

83D Q & A Set #8

- (15) Section 2.2.1.8 – Please confirm that bidding projects are only required to demonstrate the ability to meet the requirements for Forward Capacity Auction Qualification in their proposal. Please further explain if there are additional requirements for participation in Forward Capacity Auctions and how projects should address capacity years where the annual auctions have already occurred.

Answer: Please see response to question 117.

- (16) Section 2.2.1.9 – On page 19 the RFP states that “Proposals must include all interconnection and transmission upgrade costs required to ensure full dispatch, including transmission upgrades that may need to occur beyond the point of interconnection. Proposals that fail to provide sufficient supporting documentation or information necessary to reasonably ensure full delivery under a range of assumptions may be eliminated from further evaluation.” The RFP goes on to state on page 20 that “Proposals that do not have I.3.9 approval from ISO-NE must include technical reports or system impact studies that approximate the ISO-NE interconnection process, including but not limited to clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions.” For projects without I.3.9 approval, and without ISO-NE System Impact Studies, it is unlikely that bidders will be able to “include all interconnection and transmission upgrade costs” in their proposal. Is the statement above (“Proposal must include all interconnection...”) a requirement that the bidder must describe all system upgrade costs associated with a proposed project? If so, please clarify how this can be provided ahead of an ISO-NE System Impact Study or I.3.9 approval.

Answer: Pursuant to Section 2.2.1.3 of the RFP, all proposals must include a commitment to interconnect to the ISO-NE PTF at a level equivalent to the Capacity Capability Interconnection Standard (CCIS). Final determination of the network upgrades and other interconnection features required to support a bidder’s CCIS-equivalent interconnection will be determined by the ISO-NE under the FCAQ process. (See the Answer to Question 117 for further details.) However, to the extent that ISO-NE studies have not yet been conducted to ascertain the network upgrades and other interconnection costs required with respect to a bidder’s proposal in accordance with such CCIS-equivalent interconnection, section 2.2.1.9 of the RFP requires bidders to include with their bid submittals “technical reports or system impact studies that approximate the ISO-NE interconnection process, including but not limited to clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions.” This requires the bidder to prepare studies with supporting documentation of all assumptions and data that as closely as possible match and meet all ISO-NE study requirements for CCIS-level interconnection. The Evaluation Team expects bidders to provide studies that are consistent with ISO-NE’s approach and that approximate what the ISO-NE results would be. The Evaluation Team will then assess whether such alternate studies provide an

adequate basis for determining the likely magnitude of interconnection and transmission upgrade costs associated with the bid.

The delivery profile submitted by the bidder should reflect any remaining projected constraints or curtailments, if any, associated with the proposal (after inclusion of any network upgrades associated with application of the CCIS-equivalent interconnection standard). If a bidder desires to reduce further any constraints or curtailments associated with its proposals, it must identify additional network upgrades (which would be instituted through an elective process with ISO-NE), estimated costs to achieve this result, proposed cost containment measures, and the delivery profile associated with the proposed level of network upgrades, all with supporting studies and information.

Regardless of the approach followed, bidders must demonstrate that their Clean Energy Generation profile (delivery profile) is consistent with the network upgrades identified in their proposal and that their proposed interconnection and transmission upgrades are sufficient to support full delivery of their Clean Energy Generation profile. Note that a selected bidder will be obligated to construct the system upgrades that ISO-NE determines are needed under the FCAQ process to achieve a CCIS-equivalent interconnection, whether or not this final determination is made before or after bid selection or contract negotiation. Bids must also include a commitment to construct such upgrades irrespective of whether the bidder decides to participate in the FCM or obtain a CSO. (See the Answer to Question 117 for further details.)

- (31) Is the requirement for the project to have an impact study ready? It might take about 3 months to get the study done.

Answer: Please see the response to Question 16.

- (36) If a Feasibility or System Impact Study have not yet been completed by ISO-NE prior to the submission due date, will a third party study suffice as an alternative until the ISO-NE study becomes available?

Answer: Pursuant to Section 2.2.1.9, technical reports or system impact studies that approximate the ISO-NE interconnection process are required and may be prepared by third parties pending final ISO-NE results. See also response to Question 16 and Question #117.

- (72) Can projects that do not meet The Capacity Capability Interconnection Standard provide an alternative detailed description with reference data to prove how they will meet the obligations for the capacity contracted?
 - a. If a project provides an alternative method for meeting capacity requirements, will the full proposal be received and fully reviewed?

Answer: Capacity will not be contracted for in this solicitation as noted in the RFP in section 2.2.1.8. It is up to the bidder to demonstrate how it will satisfy the requirement to interconnect at a level equivalent to the Capacity Capability Interconnection Standard. Proposals must include a commitment to interconnect to the ISO-NE PTF at the Capacity Capability Interconnection Standard or equivalent. Please see response to question 117.

- (82) Section 2.2.1.8: This subsection states that the “FCAQ amount must be consistent with the amount that would typically be expected for similar projects of the same nameplate rating and technology type and location.” Please explain whether the Evaluation Team intends to determine whether the FCAQ amount is “consistent with” expected amounts and, if so, how this determination will be made.

Answer: Please see response to question 117.

- (117) Section 2.2.1.3 of the RFP says that all proposals must include a commitment to interconnect to the ISO-NE PTF at the ISO-NE Capacity Capability Interconnection Standard. Section 2.2.1.8 says that a proposal must describe the amount of capacity and capacity commitment period for which they expect to qualify for the Forward Capacity Auction as well as how they expect to meet those qualification requirements including satisfaction of the Capacity Capability Interconnection Standard and the remedying of any issues identified in the overlapping impact analysis. Is the intention that a generating unit must have a plan for how they expect to be able to qualify to participate in an FCA and this is sufficient to be eligible for this RFP? Or is the intention that a generating unit must actually commit to taking any necessary actions to clear (obtain a Capacity Supply Obligation) in an FCA? In other words, is qualifying (or a plan to qualify) for an FCA sufficient in order for a project to be eligible for this RFP or is obtaining (or a plan to obtain) Capacity Network Resource Interconnection Service, which can only be done by actually obtaining a Capacity Supply Obligation, a requirement to be eligible? If obtaining a Capacity Supply Obligation is the requirement, must this be obtained through a Forward Capacity Auction or is obtaining it through a reconfiguration auction or bilateral transaction sufficient?

Answer: The RFP does not require bidders to participate in the ISO-NE’s Forward Capacity Market (“FCM”) or clear any Forward Capacity Auction (“FCA”), though they are free to do so if they choose. Rather, the RFP requires any selected project to include a commitment to complete the transmission upgrades that would have been identified in association with meeting ISO-NE’s Capacity Capability Interconnection Standard (“CCIS”) and that the proposal provides a realistic and specific plan to implement those upgrades. The RFP does not require a bidder to obtain a Capacity Supply Obligation (“CSO”), whether through an FCA or any other means.

Bidders must demonstrate a commitment to a level of interconnection for CCIS (pursuant to RFP sections 2.2.1.3, 2.2.1.8, and others) by participating in the Forward Capacity Auction Qualification (“FCAQ”) process to allow ISO-NE to make a full determination as to all the transmission network upgrades necessary to support CCIS-equivalent interconnection. It is at the Bidder’s discretion

whether to continue in the FCA process once ISO-NE has identified and completed the upgrade(s) determination in the FCAQ process.

To the extent that ISO-NE studies have not yet been conducted to ascertain the network upgrades and other interconnection costs required to achieve such CCIS-equivalent interconnection at the time of bidding, a bidder may include a preliminary non-binding overlapping impact study conducted by ISO-NE to identify the potential upgrades and associated costs that would be required by ISO-NE's CCIS interconnection determination, or may identify such costs through relevant studies and analyses performed by them or their consultants that approximate the ISO-NE interconnection process, as further outlined in Section 2.2.1.9 of the RFP (please see response to Question 16).

If the bidder elects to voluntarily complete the FCA participation process and obtains a CSO, the bidder will then be obligated to complete any upgrades that were identified in the FCAQ process. Once the upgrades are in place, and the resource has gone commercial, the resource will have completed all of the milestones required to achieve CCIS. If the bidder completes the FCAQ study process but does not proceed to obtain a CSO, the bidder will assume responsibility for the completion of the upgrades required by ISO-NE's FCAQ for CCIS-equivalent interconnection, for example, through the Elective Transmission Upgrade process.

The burden is on bidders to provide the Evaluation Team with information, analysis, and studies required by the Evaluation Team in order to make a complete determination that the proposal includes all costs associated with completing the upgrades that would be required by ISO-NE's CCIS. Bidders must provide all available information and analyses regarding the upgrades and must explain how the identified upgrades will satisfy this interconnection standard.

- (118) If the RFP requires eligible resources to obtain (or commit to obtaining) a Capacity Supply Obligation through a Forward Capacity Auction (FCA), would resources that are a) likely to have a high FCA minimum offer price and b) not eligible for the Renewable Technology Resource Exemption for FCA 12 (and thus are not likely to be able to clear in the FCA regardless of any actions taken by the project sponsor) be eligible for this RFP? Similarly, if ISO's recently-released proposal to replace the Renewable Technology Resource Exemption with a secondary FCA replacement auction is implemented for FCA 13 and there is not sufficient demand in that replacement auction for new resources with a high minimum offer price to clear, would that preclude these projects from being eligible for this RFP?

Answer: See the answer to question 117 above.

- (119) Must a resource commit to passing the ISO's overlapping impact test as part of the Forward Capacity Auction (FCA) qualification process in order to be eligible for this RFP? As it may not be possible to actually demonstrate FCA qualification as part of the RFP bid package, what must a resource provide to show that its planned network upgrades or commitment to make the necessary upgrades in order to pass the overlapping impact test are sufficient?

Answer: A resource that intends to obtain a capacity supply obligation must describe how it plans to do so. Projects that lack the maturity to satisfy requirements to bid into the FCM could provide an independent engineering study that shows that it can comply with all relevant requirements of the FCM. Please also see the response to Question 117.