing Parties further state that since their inception, the Elective Transmission Upgrade interconnection procedures have mirrored the ISO-NE LGIP in all areas, except for the data and modeling information required being different for transmission rather than generation projects. Filing Parties add that Elective Transmission Upgrades experience the same queue dependencies and are subject to the same Tariff rules. We find that processing Elective Transmission Upgrades pursuant to a first-ready, first-served cluster study process will improve efficiency and deter speculative interconnection requests and that the proposed revisions to the Elective Transmission Upgrade interconnection procedures will accomplish the Commission's stated goals and provide for an integrated interconnection process and deter speculative interconnection requests.

c. Revisions to Sections II.19 and II.34 of the Tariff Related to Regional Transmission Service and Through or Out Service

i. Filing

313. Filing Parties state that the Related Changes also incorporate revisions to the study procedures for regional transmission service (i.e., RNS and Through or Out Service) set forth in Tariff Sections II.19 and II.34, respectively, to adopt the cluster study process framework proposed for the ISO-NE SGIP for both sections. The proposed revisions remove the system impact study and associated agreement and procedures, replacing it with a cluster study process. Filing Parties state that the system impact study agreement and cost reimbursement sections are no longer operative under a regional cluster study process. Filing Parties explain that the proposed Tariff revisions for both sections also significantly revise the facilities study procedures for both services, removing details about the timing and tender of that study's agreement and process, and replace it with

[475] *Id.*

reference to the applicable facilities study procedures in the Tariff for the ISO-NE LGIP, the ISO-NE SGIP, and the Electric Transmission Upgrade interconnection procedures.[476]

314. Filing Parties state that, for both Tariff sections II.19 (Study Procedures For Regional Network Service Requests) and II.34 (Study Procedures For Through or Out Service Requests), the proposed revisions add language referencing additional provisions for each service and specify that for all requests for either regional transmission service or Through or Out Service that require study evaluation, the eligible customer and ISO-NE will follow the process and procedures set forth in the ISO-NE LGIP with respect to the performance of the cluster study and facilities study. Filing Parties state that the proposed Tariff revisions also necessarily eliminate the current expedited procedures for new facilities offered as part of the study procedures for Through or Out Service.[477]

315. Filing Parties state that, for the penalties in these sections assessed to ISO-NE for failure to meet the study deadlines, the proposed Tariff revisions remove the previous procedures and add that the service requests will be subject to certain study deadlines described in the ISO-NE LGIP and the penalty provisions of the ISO-NE LGIP.[478]

ii. Commission Determination

316. We accept Filing Parties' proposal to require requests for regional transmission service and Through or Out service that require study evaluation be studied through the cluster study process. As Filing Parties explain, ISO-NE administers a single, integrated queue that comprises various requests, including interconnection requests and requests for regional transmission service. We therefore find that it is just and reasonable to include requests for regional transmission service and Through or Out service in the new cluster study process, because it will allow for this existing practice to continue, harmonize these processes, provide consistency across the Tariff, and facilitate a more efficient cluster study approach.

317. We find that Filing Parties' proposal to remove the penalty procedures in sections II.19 and II.34 for late transmission studies and apply the study deadlines and penalty provisions in the LGIP to these service requests is consistent with or superior to the requirements of Order No. 890.[479] The Commission stated that the Order No. 890

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[476] *Id.* at 47-48.

[477] *Id.* at 48.

[478] *Id.*

[479] *Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, at PP 157-158, 160 (2007).

revisions to the *pro forma* OATT are not intended to upset the market designs used by existing ISOs and RTOs.[480] In addition, the Commission has previously found that the application of Order No. 890 study delay penalties would not necessarily target delays due to studying transmission service requests, as contemplated in Order No. 890, where an entity has transitioned to a cluster study framework.[481] Given the unique framework of ISO-NE's single integrated queue and its transition to a more efficient cluster study process, we find that Filing Parties' proposal to instead subject transmission service requests to the study timelines and penalties in ISO-NE's LGIP is consistent with or superior to the requirements of Order No. 890.

3. Allco Winsted Project

a. Protest/Answers

318. Allco argues that the Commission should reject Filing Parties' filing in Docket Nos. ER24-2009-000 and ER24-2007-000[482] and direct Filing Parties to revise the Compliance Filings to eliminate practices applicable to small (i.e., under 5 MWs) state-jurisdictional distribution system projects, such as Allco's, as unjust, unreasonable and unduly discriminatory.[483] Allco contends that, after performing a feasibility study, Eversource determined that its 2 MW state-jurisdictional Winsted project could interconnect with no distribution system upgrades. Allco states that on September 24, 2024, it was informed that, under ISO-NE's new interconnection process, the Winsted project is required to pay an $85,000 system impact study fee for a transmission study that may begin in the fall of 2025 (almost two years after Allco filed its interconnection application), making it impossible for Allco to meet a deadline in a State-mandated power purchase agreement with Eversource.[484] Allco argues that if the transmission owners believe there are some transmission system upgrades that should be made as a result of local distribution system solar generation growth, they should design the upgrades and seek approval from the Commission as a network charge that is socialized across the system.[485]

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[480] Order No. 890, 118 FERC ¶ 61,119 at P 158.

[481] *See PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162 at P 127.

[482] Allco filed an identical protest in both dockets.

[483] Allco Protest at 1.

[484] *Id.* at 2-4.

[485] *Id.* at 5-6.

319. ISO-NE responds that the Commission should reject the protest as beyond the scope of ISO-NE's Order No. 2023 compliance proceedings. ISO-NE contends that Allco's protest relates to Eversource's study timelines and charges associated with Allco's proposed generating facility, which, as Allco describes, is interconnecting to the distribution system. ISO-NE contends that, however, distribution interconnections are not subject to the ISO's Interconnection Procedures, which are the core rules that Filing Parties have proposed to revise in the Order No. 2023 Compliance Filings, and are not yet in effect. ISO-NE argues that, therefore, the study timelines and costs that Allco contests in its protest are not stemming from the ISO or its Interconnection Procedures.[486]

320. On October 24, 2024, Allco filed a motion to answer ISO-NE's October 19, 2024 answer and an answer. Allco reiterates that it only became aware of the effect that ISO-NE's new practices will have on Allco's Winsted project on September 23, 2024, when Eversource served its transmission-level system impact study for the Winsted project. Allco explains that it would be able to proceed with interconnecting to the local distribution grid now, as opposed to a two-to-three year delay at a minimum under the ISO-NE's new requirements. Allco explains that it was only at that point that Allco realized that ISO-NE's proposed Tariff revisions would impact small distributed solar projects between 1 MW and 5 MWs, by imposing interconnection fees and costs.[487]

321. On November 12, 2024, Allco filed a supplemental answer arguing that, since its October 24, 2024 answer, Eversource has offered a new justification for requiring a transmission level study for Allco's 2 MW Winsted project that, according to Allco, is unjust, unreasonable, and unduly discriminatory.[488] Allco argues that the fees and timeline for the 2 MW Winsted project are plainly unjust and unreasonable even under the facts alleged by Eversource. Allco argues that the Commission should not allow ISO-NE and utilities to hijack the state-jurisdictional interconnection process.[489] Allco further argues that the Commission should reject the Compliance Filing revisions and the Order No. 2023 Related Changes and require ISO-NE to propose procedures that would be just, fair and reasonable for small state-jurisdictional solar projects under 5 MWs.

322. On November 13, 2024, ISO-NE filed an answer contending that none of the information submitted in Allco's November 12, 2024 supplemental answer relates to the proposed Tariff revisions that Filing Parties submitted in the Compliance Filing revisions and the Order No. 2023 Related Changes. ISO-NE argues that, contrary to Allco's

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[486] ISO-NE October 18, 2024 Answer at 7.

[487] Allco Answer at 1.

[488] Allco November 12, 2024 Supplemental Answer at 1-2.

[489] *Id.* at 4.

allegations, ISO-NE in fact provided Allco the existing rules requiring the evaluation of proposed distribution interconnections to ensure no adverse impacts on the transmission system, and, at this time, such evaluations continue to be processed pursuant to those existing rules.[490]

323. On November 18, 2024, Allco filed an answer arguing that ISO-NE has no authority to take over the state-jurisdictional process.[491] Allco argues that neither article 2.06 (Review of Transmission Plans), article 3.03(b) (Transmission Services and OATT Administration) of the Transmission Operating Agreement between ISO-NE and the PTOs nor section I.3.9 (Review of Market Participant's Proposed Plans) of the ISO-NE Tariff provides ISO-NE with the authority to order a transmission-level study of any state-jurisdictional interconnection, including Allco's 2 MW Winsted project.[492] Allco contends that neither ISO-NE nor Eversource provided to Allco the list of the transmission level 3 studies that they claimed were required for the past year or more for every one of the currently 43.5 MW in queue and 18.7 online fed from Campville 14R substation.[493]

b. Commission Determination

324. We find that Allco's protest is beyond the scope of the instant proceedings in both Docket No. ER24-2009-000 and Docket No. ER24-2007-000. Allco's protest pertains to Eversource's study timelines and charges associated with Allco's proposed generating facility, which is interconnecting to the distribution system. With regard to Allco's protest to Filing Parties' Compliance Filing in Docket No. ER24-2009-000, we note that, in a compliance proceeding, the Commission considers only whether the filing complies with the underlying order.[494] Distribution interconnections are not the focus of Order No. 2023 and the Compliance Filing, and Allco has not attempted to demonstrate that Filing Parties fail to comply with the requirements of Order Nos. 2023 and 2023-A.

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[490] ISO-NE November 13, 2024 Answer at 2-3.

[491] Allco November 18 Answer at 1-2.

[492] *Id.* at 2-3, 5-6.

[493] *Id.* at 6-7.

[494] *ISO New England Inc.*, 133 FERC ¶ 61,013, at P 22 (2010); *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,257, at P 14 (2005); *Ameren Servs. Co. v. Midwest Indep. Transmission Sys. Operator, Inc.*, 131 FERC ¶ 61,210, at P 22 (2010) (explaining that the sole issue in a compliance proceeding is whether the filing satisfies the compliance requirements of the underlying order).

325. With regard to Allco's protest to Filing Parties' FPA section 205 filing in Docket No. ER24-2007-000, i.e., the Order No. 2023 Related Changes, we find that the issues raised in Allco's protest regarding the interconnection of its Winsted Project are beyond the scope of the proceeding. Filing Parties have proposed specific Tariff revisions to ensure alignment between the Order No. 2023 Related Changes and the Compliance Filing, and Allco's protest does not specifically pertain to these changes.[495] Accordingly, Allco's protest regarding Allco's Winsted project is not properly before the Commission in this FPA section 205 proceeding.[496]

The Commission orders:

(A) Filing Parties' Compliance Filing in Docket No. ER24-2009-000 is hereby accepted in part, effective August 12, 2024, as requested, subject to a further compliance filing, as discussed in the body of this order.

(B) Filing Parties are hereby directed to submit a compliance filing that addresses the directives in this order within 60 days of the date of this order, as discussed in the body of this order.

(C) Filing Parties' proposed Tariff revisions in Docket No. ER24-2007-000 are hereby accepted, effective August 12, 2024, as discussed in the body of this order.

By the Commission.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

[495] We note that, subsequent to filing its protest in this proceeding, Allco filed a complaint pursuant to FPA section 206 regarding these issues in Docket No. EL25-43-000.

[496] *Sw. Pub. Serv. Co.*, 145 FERC ¶ 61,281, at P 18 (2013) (finding that a protest unrelated to the tariff revisions presented in section 205 filing is not properly before the Commission).

Appendix A

ISO New England, Inc., ISO New England Inc. Transmission, Markets and Services Tariff

Docket No. ER24-2009-000

Effective 8/12/2024

I.2, I.2 Rules of Construction; Definitions (153.0.0)

II.48, II.48 Interconnection Service Capabilities (2.0.0)

Schedule 11, Schedule 11 Generator Interconnection Related Upgrade Costs (4.0.0)

Schedule 22, Schedule 22 Large Generator Interconnection Procedures (24.0.0)

Schedule 23, Schedule 23 Small Generator Interconnection Procedures (21.0.0)

Attachment K, Attachment K Regional System Planning Process (29.0.0)

III.13, III.13 Forward Capacity Market (8.0.0)

III.13.1, III.13.1 Forward Capacity Auction Qualification (85.0.0)

III.13.2, III.13.2 Annual Forward Capacity Auction (84.0.0)

III.13.3, III.13.3 Critical Path Schedule Monitoring (20.0.0)

III.13.4, III.13.4 Reconfiguration Auctions (29.0.0)

III.13.8, III.13.8 Reporting and Price Finality (30.0.0)

Appendix B

ISO New England, Inc., ISO New England Inc. Transmission, Markets and Services Tariff

Docket No. ER24-2007-000

Effective 8/12/2024

II.19, II.19 Study Procedures for Regional Network Service Requests (3.0.0)

II.34, II.34 Study Procedures Through or Out Service Requests (4.0.0)

Schedule 23, Schedule 23 Small Generator Interconnection Procedures (20.0.0)

Schedule 25, Schedule 25, Elec. Transmission Upgrade Inter. Proc. (10.0.0)

Appendix C

Filings Parties state that the PTOs include: Town of Braintree Electric Light Department; Central Maine Power Company; Chicopee Municipal Lighting Plant; Connecticut Municipal Electric Energy Cooperative; Connecticut Transmission Municipal Electric Energy Cooperative; Eversource Energy Service Company on behalf of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company; Fitchburg Gas and Electric Light Company; Green Mountain Power Corporation; The City of Holyoke Gas and Electric Department; Town of Hudson Light and Power Department; Maine Electric Power Company; Massachusetts Municipal Wholesale Electric Company; Town of Middleborough Gas & Electric Department; The Narragansett Electric Company d/b/a Rhode Island Energy; New England Power Company d/b/a National Grid; New Hampshire Electric Cooperative, Inc.; New Hampshire Transmission, LLC; Town of Norwood Municipal Light Department; Town of Reading Municipal Light Department; Shrewsbury Electric and Cable Operations; Town of Stowe Electric Department; Taunton Municipal Lighting Plant; The United Illuminating Company; Unitil Energy Systems, Inc.; Vermont Electric Cooperative, Inc.; Vermont Electric Power Company, Inc.; Vermont Public Power Supply Authority; Vermont Transco LLC; Versant Power; and Town of Wallingford, CT, Department of Public Utilities, Electric Division. Compliance Filing Transmittal at n.16.