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January 21, 2026

VIA ELECTRONIC DELIVERY

Honorable Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case 26-E- ____ – PETITION OF NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID SEEKING COMMISSION APPROVAL TO OFFER FLEXIBLE INTERCONNECTION SERVICE OPTIONS TO DISTRIBUTED GENERATION AND/OR ENERGY STORAGE PROJECTS INTERCONNECTING UNDER THE NEW YORK STATE STANDARDIZED INTERCONNECTION REQUIREMENTS AT LIMITED LOCATIONS AS AN EXPANSION OF THE ACTIVE RESOURCE INTEGRATION PILOT

Dear Secretary Phillips:

Enclosed please find for filing the verified petition of Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") seeking to offer flexible interconnection service options to distributed generation and/or energy storage projects interconnecting under the New York State Standardized Interconnection Requirements at limited locations as an expansion of National Grid's Active Resource Integration pilot.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Janet M. Audunson

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Enc.

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of Niagara Mohawk Power Corporation d/b/a National Grid Seeking Commission Approval to Offer Flexible Interconnection Service Options to Distributed Generation and/or Energy Storage Projects Interconnecting Under the New York State Standardized Interconnection Requirements at Limited Locations as an Expansion of the Active Resource Integration Pilot	Case 26-E-____

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NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

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Dated: January 21, 2026

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PUBLIC SERVICE COMMISSION

Petition of Niagara Mohawk Power Corporation d/b/a National Grid Seeking Commission Approval to Offer Flexible Interconnection Service Options to Distributed Generation and/or Energy Storage Projects Interconnecting Under the New York State Standardized Interconnection Requirements at Limited Locations as an Expansion of the Active Resource Integration Pilot	Case 26-E-____

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Niagara Mohawk Power Corporation d/b/a National Grid (National Grid or the Company) hereby petitions the New York State Public Service Commission (Commission) for approval to extend and adapt the deployment of flexible interconnection concepts under the New York State Standardized Interconnection Requirements (NY-SIR) based on learnings from the Company's Active Resource Integration (ARI) pilot into a new Flexible Interconnection Scaling Pilot (Flex IX Scaling Pilot). The Flex IX Scaling Pilot as proposed in this verified petition will aid the Company's understanding of how to effectively scale the deployment of flexible interconnection solutions in National Grid's service territory, thereby strengthening the Company's capabilities and processes as a Distributed System Platform (DSP) provider. National Grid submits that the additional experience and learning from the Flex IX Scaling Pilot would also benefit the broader discussions ongoing among stakeholders in New York around alternative options such as a flexible interconnection service to support cost-effective and expeditious

interconnections under the NY-SIR. Further demonstrating the scaling of flexible interconnection solutions and the extent which it can unlock the potential for greater deployment of distributed generation (DG) and distributed energy storage will support the state's Climate Leadership and Community Protection Act (CLCPA) goals.[1] National Grid urges the Commission to approve this request to proceed with a Flex IX Scaling Pilot for the reasons articulated in this petition.

I. Background

National Grid continues to observe strong interest and growth in the deployment of both distributed solar photovoltaic (PV) and energy storage in its service area.[2] To further support the deployment of these technologies in support of the State's CLCPA goal of 10 GW of distributed solar PV and 6 GW of energy storage by 2030,[3] the Company continues to explore alternative and innovative solutions, including the development of flexible interconnection service. Enabling cost-effective and accelerated interconnection of eligible projects under the NY-SIR, such as solar PV and energy storage projects, complements the Company's ongoing investments in increasing system capacity on the electric distribution system. National Grid has been investigating and field testing the use of flexible interconnection solutions as a means of supporting more cost-effective interconnection of solar PV projects, specifically in areas where the Company's electric power system (EPS) may have limited or no remaining substation hosting capacity. The Company included the ARI pilot within its Clean Innovation Project to

[1] *See* New York's Climate Leadership and Community Protection Act (CLCPA or Climate Act) targets and progress, *available at* https://climate.ny.gov/our-impact/our-progress
[2] As of January 5, 2026, there were approximately 3,032 MW of distributed generation and 2,081 MW of distributed energy storage active in the interconnection queue within the National Grid service area.
[3] *Supra* note 1.

deploy an initial demonstration of a flexible interconnection solution in the Niagara Mohawk Power Corporation (NMPC) Electric and Gas 2020 Rate Case Proceeding,[4] which was subsequently approved by the Commission in its January 20, 2022 *Order Adopting Terms of Joint Proposal, Establishing NMPC Electric and Gas Rate Plans*.[5]

The ARI pilot evaluated a specific curtailment strategy to mitigate generation backfeed concerns as a result of increased interconnection of solar PV projects under the NY-SIR and solely in regard to substation transformer thermal constraints. The ARI pilot utilized a pro-rata approach to generation curtailment so as to minimize the amount of total curtailment needed to maintain system reliability while more evenly allocating the amount of curtailment across all flexible interconnection projects that are contributing to the observed system constraint. This approach was incorporated during the interconnection study process whereby each project's expected curtailment was estimated through a curtailment study.

To limit the increase of curtailment a flexible interconnection project was expected to experience due to future flexible interconnection projects affecting the same system constraint, the Company analyzed, through a curtailment study, that the project's expected curtailment and the curtailment of flexible interconnection projects ahead in the queue or already connected would not exceed 5% of each project's estimated annual uncurtailed energy production.[6] If the

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[4] *See* Cases 20-E-0380 et al., *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric Service* (National Grid Electric and Gas 2020 Rate Case Proceeding), Testimony of the Electric Infrastructure and Operations Panel, Exhibit __ (EIOP-10), Details of Significant Distribution Capital Investment Plan Projects and Programs Fiscal Year 2022 – Fiscal Year 2025 (filed July 31, 2020), pp. 375-376.

[5] *See* National Grid Electric and Gas 2020 Rate Case Proceeding, Order Adopting Terms of Joint Proposal, Establishing Rate Plans and Reporting Requirements (issued January 20, 2022), pp. 28, 54-55. The capital funding of Grid Modernization projects, which included the ARI pilot, was borne by National Grid USA Service Company, Inc. where projects applicable to NMPC were allocated as a rent expense from the service company to NMPC.

[6] "Uncurtailed energy production" refers to the amount of energy the project is estimated to export if not curtailed by National Grid due to electric distribution system constraints under operating conditions that the Company accounts for in its interconnection studies.

curtailment study revealed that any flexible interconnection project's expected generation (i.e., export) curtailment would exceed this 5% threshold, then the flexible interconnection project being studied would not be eligible for a flexible interconnection service. National Grid describes this approach as a 'study-based curtailment target' which sought to limit curtailment of flexible interconnection projects that proceed to interconnect to the grid based on modeling studies conducted during the interconnection process. However, the Company did not guarantee that this curtailment target would be maintained once a flexible interconnection project was interconnected. The curtailment estimate is non-binding because National Grid may need to curtail higher than this threshold over the project's life cycle to maintain the safety and reliability of the grid as a result of other factors, such as unanticipated decrease in load on a circuit or derating of the Company's EPS asset operating limits that serve the flexible interconnection project.

To ensure that the integration of flexible interconnection projects did not pose a threat to the reliability of the EPS, the Company defined the flexible 'capacity quota' of a substation to represent the maximum amount of flexible interconnection project capacity that can be interconnected downstream of a specific constrained system asset (e.g., substation transformer). Reaching or exceeding the capacity quota or the curtailment target threshold can be the basis for a specific interconnection application to be ineligible for flexible interconnection service.

To implement this curtailment strategy and enable additional solar PV projects to interconnect in the ARI pilot, the Company deployed operational management technologies to support the active curtailment of DG sites when necessary to maintain safety and reliability of the EPS by utilizing real-time grid measurements and site output measurements via telemetry. At the present time, National Grid has flexible interconnection services in place for two solar PV

projects participating in its ARI pilot and interconnected under the NY-SIR, both served by the Company's 115 kV-13.2 kV Peterboro Substation located in the Village of Canastota, Madison County. These two projects (ARI Pilot Sites) sum to an aggregate installed nameplate of 8.25 MW where flexible interconnection services were tested and commissioned in November 2024 and January 2025, respectively. Although the two solar PV projects comprising the ARI Pilot Sites are owned and operated by the same developer, solar PV projects proposed by other developers through submitted interconnection applications were also considered for flexible interconnection service through participation in the ARI pilot on the same substation. However, these other proposed projects subsequently withdrew or have not yet proceeded to construction due to reasons unrelated to the ARI pilot.

II. Key Learnings from ARI Pilot Experience to Date

As an outcome of deploying flexible interconnection services on a limited basis in the ARI pilot, the Company gained initial but critical insight and experience related to the integration and operation of a limited number of primary-connected, actively managed solar PV projects on a single distribution substation. Through interactions with interested developers in the ARI pilot at the Peterboro Substation, National Grid learned what details may be vital to interconnection applicants under the NY-SIR considering flexible interconnection service as an alternative option, such as:

- the curtailment rules, particularly when curtailment is shared on a pro-rata basis among multiple DG projects connected to the same substation;

- the results of the detailed curtailment study that estimates the amount of annual energy production curtailed by a DG project so as to inform the interconnection applicant's project investment decisions; and
- the terms and conditions of the agreement (i.e., ARI Pilot Participation Agreement) between National Grid and the interconnection applicant formalizing the obligations of both parties so as to maintain an operationally flexible interconnection scheme.

As the ARI Pilot Sites progressed through construction and field deployment of the flexible interconnection service, National Grid identified a number of critical steps and details that would be more effective to communicate earlier in the interconnection process (e.g., during the review process of the interconnection applicant's document submittals) such as:

- technical specifications for monitoring, control, and integration between the utility and interconnection applicant to support curtailment management;
- additional customer site plan and site design requirements needed for flexible interconnections to be scalable, safe, and compliant with good utility practices, including guidance documents for cybersecurity protections; and
- efforts needed to standardize and coordinate configuration of communication interfaces between the utility and the DG project.

Further refining these steps in advance of the expansion of flexible interconnection offerings through the Flex IX Scaling Pilot would improve both National Grid and the developer community's readiness so as to accelerate time-to-deployment of flexible interconnections in any subsequent broader rollout.

Since the ARI Pilot Sites were commissioned and the flexible interconnection services were fully tested and operational, there have been some momentary events as a result of

occasional communication issues between utility and interconnection customer equipment resulting in loss of dispatch communication to the ARI Pilot Sites.[7] However, National Grid had configured and implemented fail-safe features on both ARI Pilot Sites requiring the sites to self-curtail after detection of utility-DER communication loss so as not to jeopardize reliability of the EPS. The Company continues to monitor communication events for both ARI Pilot Sites and may consider how to improve reliability of dispatch communications to mitigate self-curtailment if duration of such events deviates significantly from other similar field devices that the Company utilizes. To date, following the commissioning and granting Permission to Operate (PTO) of the ARI Pilot Sites, National Grid has not had the need to issue any curtailment requests as a result of observed EPS capacity constraints.

From the interconnection study process to operation of this limited ARI pilot, National Grid has gained confidence in some aspects of deploying a flexible interconnection service. During witness testing and during full operation the Company observed that current Distributed Energy Resources Management System (DERMS) technologies are capable of adequately monitoring real-time system conditions and determining the necessary actions to increase or restore export capability of a DG project to maintain safe operating loading levels of EPS assets. National Grid recognized that the compromise of a flexible interconnection control scheme and its associated equipment, particularly unreliable telecommunications, could result in consequential curtailment of a DG project if such systems are not adequately maintained and if there are delays in remediation upon detection of problems.

National Grid has shared updates and lessons learned regarding its ARI pilot. This has occurred primarily through the NYS Department of Public Service and New York State Energy

[7] The accumulated event duration of dispatch communication loss to date has been less than 100 hours.

Research and Development Authority co-led Interconnection Policy Working Group (IPWG) and Interconnection Technical Working Group (ITWG) to inform discussions as to how to resolve certain policy and technical challenges associated with projects seeking to interconnect under the NY-SIR. The Company provided an update and key lessons learned at ITWG meetings held in May 2022 and October 2024 and at the October 2024 IPWG meeting where National Grid publicly expressed its interest to expand the piloting of flexible interconnection concepts so as to gain further experience operating such control schemes in its role as a DSP provider.

III. Need for Further Learning to Inform Broader Deployment of Flexible Interconnection Service

National Grid believes that further investigation and refinement of the interconnection application processes, study processes, utility-applicant agreements, and operational best practices with regard to how they impact the deployment of flexible interconnection service is needed to more closely reach the objectives of: (i) achieving greater clarity in how flexible interconnection service can be included as an option under the NY-SIR; (ii) increasing confidence in interconnection customer adoption; and (iii) improving integration with existing utility practices before a broad rollout of a flexible interconnection alternative.

Further business process refinement, such as confirming project eligibility for flexible interconnection and how best to conduct and integrate curtailment studies, is recommended so that utility personnel can efficiently process an interconnection application that is a possible candidate for flexible interconnection service. The Company has identified a need to more clearly distinguish how the utility tracks flexible interconnection projects (from initial application to commercial operation) separately from non-flexible interconnections in order to better support interconnection queue management as well as general system planning studies.

National Grid will also be seeking, from prospective interconnection applicants, what additional information during the study process is necessary to support interconnection applicant decision making, project financing, and site design when flexible interconnection service is under consideration. This is particularly important given that the utility can estimate but not guarantee the amount of curtailment a project will incur over its life in order for the utility to maintain safety and reliability of the EPS. Although the Company conducted curtailment forecast studies for solar PV projects participating in the ARI pilot, the Company intends to further refine the study methodology and its modeling assumptions as part of the Flex IX Scaling Pilot to determine if it can be sufficiently streamlined to fit within the current timeline requirements of for the application process steps for systems above 50 kW up to 5 MW under the NY-SIR. Additionally, National Grid intends to evaluate its methodology for modeling other types of eligible DG under the NY-SIR as well as energy storage in curtailment forecast studies. Jointly with New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, National Grid has participated in stakeholder engagement sessions on August 19, 2025 and September 25, 2025 regarding flexible interconnection concepts where stakeholder feedback has been taken into consideration in the Company's proposed Flex IX Scaling Pilot.

As part of the interconnection process, establishing reasonable contractual terms for the interconnection service between the utility and the interconnection applicant is paramount to the adoption of flexible interconnection. The Pilot Participation Agreement utilized in the ARI pilot details terms and provisions for the flexible interconnection service such as:

- the interconnection customer's obligation to respond to curtailment instructions;
- the interconnection customer's obligations to maintain project equipment to support the flexible interconnection scheme;

- how the utility intends to equitably allocate curtailment needs among multiple flexible interconnection projects subject to a common constraint; and
- recurring fees borne by the interconnection customer that are to be paid to the utility to recover utility operating costs, including but not limited to, maintaining the monitoring and control scheme and related software for the utility to safely and reliably operate the flexible interconnection service.

National Grid has received valuable feedback from the ARI Pilot Sites as to which specific terms and conditions are fundamental to a workable Pilot Participation Agreement as well as those which are particularly challenging. However, without a larger sampling, some terms or conditions may be supported by one population of developers but not others. Given that only a few interconnection applicants have reviewed the Company's Pilot Participation Agreement utilized in the ARI pilot and only one developer moved forward, the Flex IX Scaling Pilot can serve to further survey the potential of the National Grid Pilot Participation Agreement to be broadly amenable by a more representative sampling of DG and energy storage interconnection applicants.

By extending the ARI pilot in a limited fashion through the Flex IX Scaling Pilot before more broadly offering flexible interconnection service options, National Grid will have the opportunity to identify any additional gaps, potentially test solutions to those gaps, and solicit further feedback across a wider range of interconnection applicants. The participating project sites in the Flex IX Scaling Pilot would be accepting flexible interconnection service that has a contract term of 25 years from when the project receives a formal letter of acceptance for interconnection from the utility unless terminated prior to the end of the contract term as defined

in the Pilot Participation Agreement.[8] Limiting the number of locations within the Flex IX Scaling Pilot as discussed below will minimize risk in the event that it results in a less than favorable experience by participating interconnection customers and if further significant process changes are desired from lessons learned before considering a flexible interconnection option more broadly.

IV. National Grid's Flex IX Scaling Pilot Proposal to Offer Flexible Interconnection Service to a Limited Number of Additional Locations

National Grid is seeking approval from the Commission to expand its offer of flexible interconnection service through the Flex IX Scaling Pilot to a limited number of additional locations within its service area. If approved, this will provide an opportunity for the Company to refine flexible interconnection concepts initially deployed in its ARI pilot so as to test and validate these concepts on additional projects with additional developer community participation and feedback as to a flexible interconnection option. Additionally, National Grid is proposing participant eligibility for the Flex IX Scaling Pilot that would allow other DG types, such as wind and energy storage,[9] subject to the provisions that eligible projects will be required to include the use of a utility point of common coupling (PCC) recloser, have the ability to respond to curtailment signals from National Grid via Supervisory Control and Data Acquisition (SCADA), have the ability to comply with the associated requirements of the Company's Electric System Bulletin (ESB) 756B and are interconnecting to the Company's 13.2 kV system

[8] *E.g.*, early termination of the Pilot Participation Agreement would be appropriate when the project is participating in a Qualified Upgrade and transitioning to an unrestricted interconnection.
[9] Participation could include any eligible technologies under the NY-SIR that can also meet the Flex IX Scaling Pilot eligibility requirements.

as a primary-connected (utility-scale) facility. Additionally, eligible participants participating in the proposed Flex IX Scaling Pilot must abide by the NY-SIR as described below.

National Grid proposes to expand the Flex IX Scaling Pilot to up to seven (7) additional 13.2kV substations where the available substation transformer hosting capacity is currently low or zero such that new interconnection applications are anticipated to trigger a Qualifying Substation Upgrade for a transformer bank[10] and where flexible interconnection technologies can maximize DG and energy storage interconnection capacity without triggering the need for such upgrades. This could result in a total of approximately 30-60 MW of new projects being interconnected at these substations as flexible interconnections depending on the specific characteristics of the substation assets. Eligible substations for the Flex IX Scaling Pilot must already have any required zero sequence voltage (3V0) schemes already under construction or installed, have no payments made to date by an interconnection applicant towards a Qualifying Transformer Upgrade for the substation, and be technologically ready to support flexible interconnection schemes with minor modifications. The Company may also elect to utilize the Flex IX Scaling Pilot for those interconnection applications seeking to interconnect at substations with active non-wires alternatives (NWA) projects. National Grid intends to screen for substation locations where there are no other apparent barriers to both DG and energy storage deployment (e.g., active local moratoriums impacting permitting of both DG and energy storage projects).

The Flex IX Scaling Pilot will not only foster critical incremental learning to achieve the objectives discussed earlier in this petition, but it will also allow for the needed refinement of a flexible interconnection concept and what further requirements may need to be defined to be more clearly integrated with the NY-SIR process prior to a broader service area rollout.

[10] *See* NY-SIR Appendix E.2 Cost Sharing for System Modifications & Cost Responsibility for Dedicated Transformer(s) and Other Safety Equipment for Net Metered Customers – Market-Initiated Upgrades.

V. Proposed Flex IX Scaling Pilot Process within the Existing NY-SIR Process

To expand the option of a flexible interconnection service to a limited number of projects at up to 7 additional substations (Flex IX Scaling Pilot Sites), National Grid will announce at IPWG and ITWG meetings the date on which any new eligible substations under the Flex IX Scaling Pilot will be posted on the National Grid System Data Portal at least 10 business days prior to the posting date. Once the eligible substations are posted to National Grid's System Data Portal, interested parties can submit an interconnection application for projects that would be served by eligible substations to be considered for a flexible interconnection service through the Flex IX Scaling Pilot.

National Grid intends to process these applications to align with the existing framework established in the NY-SIR with some clarifications as detailed below. The Company explains in this petition how it intends to offer a flexible interconnection service that is not explicitly prescribed in the NY-SIR and the additional steps that may be required for interconnection applications being studied within the Flex IX Scaling Pilot.

Once the interconnection applicant has submitted their request, the Company will conduct a preliminary screening analysis and present the results to the interconnection applicant. As per the NY-SIR, National Grid will issue an invoice for the typical Coordinated Electric System Interconnection Review (CESIR). In conjunction with the tasks associated with a typical document review of the detailed interconnection design package provided by the interconnection applicant, National Grid will also determine if the proposed project may be eligible for a flexible interconnection option.[11] If deemed eligible, both options will be studied in the CESIR unless the interconnection applicant opts out of the flexible interconnection option before its application

[11] For purposes of this petition, the curtailment study is deemed to be a component of the CESIR.

progresses through the CESIR. National Grid will issue a separate invoice for the curtailment study[12] costs in regard to the flexible interconnection option.

When completed, the curtailment study will provide the interconnection applicant with a non-binding estimate of the potential annual curtailment the proposed project may experience inclusive of the impact from any upstream flexible interconnection project(s) and the modeling considerations of the respective DG type(s) including energy storage. National Grid believes that expanding eligibility of flexible interconnection service with the proposed pro-rata and study-based curtailment target approach to other DG types other than solar PV and energy storage can be accommodated in the Flex IX Scaling Pilot. However, the Company intends to investigate how to minimize curtailment risk in the event that the operating profile of non-solar PV projects or energy storage used in the curtailment study deviates significantly from their subsequent actual operating profile once in operation. National Grid will nonetheless continue to review whether the completed curtailment study results in generation (i.e., export) curtailment estimated to exceed the 5% threshold. Since the Flex IX Scaling Pilot will not be demonstrating the use of flexible interconnection to curtail charging from the grid of energy storage projects, this curtailment threshold will not be considered or used to manage curtailment of energy storage charging. For the purposes of the Flex IX Scaling Pilot, studying a flexible interconnection option will result in a higher total study cost than a typical full CESIR study alone and an increased time window of an additional 40 business days.[13] If the interconnection applicant elects to opt out of the flexible interconnection option prior to National Grid commencing the

[12] The curtailment study prepared by National Grid models non-binding estimated annual curtailed energy production of a project with a flexible interconnection service.

[13] *See* NY-SIR, Section I.C. Step 6, p. 11, which states that "applicant and the utility may agree to allow up to an additional forty (40) Business Days beyond the time specified above for completion of the CESIR [i.e., within sixty (60) Business Days of receipt of the information set forth in Step 5], provided that no other application is adversely impacted."

CESIR study process, the Company anticipates that the interconnection application would progress through the remaining steps of the NY-SIR with no incremental study cost and no additional study time requirement.

If an interconnection applicant elects to have the proposed project studied inclusive of the flexible interconnection option, the Company will perform the CESIR, inclusive of the curtailment study, and provide the interconnection applicant a combined report with the respective cost estimates for each option. Upon receipt of the completed CESIR, the interconnection applicant can choose which option to move forward with and pay 25% of the CESIR estimate for the desired option (inclusive of the flexible interconnection option if the interconnection applicant is eligible and elects to participate in the Flex IX Scaling Pilot). Alternatively, the interconnection applicant can opt to withdraw the application.

If the interconnection application triggers the need for a Qualifying Upgrade of a substation transformer that will reach or has already exceeded the Utility Mobilization Threshold in order for the proposed project to interconnect without a flexible interconnection service, the interconnection applicant must pay its share[14] of the Qualifying Upgrade Charge. This requirement would apply even if the interconnection applicant intends to temporarily interconnect its project utilizing a flexible interconnection service until such time as the Qualifying Upgrade is complete, or the interconnection applicant withdraws from the queue. In this scenario, the flexible interconnection service acts as a potential 'bridge' solution concurrently with an effort to increase substation hosting capacity. The interconnection applicant's project will concurrently progress through the NY-SIR process with a flexible interconnection service if provided as an alternative in the CESIR while the interconnection

[14] *See* NY-SIR, Section I.D.1, p 13, which states that "applicants may post a standby letter of credit (SLOC) in accordance with the rules detailed in D.2 instead of making a cash payment.

applicant waits for the construction of the Qualifying Upgrade to be completed. When the Qualifying Upgrade is mobilized, constructed and placed into service, the applicant's project will transition from a flexible interconnection service to a traditional interconnection service wherein the Pilot Participation Agreement will terminate and the flexible interconnection capacity of the project will be added back to the substation's remaining flexible interconnection project capacity. This scenario of participating in the cost share of the Qualifying Upgrade of a substation transformer while concurrently pursuing a flexible interconnection service, as well as the trigger for termination of the Pilot Participation Agreement, will be captured within the Pilot Participation Agreement.

If, upon completion of the CESIR, the interconnection application triggers the need for a Qualifying Upgrade of a substation transformer that will not yet reach or exceed the Utility Mobilization Threshold as a result of the proposed project for any option in the CESIR that does not utilize a flexible interconnection, the interconnection applicant can elect to participate in the flexible interconnection option and avoid having to contribute to the Qualifying Upgrade of the substation transformer for the contract term defined in the Pilot Participation Agreement.[15,16] If the interconnection applicant does not contribute to the Qualifying Upgrade of the substation transformer, the interconnection applicant's project will not be allocated any subsequent substation hosting capacity resulting from any future completed Qualifying Upgrades of the substation transformer. Therefore, the interconnection applicant's project will operate under a flexible interconnection service until the end of the contract term unless terminated prior to the end of the contract term as defined in the Pilot Participation Agreement. Any flexible

[15] *See* NY-SIR Appendix E Cost Sharing for System Modifications & Cost Responsibility for Dedicated Transformer(s) and Other Safety Equipment for Net Metered Customers.
[16] As of December 31, 2025, there have been no interconnection applicant payments received for a Qualifying Substation Transformer Upgrade within the National Grid service area.

interconnection project that does not contribute to a Qualifying Upgrade for a substation transformer can later make a new interconnection application with National Grid to have their flexible interconnection project restudied as a non-curtailable project. The Company will consider whether the restudy is deemed a material modification based on the then-current NY-SIR rules and identify any system upgrade costs required to interconnect the project without a flexible interconnection service as part of the new CESIR.

The Company had considered requiring any interconnection application pursuing a flexible interconnection to contribute to a Qualifying Upgrade of a substation transformer regardless of mobilization status with the intent to avoid the scenario where a flexible interconnection project benefits (i.e., through a reduced curtailment) from future substation upgrades where the flexible interconnection project has not made a monetary cost-sharing contribution for such upgrades. However, industry stakeholders expressed concern during the joint stakeholder engagement session held on September 25, 2025 with the implications of the combined anticipated cost of a project's share of the Qualifying Upgrade for a substation transformer, the cost to set up and maintain a flexible interconnection service in the interim, and lack of certainty as to if and when a Qualifying Upgrade for a substation transformer would be mobilized and completed. At this early stage of piloting flexible interconnections, the Company anticipates that requiring an interconnection applicant, whose proposed project does not result in the Utility Mobilization threshold being met for a Qualifying Upgrade, to contribute to Qualifying Upgrade costs for a substation transformer[17] may hinder meaningful developer participation in the Flex IX Scaling Pilot and complicate the Company's objective to achieve the related learning objectives. Although completion of any future Qualifying Upgrades of

[17] However, a project may still be required to pay for other Qualifying Upgrades as applicable under the NY-SIR that are not substation transformer upgrades.

substation transformers may initially relieve curtailment of connected flexible interconnection projects supplied by the transformer upgrade, any non-curtailable DG and energy storage projects that join the interconnection queue later and are allocated hosting capacity from the new transformer upgrade may subsequently impact curtailment as newly installed hosting capacity diminishes over time. The approach that the Company is proposing in the Flex IX Scaling Pilot will instead strike a balance between making contributions to Qualifying Upgrades voluntary for projects when the Utility Mobilization Threshold is not met but making such contributions mandatory if the Utility Mobilization Threshold has been met. Such an approach will inform if and how scaling of flexible interconnection could lead to developer contribution to system upgrades and additional paths forward to build out the necessary capital infrastructure to support CLCPA goals. National Grid recommends that a more comprehensive approach between flexible interconnection service and cost-sharing concepts continue to be discussed and developed in parallel within IPWG and ITWG but remain outside of the scope of the proposed Flex IX Scaling Pilot.

Coincident with the execution of the NY-SIR Interconnection Agreement,[18] if the flexible interconnection option is elected by the interconnection applicant, a Pilot Participation Agreement (inclusive of provisions for an additional service fee to cover National Grid's operating costs of the flexible interconnection arrangement) must also be executed between the interconnection applicant and National Grid. National Grid will adjust accordingly the remaining flexible interconnection capacity, if any, from the associated substation upon a fully executed Pilot Participation Agreement.

[18] The NY-SIR Interconnection Agreement is also known as Form K within National Grid.

The Flex IX Scaling Pilot will use a revised Pilot Participation Agreement for all Flex IX Scaling Pilot participants. This revised Pilot Participation Agreement is still being finalized by the Company and will draw from the version used in the ARI pilot with the appropriate refinements to incorporate lessons learned to date on the deployment of flexible interconnections. The Company's ARI pilot had focused on validating one of the commonly referenced and known curtailment arrangements within the industry, described as a pro-rata scheme, establishing utility-applicant agreement terms and cost recovery mechanisms for set-up and ongoing operating costs, and developing an interconnection design that incorporates the flexible interconnection scheme. The ARI pilot provided the opportunity for National Grid to evaluate and gain feedback from three DG developers on the Company's approach for a Pilot Participation Agreement of a flexible interconnection service. This in turn provided the interested interconnection applicant with the confidence needed to move ahead with a flexible interconnection project. Similarly, any insight from implementing the Flex IX Scaling Pilot could inform suggestions to subsequent NY-SIR modifications and the NY-SIR Interconnection Agreement should the use of a flexible interconnection option be adopted for full-scale use in the future.

For any project in the interconnection queue at a specific substation that had already entered the CESIR process but has not yet remitted its 25% payment prior to the Company posting on the National Grid System Data Portal that said substation is eligible for the Flex IX Scaling Pilot, the interconnection applicant can request to have its project restudied for consideration of a flexible interconnection once the substation location is posted to the SDP. National Grid will assess whether the requested project could proceed to re-study based on the eligibility requirements for a flexible interconnection and available flexible capacity at that

substation. If the restudy is deemed to be a Material Modification by National Grid and the interconnection applicant advises the Company to proceed with the restudy, the project's queue date will be reset accordingly.[19] Eligible projects proceeding with a re-study will be notified with CESIR re-study invoices and given 10 business days to pay the resulting fees.[20]

VI. Curtailment Study and Associated Study Fee

As described above, as part of the interconnection process and the CESIR for a flexible interconnection, National Grid will conduct curtailment studies for all interconnection applicants where flexible interconnection is an option, unless the interconnection applicant opts out of being studied as a flexible connection project. The curtailment study will provide a non-binding estimate of the expected annual (12-month period) curtailment at an hourly interval. National Grid will study the estimated curtailment under a conservative, forecasted load scenario using a reasonably conservative operating profile of all non-curtailable and curtailable (i.e., flexible interconnection) projects based on data available at the time of the study. The curtailment study fee has historically been in the range of approximately $22,000 to $35,000. However, the Company will determine the study cost going forward based on actual costs at the time of the curtailment study. This curtailment study fee will be billed to the interconnection applicant in a manner similar to the CESIR study cost. The intent of this curtailment study is to inform the interconnection applicant's decision as to whether to pursue a flexible connection scheme. The curtailment study results will assist the interconnection applicant in assessing the resulting

[19] *See* New York State Department of Public Service Distributed Generation Information website available for Material Modifications Guideline (December 2019) document in the NYS Standardized Interconnection Requirements (SIR) section, available at https://dps.ny.gov/distributed-generation-information
[20] *See* NY-SIR, Section I.H Modifications.

impact on the proposed project's operations and business model. National Grid cannot guarantee or provide any assurance that the amount of curtailment for the interconnection applicant's site will not exceed the amount described in the curtailment study results as the Company will need to curtail generation at the site as needed to maintain safety and reliable operation of the EPS. National Grid's inability to curtail as needed presents risk of unexpected equipment degradation or damage that can compromise system reliability and service to other customers, including disconnection of other non-curtailable interconnected projects. If the amount of estimated curtailed generation (i.e., export) identified in the curtailment study results in any upstream flexible interconnection project at the same substation exceeding a projected 5% threshold of its project's estimated annual uncurtailed energy production,[21] the proposed project under study will not be eligible to proceed with a flexible interconnection option.

VII. Option for a Combination of Scheduled Connections and Flexible Interconnections for Eligible Energy Storage Projects Charging from the Grid

National Grid proposes to allow interconnection applications submitted as standalone energy storage projects, or as DG co-located with energy storage projects seeking to charge from the grid at eligible substations, to be studied within the CESIR using a flexible interconnection service to manage the project's discharge (i.e., export onto the EPS) in conjunction with a scheduled connection[22] in managing the project's charging (i.e., import from the grid) capability per the Company's energy storage charging and discharging schedule. To apply a flexible interconnection service option for the discharge capability of an energy storage project, the

[21] A proposed project's estimated, annual uncurtailed energy production is calculated within the Company's curtailment study based on various study inputs including the proposed project's anticipated operating profile.
[22] The term "scheduled connection" refers to existing allowances through the NY-SIR and Appendix K therein where the interconnection applicant can indicate specific charging (i.e., import) limitations that will be imposed on the point of coupling of their energy storage project daily throughout the year.

Company will conduct a curtailment study as described earlier herein assuming a specific discharging profile to the proposed energy storage project. National Grid believes that allowing energy storage projects to have further confidence in their respective minimum charging capabilities, as indicated in Appendix K of the NY-SIR, provides some operational certainty for such projects.

VIII. Cost Allocation

National Grid will collect an annual service fee per flexible interconnection project to facilitate essential maintenance and support for deployment of flexible interconnection schemes within the Flex IX Scaling Pilot. The initial annual service fee will be stated in the Pilot Participation Agreement and will begin after the interconnection applicant's project receives a formal letter of acceptance for interconnection from the Company. Subsequent annual service fees will be based on the costs incurred by National Grid to maintain the flexible interconnection service. National Grid believes that implementing this fee structure will promote financial sustainability to operate deployed flexible interconnection services for all affected parties.[23]

Interconnection applicants seeking a flexible interconnection service will be required to comply with the steps outlined in the NY-SIR including cost obligations for system upgrades specified in the respective CESIRs. This responsibility includes the cost for upgrades that cannot be mitigated through flexible interconnection, cost for utility service equipment specifically needed to support the flexible interconnection service, as well as adherence to the payment milestones and cost reconciliation processes applicable to all NY-SIR projects.

[23] Any future deployment beyond what the Commission may authorize in response to National Grid's petition to implement the Flexible IX Scaling Pilot is subject to further Commission action and NY-SIR amendments.

VII. Conclusion

For the aforementioned reasons, National Grid respectfully requests the Commission's approval of the Company's proposed Flex IX Scaling Pilot that will offer flexible interconnection service to eligible projects that apply for interconnection pursuant to the NY-SIR at participating substations. The Flex IX Scaling Pilot will advance solutions that can help achieve New York's CLCPA goals and mitigate cost barriers that are slowing the pace of DG and energy storage projects interconnecting under the NY-SIR. Further, the Flex IX Scaling Pilot will advance the Company's objective of understanding how to deploy flexible interconnections more broadly within its service area. Additionally, the Flex IX Scaling Pilot will provide greater clarity in how flexible interconnection service can be included as an option under the NY-SIR, while increasing customer confidence in adoption of flexible interconnections and improving integration with existing utility practices.

Dated: January 21, 2026

Respectfully submitted,

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

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VERIFICATION

VERIFICATION

COMMONWEALTH OF MASSACHUSETTS)
) SS:
COUNTY OF WORCESTER)

Natasha Deschene, being duly sworn, deposes and says that she is Vice President of Electric Asset Management & Engineering - New York for National Grid and an officer of Niagara Mohawk Power Corporation; that she has read the foregoing Verified Petition of Niagara Mohawk Power Corporation d/b/a National Grid Seeking Commission Approval to Offer Flexible Interconnection Service Options to Distributed Generation and/or Energy Storage Projects Interconnecting under the New York State Standardized Interconnection Requirements at Limited Locations as an Expansion of the Active Resource Integration Pilot in Case 26-E-_____ and knows the contents thereof; that the statements made therein are true to the best of her knowledge, information and belief; and as to those matters she believes them to be true.

Natasha Deschene

Sworn to before me this
20 day of January 2026

Notary Public

TAJKIA RAHMAN
Notary Public
Massachusetts
My Commission Expires
Jan 22, 2032