

# NATIONAL GRID PETITION SEEKS RETROACTIVE COST INCREASES FROM MULTIPLE SOLAR PROJECTS, ABILITY TO INCREASE COSTS ON FUTURE PROJECTS

*Hodgson Russ Renewable Energy Alert*  
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On January 11, 2024, the New York State Public Service Commission (“PSC” or “Commission”) issued a Notice Soliciting Comments regarding a Petition for Declaratory Ruling (“Petition”) submitted by Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) seeking an interpretation of certain provisions of the New York State Standardized Interconnection Requirements and Application of New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution System (“SIR”). Through its Petition, submitted on December 22, 2023, National Grid asks the Commission to rule that the utility is entitled, without limitation, to impose design changes and additional costs for upgrades upon an interconnecting project at any time prior to commercial operation and the delivery of power to the transmission system. As the Petition admits, the utility is seeking an “expansive” interpretation of the cost allocation rules. It involves both future projects and those with finalized interconnection agreements. According to the Petition, “for projects that do not yet have a fully executed IA, National Grid is revising the CESIRs to reflect the updated upgrades and associated cost and schedule estimates triggered by the proposed projects. The substation upgrade protection work is expected to take approximately twelve to eighteen months to engineer.”

Although National Grid has sought to address this issue by seeking a declaratory ruling and claims within its Petition that this issue will primarily affect only a small number of projects located in the western area of New York, the question posed is a matter of statewide concern that will impact all present and future Distributed Energy Resource (“DER”) projects, including storage resources, throughout the State. Nearly all DER projects up to 5 MW in capacity, whether a solar resource or other technology, are required to comply with the terms of the SIR, which has been carefully crafted during the past decade with significant statewide public input from developers, utilities, and regulators.

## Attorneys

Evan Anderson  
Christine Bonaguide  
Matthew Cameron  
Brandon Cottrell  
Emanuela (Amy) D'Ambrogio  
Krystal Daniels  
John Dax  
Collin Doane  
Joseph Endres  
Andrea Gervais  
Michael Hecker  
Elizabeth Holden  
Alicia Legland  
Matthew Liponis  
Charles Malcomb  
Rosellen Marohn  
William McLaughlin  
Paul Meosky  
Chelsea Reinhardt  
Joseph Reynolds  
Robert Sands III  
Aaron Saykin  
Daniel Spitzer  
Alicia Stoklosa  
Jeffrey Stravino  
Brianna Szopinski  
William Turkovich  
Sujata Yalamanchili  
John Zak

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Comments on the Petition are requested by **March 25, 2024**. The Matter is identified as:

*Case 23-E-0730 – Petition of Niagara Mohawk Power Corporation d/b/a National Grid for a Declaratory Ruling and Certain Limited Relief Regarding Standardized Interconnection Requirements and Application Process for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems.*

Henry Zomerfeld

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Last year, National Grid notified approximately sixty (60) developers with pending DER projects in the western region of New York that their interconnections would be delayed while National Grid conducted a re-study and determined whether design changes were recommended. The specific concern revolves around certain protection equipment required for non-synchronous energy sources and, most likely, the type of transformer. Approximately forty-five (45) of these projects were substantially constructed, with signed Interconnection Agreements (“IA”) and merely awaiting final interconnection. The Petition states that the “45 impacted projects represent 222 MW of proposed solar DG projects, or 4% of National Grid’s current interconnection queue.”

While the Petition’s claimed purpose is to streamline the interconnection process and bring certainty to the financial obligations imposed upon developers of prospective DER projects, it will almost certainly have the opposite effect. National Grid’s proposed interpretation would apply prospectively to all future projects, thereby reducing both cost and schedule certainty for the regulated developer, and possibly limit access to investment capital. Look for other utilities to potentially follow suit, requesting a virtual blank check right to make adjustments for years after projects are interconnected.

If you have questions about the Petition, or projects affected by National Grid’s retroactive recalculation of interconnection costs, contact [William McLaughlin](#), [John Dax](#), [Alicia Legland](#), or other members of our [Renewable Energy Practice](#).

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