

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Verified Complaint of Nexamp, Inc. and Affiliates
Against Niagara Mohawk Power Corporation d/b/a
National Grid Pursuant to the New York State
Standardized Interconnection Requirements**

Case _____

**VERIFIED COMPLAINT OF NEXAMP, INC. AND AFFILIATES
AGAINST NIAGARA MOHAWK POWER CORPORATION
D/B/A NATIONAL GRID**

Dated: August 7, 2025

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PRELIMINARY STATEMENT

Nexamp, Inc., on behalf of itself and fourteen of its affiliated project companies owning distributed solar projects (each, a “Project” and collectively, “Projects”) in New York (collectively, “Nexamp”), hereby submits this formal complaint against Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the “Company”) pursuant to Section I, Part C, Step 11 of the *New York State 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* (“SIR”) and the New York Public Service Commission (“Commission”) regulations governing non-residential customer complaints, found in Title 16, Chapter 1, Part 13 of the New York Codes, Rules and Regulations.¹

Nexamp specifically contests (i) National Grid’s attempt to invoice Nexamp for \$3,615,637 in additional interconnection costs (the “Cost Increase”), as part of the final reconciliation process for—as of the date of this complaint—fourteen Projects owned and operated by Nexamp, above the amounts previously paid by Nexamp in response to each Project’s Coordinated Electric System Interconnect Review (“CESIR”) Study (referred to herein as the “Invoiced Projects”), and (ii) the

¹ 16 NYCRR 13.15.

validity of National Grid’s revised reconciliation invoices for the Invoices Projects due to National Grid’s egregious disregard for the SIR’s firm sixty (60) day deadline to issue the reconciliation invoices.² This represents a **52% increase** across the fourteen Invoiced Projects.

Nexamp anticipates receiving similarly egregious and improper final reconciliation invoices for 41 additional Nexamp-owned solar projects in various stages of development with National Grid (collectively referred to as the “Development Projects”) identified in Exhibit AC given the similar actions (or inactions) National Grid has taken with respect to those Development Projects. Based on information from National Grid, discussed in April and May 2025 meetings, Nexamp expects to receive reconciliation invoices totaling approximately \$9.2 million across 29 Development Projects. For the remaining 12 Development Projects, National Grid has not provided updated cost estimates, however Nexamp has estimated \$10 million in additional, uncertain cost exposure based on comparisons to data provided by National Grid on other projects.

The specific amounts at issue for the Invoiced Projects are:

<u>Project Name</u>	<u>National Grid ID</u>	<u>Project Size (MW)</u>	<u>CESIR Payments</u> ³	<u>Final Invoice</u> ⁴	<u>Variance</u>	<u>% Increase</u>
Allis Hill	339809	5.0	\$352,228	\$762,176.26	\$409,948.26	116%
Beaver Dam	197571	5.0	\$227,155	\$429,528.34	\$202,373.34	89%
Stillwater	229123	3.5	\$128,866	\$230,839.77	\$101,973.77	79%
Pendleton 2	236931	3.75	\$467,813	\$833,881.36	\$366,068.40	78%

² The fourteen project companies owning the Invoiced Projects are: Allis Hill Solar, LLC; Appleton Solar 1 PV, LLC; Beaver Dam Solar 1, LLC; Clarkson Renewables 2, LLC; Claverack Solar 1 PV, LLC; FFP NY Schaghticoke Project2, LLC; LeRay Jackson Solar PV, LLC; Military Road Solar LLC; Oppenheim Inghams Solar, LLC; Oswegatchie Solar, LLC; Pendleton Solar 2, LLC; Portville CSG 1, LLC; Stillwater Renewables PV, LLC; and Wadhams Solar PV, LLC. Each project company is an affiliate of Nexamp, Inc.

³ Copies of original CESIR Studies for each Invoiced Project are attached to this Complaint as Exhibits A through N, respectively. The amounts noted in the “CESIR Payments” column are inclusive of CESIR Study costs and upgrade costs identified in the CESIR Studies themselves.

⁴ Copies of final reconciliation invoices for each Invoiced Project are attached to this Complaint as Exhibits O through AB, respectively.

Oswegatchie	263111	5.0	\$583,557	\$1,005,764	\$422,207.00	72%
Schaghticoke	284812	2.85	\$333,946	\$530,131.00	\$196,185.00	59%
Wadhams	291843	4.75	\$435,077	\$687,884.00	\$252,807.00	58%
Clarkson	251021	5.0	\$150,464	\$234,751.63	\$84,287.62	56%
Oppenheim	254035	2.3	\$196,067	\$294,090.65	\$98,023.65	50%
LeRay Jackson Solar PV	229020	5.0	\$2,039,607	\$3,001,497	\$961,890	48%
Claverack	233096	5.0	\$321,098	\$471,910.27	\$150,812.00	47%
Military Road	206459	4.38	\$968,849	\$1,205,544.83	\$236,695.83	24%
Portville	239580	4.5	\$558,719	\$679,011.43	\$120,292.43	22%
Appleton	250117	5.0	\$251,222	\$263,294.00	\$12,072.00	5%
		Total:	\$7,014,668	\$10,630,305	\$3,615,637	52%

National Grid cites three cost drivers to support the Cost Increase: (1) use of external contractors; (2) cost escalation in materials since the CESIR Studies were issued; and (3) addition of sales and income taxes not included in the original CESIR Study. National Grid’s use of external contractors, in particular, caused final labor costs to more than double the original estimate. National Grid incurred these costs without any direction from, or notice to, Nexamp. Indeed, National Grid’s lack of communication with, or notice to, Nexamp is a common theme with the Cost Increase, and, to Nexamp’s understanding, a common practice by National Grid with other development projects. National Grid did not notify Nexamp that National Grid would charge Nexamp substantial additional costs across these Invoiced Projects (and, based on these experiences and communications from National Grid with respect to, the Development Projects) whether in the form of increased labor, materials, overhead, or taxes, despite ample opportunity to do so throughout each Project’s development cycle.

Moreover, in many cases, National Grid was late in providing final reconciliation invoices to Nexamp, disregarding the mandatory reconciliation timeframe required under the SIR (in some cases, blatantly so). As discussed herein, National Grid’s disregard for this SIR obligation has

caused substantial prejudice to Nexamp. National Grid's final reconciliation invoices also fail to provide neither sufficient documentation nor legitimate justification to support the claimed Cost Increases; instead, National Grid's documentation is largely limited to a line item in each final reconciliation invoice without any justification. Even excluding National Grid's lack of any (not even reasonable) justification for not following the SIR, National Grid also harmed Nexamp by, among other things, preventing Nexamp from properly structuring its agreements that depend on both the utility and developer complying with the SIR, which resulted in additional costs and delays.

As discussed herein, National Grid has not validated its claimed costs and its stated cost drivers are largely, if not solely, due to National Grid's own non-compliance with the SIR. Nexamp therefore disputes any obligation to pay the Cost Increase (with respect to any of the Invoiced Projects) and respectfully requests that the Commission prohibit National Grid from collecting the Cost Increase because of National Grid's failure to comply with the SIR. If the Commission excuses National Grid's non-compliance with the SIR, which it should not, the Commission must limit any cost increase to a reasonable amount to the extent National Grid can substantiate its costs. In either instance, the Commission's determination with respect to the Invoiced Projects should also be proactively (or at least subject to) be applied to the Development Projects.

BACKGROUND

Description of Complainants

Nexamp is the largest community solar provider in the country, with more than 1 GW of renewable energy-generating assets currently in operation or under construction throughout the United States. In New York, Nexamp has nearly 400 MW of operating community solar and

storage assets with more than 250 MW in additional assets currently under development. Nexamp's end-to-end capabilities include project development and acquisition, design, construction, operations, and customer management. Nexamp has been, and continues to be, an active participant in New York's evolving distributed energy community, with long-term and active participation in the Interconnection Policy Working Group, the Interconnection Technical Working Group, NYSEERDA's solar and energy storage initiatives, and others. As noted, Nexamp is filing this complaint on behalf of itself and its fourteen affiliated project companies having received National Grid's final reconciliation invoice:

1. Allis Hill Solar, LLC, the owner of a 5.0 MW community solar project located at 2975 New Boston Road, Canastota, New York.
2. Appleton Solar 1, LLC, the owner of a 5.0 MW community solar project located at 93 Appleton Road, Rexford, New York.
3. Beaver Dam Solar 1, LLC, the owner of a 5.0 MW community solar project located at 275 Beaver Dam Road, Selkirk, New York.
4. Clarkson Renewables 2, LLC, the owner of a 5.0 MW community solar project located at 4121 County Road 238, Clarkson, New York 14420.
5. Claverack Solar 1 PV, LLC, the owner of a 5.0 MW community solar project located at 239 Stottville Road, Hudson, New York.
6. FFP NY Schaghticoke Project2, LLC, the owner of a 2.85 MW community solar project located at 95 Verbeck Avenue, Schaghticoke, New York.
7. LeRay Jackson Solar, LLC, the owner of a 5.0 MW community solar project located at 29368 Vantassel Rd, Evans Mills, New York.
8. Military Road Solar LLC, the owner of a 4.38 MW community solar project located at 7229 County Road 178, Henderson, New York.
9. Oppenheim Inghams Solar, LLC, the owner of a 2.3 MW community solar project located at 573 County Road 108, Saint Johnsville, New York.
10. Oswegatchie Solar, LLC, the owner of a 5.0 MW community solar project located at 56 Rufa Road, Ogdensburg, New York.

11. Pendleton Solar 2, LLC, the owner of a 3.75 MW community solar project located at 6000 Donner Road, Lockport, New York.
12. Portville CSG 1, LLC, the owner of a 4.5 MW community solar project located at 2148 Haskell Road, Olean, New York.
13. Stillwater Renewables PV, LLC, the owner of a 3.5 MW community solar project located at Stillwater Bridge Road, Schaghticoke, New York.
14. Wadhams Solar, LLC, the owner of a 4.75 MW community solar project located at 6866 State Route 37, Oswegatchie, New York.

Project Background

Each Invoiced Project is an operating solar generating facility within National Grid’s service territory in New York State, sized between 2.3 MW and 5.0 MW. For efficiency, the table below lists relevant dates for each Project, including the issuance of the CESIR Study, the Permission to Operate (“PTO”) date, and the date the corresponding reconciliation statement was received:

<u>Project Name</u>	<u>CESIR Issued</u>	<u>PTO</u>	<u>Reconciliation Received</u>
Military Road	10/18/2019	12/31/2024	8/1/2025
Stillwater	10/25/2019	12/2/2023	9/19/2024
LeRay Jackson Solar PV	11/27/2019; revised 6/16/2021	12/18/2024	7/16/2025
Claverack	12/3/2019	4/16/2024	10/16/2024
Schaghticoke	8/14/2020	12/18/2024	5/23/2025
Wadhams	12/18/2020	3/20/2024	11/7/2024
Appleton	9/10/2021	5/21/2024	12/17/2024
Oswegatchie	3/5/2021	11/1/2024	6/24/2025
Portville	1/17/2022	11/25/2024	6/24/2025
Allis Hill	12/03/2021	11/5/2024	6/24/2025
Beaver Dam	11/14/2019	4/10/2024	6/24/2025
Pendleton 2	9/30/2020	12/31/2024	6/26/2025
Oppenheim	4/20/2020	12/27/2024	6/27/2025
Clarkson	11/6/2020	10/30/2024	7/29/2025

As evidenced by the table above, the Invoiced Projects required a development timeline between 2.5 – 5 years. Notably, none of the Projects’ designs resulted in a material modification

from the issuance of the CESIR estimate to the completion of construction and the issuance of the reconciliation statement. Following CESIR issuance, Nexamp took significant actions to move forward with the development process for each Project. This included working through local permitting and zoning processes and hiring and managing the needed contractors to contemplate the necessary infrastructure upgrades and construction needs to build each solar generation system and connect to National Grid's system. As discussed below, while Nexamp continually communicated its projected in-service dates to National Grid, Nexamp did not specifically request that National Grid expedite construction work to meet any specific deadlines (except for the Pendleton 2 project, discussed below).

Following PTO, National Grid provided Nexamp with what purported to be National Grid's final reconciliation invoices, seeking to charge Nexamp \$3,615,637 in Cost Increases across all Invoiced Projects. On September 24, 2024, and October 24, 2024, Nexamp contested via email the reconciliation invoices for the Stillwater Project and the Claverack Project, respectively, and requested additional information to support the cost increases. On May 21, 2025, Nexamp sent a letter to National Grid, once again contesting the Cost Increase (this time for the Stillwater, Claverack, Wadhams, and Appleton Projects) and requesting additional information to support the increases, as National Grid had not provided the initially requested information. National Grid responded to the letter on May 28, 2025, providing a summary of the reconciliation statements and its justification for the cost drivers behind the Cost Increase.⁵ Around this time, Nexamp received the final reconciliation invoice for the Schaghticoke Project. Subsequent to this letter, between June 24-27, 2025, National Grid provided final reconciliation invoices for six additional projects – Allis Hill, Beaver Dam, Oppenheim, Oswegatchie, Pendleton 2, and Portville. On July 9, 2025,

⁵ See National Grid Response to Nexamp, appended here as Exhibit AD.

National Grid issued the final reconciliation invoice for the Clarkson project. On July 16, 2025, National Grid issued the final reconciliation invoice for the LeRay Jackson Solar PV project. On August 1, 2025, National Grid issued the final reconciliation invoice for the Military Road project.

For the reasons discussed below, Nexamp contests the full amount of the Cost Increase applicable to the Invoiced Projects and National Grid’s ability to charge similar (and anticipated) cost increases to the Development Projects.

ARGUMENT

NATIONAL GRID IS PROHIBITED BY THE SIR FROM CHARGING NEXAMP FOR THE COST INCREASE

The Commission established the SIR to provide a framework for utilities and developers involved with processing applications for the interconnection of distributed energy resource (“DER”) projects 5 MW or less. The Commission first adopted the SIR in 1999 and has continuously adapted and revised the requirements over the last 25 years to ensure the requirements are consistent with the changing market and system needs.⁶ Consistent with these efforts, it is critical that utilities and developers alike follow the SIR requirements to ensure efficient and consistent growth of DERs across the State, in line with the State’s clean energy and emissions reduction goals. This is particularly critical given that developers like Nexamp face strict enforcement and severe consequences, including removal from the interconnection queue, when found to be in violation of SIR deadlines, and similarly, the utilities should be held to the same standard to ensure that the SIR functions as intended. Moreover, in cases where the utility seeks added costs at final reconciliation, the burden lies with the utility to demonstrate that it

⁶ Case 94-E-0952, In the Matter of Competitive Opportunities Regarding Electric Service, Opinion and Order Adopting SIRs for Distributed Generation Units (issued December 31, 1999).

actually incurred the costs the utility seeks to charge, and, crucially, follows the SIR processes, including all timelines for the utility's actions.⁷

As applicable to the Invoiced Projects and, upon Nexamp's reasonable knowledge and belief, the Development Projects, National Grid failed to adhere to multiple, critical SIR provisions, directly resulting in significant prejudice to Nexamp, and National Grid, therefore, by regulation, is precluded from now charging Nexamp for the Cost Increase with respect to the Invoiced Projects and Development Projects (to the extent the Commission rules with respect to the Invoiced Projects).

National Grid relies specifically on three drivers of the Cost Increase: (1) use of outside services to meet interconnection deadlines; (2) price escalation for materials since the original CESIR Studies were issued; and (3) sales and income tax. Nexamp takes issue with and objects to National Grid's attempt to use each cost driver below. In addition, Nexamp objects to National Grid's unreasonably high "Overhead" charge (which represents another key driver of the Cost Increase). Furthermore, Nexamp objects to each final reconciliation invoice that was not delivered by the SIR-mandated deadline and notes that the Commission must find the Cost Increases improper due to National Grid's blatant disregard for the SIR.

While this Complaint is filed in response to reconciliation invoices for the Invoiced Projects, as noted, National Grid has communicated to Nexamp that Nexamp should expect similar cost increases on the Development Projects, which are all estimated to achieve PTO between mid-2025 and end of 2026. In fact, it is Nexamp's understanding that this issue also goes beyond just

⁷ Case 22-E-0702, Petition of LSE Pisces LLC, Order Addressing Interconnection Costs (issued December 19, 2023) ("LSE Order") at 6 ("At a minimum, we expect that a utility's billing statement will include at least the same level of detail for the actual costs incurred as are included in the CESIR cost estimates, and an explanation for any variances or additional cost categories.").

Nexamp's projects and has become National Grid's common practice across development projects and is not unique to Nexamp and the projects discussed herein. The fact that National Grid consistently and continuously charges developers well above the initial cost estimate is a widespread issue and only underscores the need for the Commission to take a closer look into National Grid's interconnection practices. To the extent National Grid's practices with respect to the Invoiced Projects are found to violate the SIR, the Commission should prohibit National Grid from employing similar practices on the Development Projects (and to other similarly situated developers to Nexamp, generally), so that Nexamp is not forced to file repeated complaints contesting the same SIR violations being raised in this complaint as the Development Projects reach final reconciliation.

Cost Driver #1 – Use of Outside Services

National Grid's Charges for 'Outside Services' are Egregious and Unsupported

National Grid's reliance on contracting with third parties ("Outside Services") is a key driver of the Cost Increase and something exclusively within National Grid's control. Across the Projects, these Outside Services alone account for **\$1,473,075.08** of the Cost Increase, before they are grossed up even higher with overhead and taxes.⁸ These charges are egregious and unsupported, often justified through only a single line-item on the final reconciliation invoice, and demonstrate a troubling and widespread failure by National Grid to properly manage DER interconnection work. The Commission must therefore reject these charges because National Grid has does not have unchecked authority to incur or cause to incur costs associated with such work

⁸ It is Nexamp's understanding that Overhead is calculated as a percentage of all other charges. Nexamp disputes National Grid's Overhead charges below and the use of Outside Services only underscores the unreasonableness of National Grid's Overhead, which creates a compounding effect by further inflating the already-unreasonable Outside Services costs.

as demonstrated by the facts. However, the facts demonstrate National Grid’s blatant disregard for the SIR intentions (or Nexamp’s interests) and the Increased Costs were a direct result of this behavior.

National Grid alleges that “[e]xternal contractors were engaged to meet interconnection deadlines, particularly during high-demand periods and year-end scheduling constraints.” It also alleges that “[i]n several instances, Nexamp specifically requested that National Grid expedite interconnection activities to meet critical tax equity financing deadlines.”⁹

With one exception noted below, Nexamp did not request that National Grid take expedited actions and has no records of any such requests for these Projects. While Nexamp agrees that interconnecting by certain deadlines is often important, for example to meet financing or tax equity deadlines, Nexamp did not ‘specifically request’ expedited deadlines to National Grid and certainly did not authorize hiring more expensive contractors to meet expedited deadlines. At most, Nexamp communicated its own projected or requested in-service dates to coordinate interconnection activities with National Grid. The one exception is the Pendleton 2 Project, where Nexamp did authorize overtime in December 2024 to meet an end-of-year PTO date.¹⁰ This exception, however, did not constitute a ‘blank check’ for National Grid and only underscores that National Grid is aware of, and can abide by, the process for obtaining developer approval prior to incurring added costs that the utility intends to pass through to the project. Except for Pendleton 2, Nexamp has no records of requesting or approving National Grid to incur added labor or overtime costs to meet requested deadlines for the Invoiced Projects. Nexamp also has no records of National Grid requesting approval of, or even providing notice of, its practice of incurring

⁹ See Exhibit AD, National Grid Response to Nexamp at 1.

¹⁰ See “Nexamp Authorization for Overtime for Ngrid Case ID 38037 Pendleton Solar 2” (dated December 5, 2024), attached hereto as Exhibit AE.

uncapped third party service fees related to any of the Invoiced Projects (and, to date, the Development Projects).

Importantly, Nexamp's communications and transparency throughout the process (that was not reciprocated as detailed herein) provided National Grid sufficient time to act on any alleged "deadlines". Nexamp has been meeting weekly with National Grid for years to coordinate on project forecasts and ongoing development activities. These meetings provided National Grid with ample opportunity to identify to Nexamp that National Grid intended to engage third-party 'outside services' to work on the Projects, and to communicate the expected cost of these outside services, or, at the very least, that they would not meet the 60-day SIR deadline.

Nexamp, however, first learned of the scale and scope of National Grid's reliance on Outside Services when it received final reconciliation invoices. Those final reconciliation invoices then make no effort to explain why these 'Outside Services' costs are so exorbitant, often only describing the costs via a single line item with no supporting documentation, such as contractor invoices, to allow Nexamp to analyze or understand whether these costs were incurred for the Project at issue and, if so, whether the costs are reasonable.

National Grid's failure to communicate these cost increases prior to incurring them violates both the spirit and letter of the SIR.¹¹ Had National Grid communicated that it was incurring or intending to incur added labor expense to interconnect faster, Nexamp could have assessed

¹¹ *See, e.g.*, New York State Public Service Commission, "New York State 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" (effective March 1, 2025) (the "SIR") at 14 ("Within ten (10) Business Days of completion of design work, the utility will provide an updated upgrade cost estimate if the scope of work changed from the CESIR estimate.").

whether to incur the added costs and, if so, taken mitigating actions in response.¹² The Commission has held that “the interconnection process is voluntary; developers are not required to complete their projects and, in fact, many applications withdraw from the queue due to various factors, many of which are unrelated...the SIRs require agreement between the parties on key issues of cost and cost responsibility.”¹³ Absent prior notice and agreement between Nexamp and National Grid on the increased costs associated with hiring more expensive outside contractors and agreement on meeting expedited interconnection deadlines, there is nothing in the SIR and no substantiation on the part of National Grid that would (or should) require Nexamp to pay the exorbitant Cost Increases.

Moreover, National Grid’s stated rationale for incurring these exorbitant Cost Increases – that it ramped up outside contractors to meet ‘high-demand’ and ‘year-end’ deadlines – does not stand up to scrutiny when viewed in the context of each Invoiced Project’s actual in-service date or the communication timeline between Nexamp and National Grid with respect to the Wadhams, Appleton, Claverack, Portville, Oswegatchie, and Beaver Dam Projects. Of the four Projects listed

¹² New York courts have recognized the need to adhere to notice provisions, like the one embedded in the SIR, to avoid prejudicing a party by eliminating any ability to mitigate the claimed cost increases. For example, in Phoenix Signal & Elec. Corp. v. N.Y.S. Thruway Authority, 90 A.D.3d 1394, 1397 (3d Dept 2011), the Third Department held that a contractor’s failure to comply with contractual notice provisions was a condition precedent to recovery and that failure to provide notice “prevented the defendant from taking steps to mitigate the cost of the alleged extra work while it was being performed. . . .”

¹³ 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, Order Denying Petition and Making Findings (issued July 23, 2024) at 25 (rejecting National Grid’s attempt to charge developers for significant infrastructure upgrades not identified or contemplated in the original CESIR studies) (“National Grid CESIR Order”). The same principle applies here, where National Grid is attempting to charge Nexamp for significant outside labor expense not identified or contemplated in the original CESIR studies.

in National Grid’s letter (Wadhams, Stillwater, Appleton, and Claverack), only Stillwater achieved PTO in December while the other three had PTO dates in March, April, and May. The latter three projects were all initially targeted by Nexamp for PTO in the prior year. Similarly, the Portville Project had a targeted PTO date of March 31, 2023 but did not achieve a PTO until November 25, 2024, and both the Oswegatchie and Beaver Dam Projects had a targeted PTO date of February 23, 2023 but did not achieve PTO until November 1, 2024 and April 10, 2024, respectively.¹⁴ Thus, even with the alleged ramp-up in outside contractors, National Grid was unable to achieve Nexamp’s interconnection timelines, often times missing by several months or longer.

On top of National Grid’s failure to communicate these outside labor expenses, National Grid has similarly failed to justify the exorbitant Cost Increases as part of the final reconciliation invoices. These charges – which in many cases are more than double original labor estimates and run into the hundreds of thousands per project – are justified through only a single line item.¹⁵ The Commission has repeatedly—through precedent—underscored the requirement for utilities to provide sufficient detail to justify and explain any cost increases, and that projects “may not be charged for costs that the utility cannot reasonably document as having been spent to complete a specific project’s interconnection.”¹⁶ Vague and unsupported charges for ‘Outside Services’ (or,

¹⁴ Related to this complaint, Nexamp has repeatedly experienced delays with National Grid’s review of project design documents (during what’s known as the Stage B and Stage C reviews) that has impacted Nexamp’s ability to construct on its anticipated timeframe. Specific to the Invoiced Projects, these Projects routinely went through at least three rounds of Stage B review, sometimes four or five, to obtain approval, taking anywhere from 7 months to two and a half years. These design delays, which Nexamp does not usually encounter with other New York utilities, have led in several instances to Nexamp missing projected PTO deadlines.

¹⁵ See Exhibits O-AB.

¹⁶ LSE Order at 7. See also Case 17-E-0413, Complaint of United Residential Group, LLC, Order Denying Complaint (issued November 19, 2018) at 15-16 (directing National Grid to improve billing practices to ensure the utility “provide[s] complete cost information to developers in an appropriate time frame....”).

as discussed below, for use material price escalation, taxes, or overhead) are insufficient to satisfy this requirement. On several Invoiced Projects, National Grid’s final reconciliation invoices provide nothing more than a few line-items to justify hundreds of thousands of dollars in cost increases between CESIR study estimates and purported final costs, with no supporting documentation tying these costs to work performed on the Projects. The Commission has expressly rejected this type of accounting as insufficient to justify added charges at final reconciliation.¹⁷

This is particularly true where, as here, National Grid had multiple years to plan for this interconnection activity. The Projects were all in National Grid’s queue for multiple years prior to PTO, raising legitimate concerns about National Grid’s inability (or neglect) to manage its queue in a manner that would have avoided (or at the very least mitigated) the need to mobilize external contractors at the scale and expense that National Grid claims here. While there are potentially unavoidable costs, the costs National Grid is citing—in a line item—as increased costs are all costs that were avoidable with proper attention to and management of Nexamp’s interconnections.

In sum, the portion of the Cost Increase attributable to ‘Outside Services’ is a direct result of National Grid’s own mismanagement or inefficiency, not caused by Nexamp, and these costs have not been justified in the manner required by the SIR. Under these circumstances, Nexamp cannot be held responsible for these costs.¹⁸

¹⁷ LSE Order at 6 (“We disagree with NYSEG’s contention that a reconciliation statement consisting of only three numbers – the advance payments, the actual costs, and the difference between them – is sufficient documentation of the utility’s costs.”).

¹⁸ *See id.*, see also Long Island Lighting Co. v. Public Service Com’n of State of N.Y., 134 A.D.2d 135 (3d Dept. 1987) (noting the Commission’s finding of the “pervasive nature of the mismanagement, the absence of reliable records...and [the utility’s] inability to produce an issue-by-issue quantification of the consequences of its imprudent behavior” as justification to preclude cost recovery).

Cost Driver #2 – Material Price Escalation

Material Price Escalation Was Driven by National Grid’s Use of Stale and Outdated Cost Figures, Resulting in Original CESIR Estimates That Were Not Good Faith Estimates

It is Nexamp’s understanding that, between 2019 and 2024, National Grid routinely produced CESIR studies using stale and outdated material costs.¹⁹ Each of the Invoiced Projects received CESIR studies during this period. To the extent final material costs are higher due to National Grid’s use of stale and outdated estimates, these cost increases are caused by National Grid’s own failures and cannot (and should not) be passed through to Nexamp for the Invoiced Projects or with respect to any Development Projects.

The SIR requires that cost estimates provided in the CESIR by the utility, including National Grid, be “a good faith, detailed estimate of the total cost of completion of the interconnection of the proposed system and/or a statement of cost responsibility for any system upgrades and associated equipment deemed necessary for interconnection of the project.”²⁰ Moreover, the SIR states that contingencies associated with cost estimates “shall not exceed 15%.”²¹

Requiring specific information to support CESIR cost estimates together with the use of a 15% cost cap “force[s] utilities to be more precise when developing these cost estimates” and provide accurate good faith interconnection upgrade cost estimates consistent with the 15%

¹⁹ The “Joint Utilities Technical Guidance Cost Matrix for Integrating DER” (the “Cost Matrix”), which provides general cost estimates for common utility upgrades, was updated in July 2024 and included significant increases for National Grid for several upgrade types. The Cost Matrix is available at: <https://dps.ny.gov/statewide-interconnection-technical-documents>.

²⁰ SIR at 11.

²¹ *Id.*

tolerance band.²² Such cost caps are necessary to produce “an estimate of adequate reliability to inform applicants of their potential responsibilities” so that they can confidently make significant up-front monetary investment decisions based upon the CESIR estimates. Without a good faith estimate and the utilities’ adherence to the 15% cost cap, developers (including Nexamp) are at the mercy of the utility without assurance that a project will remain economically viable, which are the exact circumstances each Invoiced Project (or Development Project) are being adversely impacted by.

The utility only provides cost estimates after it completes a detailed review of the impact of the proposed project on the utility distribution system. As an expert on its own distribution system, the utility should have a firm grasp on what system upgrades, if any, it requires for interconnection. Moreover, the substantial influx of DER installations that has progressively grown over the past decade, has forced utilities (particularly major utilities like National Grid) to gain ample experience, and, crucially, become sophisticated on, the scope of study and the anticipated costs of the needed upgrades.

The significant changes to the costs at hand, across multiple projects, indicate that National Grid did not make a good faith estimate at the time it presented its estimates to the Projects. While the SIR imposes an obligation on applicants to reconcile a utility’s actual cost of the interconnection upgrades, this obligation assumes that, in the first instance, the applicant is presented with a good faith estimate that will approximate the utility’s final costs once the project is constructed and have been informed—throughout the process—of material changes to such estimates. The SIR prohibits a utility from having an unchecked and unilateral right to demand

²² Case 15-E-0557, In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) for Distributed Generators 2 MW or Less, Order Modifying Standardized Interconnection Requirements (issued March 18, 2016) at 19.

additional costs, and certainly not without prior notice to the developer and reasonable justification to support the demand.

National Grid is prohibited by the SIR from now imposing those costs onto the Projects to the extent the equipment price escalation with respect to the Projects was due to National Grid's failure to provide updated and accurate costs in each Project's CESIR Study. The cost estimates delivered via the CESIR studies are entirely within National Grid's control.²³ Nexamp's Projects (including both the Invoiced Projects and the Development Projects) cannot be held liable due to National Grid's critical failures to fulfill its obligations as the utility, particularly when the final reconciliation numbers are unsupported and materially higher than the original estimate, in effect demonstrating that the CESIR studies in each Project's case were not made in good faith as required by the SIR.

Moreover, National Grid did not timely or reasonably communicate any potential or actual cost increases at the time it became aware, or reasonably should have been aware, of those increases. Equally concerning, National Grid's final reconciliation invoices make no attempt to explain precisely how global cost increases translated to *actual* cost increases for the Invoiced Projects. Instead, the reconciliations note simply that prices for distinct types of equipment have increased.

Furthermore, each of these Projects paid for their interconnection upgrades years ago, indicating that National Grid is not procuring the necessary equipment and materials at the time full upgrade payments are made. Had National Grid done so, equipment costs would be in line with costs from the time of CESIR issuance, avoiding years of cost inflation that supposedly drive

²³ See National Grid CESIR Order at 22 (“Thus, through the CESIR process, the utility determines what upgrades and equipment are needed to protect its system.”).

the equipment cost increases National Grid demands here. This, again, is entirely within National Grid's control and further demonstrates National Grid's failure to properly manage its interconnection queue.

The Commission cannot excuse these failures. National Grid's disregard for its SIR responsibilities extended over a multi-year period and Nexamp is now facing significant potential prejudice and increased costs. Nexamp, had it known of these exorbitant cost increases, could have modified its decision-making accordingly, for example by pursuing alternative financing arrangements, negotiating different pricing with vendors, or through a myriad of other mitigating decisions.

Moreover, any failure by National Grid to update its estimates during the five-year period referenced above is uniquely a National Grid failure. To Nexamp's knowledge, no other utility in New York State has committed a similar failure, underscoring that utilities in New York State have the capability and the capacity to update their cost estimating procedures, if necessary, and these practices are common among National Grid's peers. And, as noted above, while this is having an immediate impact on the Invoiced Projects, Nexamp anticipates, based on feedback from National Grid that is consistent with those related to the Projects, that this issue will cascade across all 41 Development Projects, potentially adding millions in unanticipated interconnection upgrade costs. Therefore, Nexamp requests that the Commission make clear that, to the extent National Grid is prohibited from charging the Invoiced Projects for the Cost Increases, the same rationale and ruling applies equally to the Development Projects.

For at least all these reasons, the Commission must reject National Grid's attempt to invoice Nexamp for the 'material cost increases' included in the final reconciliation invoices.

Cost Driver #3 – Sales and Income Taxes

Nexamp Questions National Grid’s Application of Taxes

National Grid states that “statutory costs” of sales and income tax were “not included in the Original [CESIR] estimates but are required by law and applied during reconciliation to the applicable actual expenditures.”²⁴ In the final reconciliation invoices for the Projects, National Grid lists line items Income Tax (13.91%) and Sales Tax (ranging between 7-11%).

Nexamp questions National Grid’s assertion that these taxes were not included in the Original CESIR Studies. Specifically, each CESIR Study contains a line item for “Tax Liability Applied to Capital,” at a rate of 14.14%. Nexamp fails to understand how or why this amount differs than the Income Tax line item applied at reconciliation. Moreover, Nexamp questions National Grid’s practice of not including sales tax as part of the original CESIR estimate, particularly when the amount can rise as high as 11%, resulting in CESIR Study results that are knowingly underestimated by material amounts. These are yet further examples of National Grid failing to provide sufficient justification to support the Cost Increases. At minimum, this cost driver requires additional Commission scrutiny to understand the reasonableness of National Grid’s cost estimates, absent which National Grid must not be allowed to invoice for any amounts above the original CESIR estimate for the Invoiced Projects or Development Projects.

National Grid Committed At Least Two Other SIR Violations

National Grid Has Not Justified Its Exorbitant Overhead Charge

National Grid claims final Overhead costs of well over \$2.9 million across the Invoiced Projects, which, as noted above, is likely to increase by millions of dollars across the Development Projects absent the Commission’s actions being requested herein. That amount is then grossed up

²⁴ Exhibit AD, National Grid Response to Nexamp at 1.

for both income and sales tax. National Grid does not provide any explanation for what the Overhead cost is comprised of, save for a single line-item on the reconciliation invoice, notwithstanding that Overhead is routinely hundreds of thousands of dollars per project.

This lack of explanation makes it difficult for Nexamp to understand the Overhead charges. Considering the significant increase in costs from the initial CESIR estimate, National Grid must be required to provide sufficient justification for each cost component before Nexamp is required to pay. This is especially important given National Grid's failure to provide any notice of anticipated or actual increases in Overhead and other costs, despite repeated and ongoing discussions with Nexamp throughout the interconnection process on overall Project development efforts. Moreover, since National Grid exclusively controls its costs (including Overhead), this lack of notice from National Grid disregards its obligations under the SIR to advise Nexamp of increased costs before those costs are incurred resulting in significant harm to Nexamp.

More fundamentally, National Grid's Overhead charges are excessive. According to National Grid's Electric Tariff, "cost" means "all labor, material and other charges applicable thereto, including cost of removing and replacing pavements and sidewalks, plus a reasonable allowance for engineering, superintendence, purchasing and use of construction equipment."²⁵ There is nothing in this definition that authorizes National Grid to impose an undefined lump sum overhead charge on any customer – certainly not one that represents a high percentage of the total cost with no demonstrated connection to the actual costs that National Grid incurred on a Project. While Nexamp recognizes that the SIR contemplates Overhead in CESIR cost estimates, this is

²⁵ Niagara Mohawk Power Corporation d/b/a National Grid, Schedule for Electric Service, P.S.C. No. 220 – Electricity, at Leaf 27 ("Electric Tariff").

not a blanket authorization to layer on hundreds of thousands of dollars without any advance communication and simply a line item lacking any detail or context.

Simply put, National Grid has not justified, among the other noted exorbitant costs, the exorbitant Overhead cost because it has not met its burden of demonstrating that such costs were either proper under the SIR, the Tariff or just and reasonable under the unique circumstances impacting each Project, respectively.

National Grid Failed to Reconcile the Costs Within the SIR-Mandated Time for Recovery

Lastly, in addition to all the failures described above, National Grid also failed to issue a reconciliation statement in the timeframe required by the SIR for all the Invoiced Projects except for the Schaghticoke and Stillwater projects. This failure alone precludes National Grid from invoicing for the Cost Increases and the same applies to any Development Project that has not received or does not receive its final reconciliation invoice within the SIR requirements.

The SIR requires:

Within sixty (60) Business Days after issuance of the utility's formal letter of acceptance, or submittal of final as-built drawings to the utility, whichever occurs last, the utility shall prepare and submit to the applicant a final reconciliation statement of its actual costs less any CESIR and construction advance payments made by the applicant.²⁶

National Grid acknowledged that it did not comply with this requirement, and in several cases the reconciliation statements were egregiously late.²⁷ For example:

- For the Beaver Dam Project, the final as-built drawings were submitted on July 2, 2024. Sixty business days from this date was September 23, 2024. National Grid did not provide the final reconciliation statement until June 25, 2025, *two-hundred and fifty-six (256) business days* after the as-built drawings were submitted and nine months beyond the deadline.

²⁶ SIR at 13.

²⁷ See Exhibit AD, National Grid Response to Nexamp at 2.

- For the Military Road Project, the final as-built drawings were submitted on January 22, 2025. Sixty business days from this date was April 18, 2025. National Grid did not provide the final reconciliation statement until August 1, 2025, one-hundred and thirty-two (132) business days after the as-built drawings were submitted and nearly four months beyond the deadline.
- For the Clarkson Project, the final as-built drawings were submitted on January 15, 2025. Sixty business days from this date was April 14, 2025. National Grid did not provide the final reconciliation statement until July 9, 2025, one-hundred and nineteen (119) business days after the as-built drawings were submitted and nearly three months beyond the deadline.
- For the Appleton Project, the final as-built drawings were submitted on July 1, 2024. Sixty business days from this date was September 25, 2024. National Grid did not provide the final reconciliation statement until December 9, 2024, one-hundred and sixteen (116) business days after the as-built drawings were submitted and more than two months beyond the deadline.
- For the Portville Project, the final as-built drawings were submitted on January 15, 2025. Sixty business days from this date was April 8, 2025. National Grid did not provide the final reconciliation statement until June 25, 2025, one-hundred fifteen (115) business days after the as-built drawings were submitted and nearly two months beyond the deadline.
- For the Oswegatchie Project, the final as-built drawings were submitted on January 15, 2025. Sixty business days from this date was April 8, 2025. National Grid did not provide the final reconciliation statement until June 24, 2025, one-hundred and fourteen (114) business days after the as-built drawings were submitted and nearly two months beyond the deadline.
- For the LeRay Jackson Solar PV Project, the final as-built drawings were submitted on January 30, 2025. Sixty business days from this date was April 30, 2025. National Grid did not provide the final reconciliation statement until July 16, 2025, one-hundred and twelve (112) business days after the as-built drawings were submitted and nearly three months beyond the deadline.
- For the Wadhams Project, the final as-built drawings were submitted on July 1, 2024. Sixty business days from this date was September 25, 2024. National Grid did not provide the final reconciliation statement until November 7, 2024, ninety-four (94) business days after the as-built drawings were submitted and more than a month beyond the deadline.
- For the Oppenheim Project, the final as-built drawings were submitted on February 19, 2025. Sixty business days from this date was May 13, 2025. National Grid did not provide the final reconciliation statement until June 27, 2025, ninety-two (92)

business days after the as-built drawings were submitted and more than a month beyond the deadline.

- For the Pendleton Project, the final as-built drawings were submitted on February 20, 2025. Sixty business days from this date was May 14, 2025. National Grid did not provide the final reconciliation statement until June 26, 2025, *ninety (90) business days* after the as-built drawings were submitted and more than a month beyond the deadline.
- For the Claverack Project, the final as-built drawings were submitted on July 1, 2024. Sixty business days from this date was September 25, 2024. National Grid did not provide the final reconciliation statement until October 18, 2024, *eighty (80) business days* after the as-builts were submitted and nearly one month beyond the deadline.
- For the Allis Hill Project, the final as-built drawings were submitted on March 19, 2025. Sixty business days from this date was June 10, 2025. National Grid did not provide the final reconciliation statement until June 25, 2025, *seventy (70) business days* after the as-built drawings were submitted and two weeks beyond the deadline.

The Commission established the SIR to ensure that DER interconnections are completed efficiently and in a timely manner and to establish a fair process that helps level the playing field between the monopoly utility (like National Grid) and DER project developers (like Nexamp). Given the number of barriers to DER deployment across the State already in place, as well as the State’s efforts to review the timeliness of the interconnection process, it is critical that the utilities similarly follow the requirements of the SIR.²⁸

National Grid is well aware of this provision and the obligations it imposes, and even acknowledged both that it was late for several projects and the “importance of timely reconciliation.”²⁹ National Grid has relied on this provision to seek cost recovery from DER

²⁸ See Case 24-E-0415, *In the Matter of Timely Interconnection of Distributed Energy Resources*, Notice Soliciting Comments (issued July 16, 2024). See also Chapter 58 of the Laws of 2024, Part O, Section 30, typically referred to as the RAPID Act, wherein the Commission is required to review the cause and extent of any delays of interconnecting DERs.

²⁹ See Exhibit AD, National Grid Response to Nexamp at 2. See also Case 23-E-0730, *supra*, Petition of National Grid (filed December 22, 2023) at 7.

developers like Nexamp, but the obligations apply equally to National Grid as they do to Nexamp. National Grid cannot selectively interpret the SIR requirements, ignore its obligations and then demand, months after the deadline has passed, hundreds of thousands of dollars per Project.

National Grid and the Commission expect developers to comply with SIR-mandated deadlines and, in many cases, failure to comply results in severe consequences to developers and projects, including removal from the utility queue. The Commission must hold the utilities to the same standard and not allow utilities to decide how or when they plan to disregard clear obligations within the SIR.

The SIR was established to prevent the exact harms Nexamp and other similar developers within National Grid's purview face and the Commission's failure to enforce the SIR will have significant (adverse) consequences to the reliability, financial viability, and security of the New York power grid. These failures have real and significant consequences to such developers. Nexamp, and similarly situated developers, among other things, base commercial decisions and contracts on National Grid's requirement to comply with the SIR. Such contracts structure tax equity financing and development partner payments on the reasonable assumption that utilities in National Grid's position will comply with SIR reconciliation time limits. When the final reconciliation invoices are late, Nexamp loses flexibility to mitigate the Cost Increases through options such as monetizing within available federal tax credits as "qualified interconnection property" and/or by seeking reimbursement from development partners.³⁰ Developers in New York State must have confidence that they can rely on the established rules, which often form the basis of financing and contracting decisions (as is the subject matter of this complaint). By failing to issue a final reconciliation invoice within the required timeframe, National Grid violated the

³⁰ 26 U.S.C. § 48(a)(8).

SIR and, in turn, caused significant prejudice to Nexamp, and thus forfeited its right to invoice Nexamp for those additional and unjustified costs.

Moreover, the magnitude or nature of the claimed cost increases—whether in the form of a 20% contingency or actual utility-selected tie line designs—is irrelevant to this analysis. Nexamp’s (and similarly situated developers in National Grid’s purview) commercial framework with its development partners was explicitly constructed around the language and timelines prescribed in the SIR. The inclusion of a cost buffer or change in utility preferences does not excuse non-compliance, nor does it shift the burden to developers to absorb these unexpected overruns retroactively. To do so runs contrary to both the language of the SIR and to the SIR’s intent.

Finally, there is no credible or justifiable basis for disregarding the SIR reconciliation deadline. These timelines are not arbitrary—they serve a critical function in enabling transparent, reliable financial planning and risk management. Ignoring them introduces systemic uncertainty, undermines project economics, and disrupts long-standing contracting and investment norms in the distributed generation market. National Grid’s disregard for these requirements is not merely a technical breach; it is a material failure that produces tangible financial harm and must be treated accordingly.

CONCLUSION

In sum, the totality of the circumstances demonstrates that National Grid is not entitled to the Cost Increase with respect to the Invoiced Projects or the same such costs with respect to the Development Projects. This includes, but is not limited to, National Grid’s failure to: (i) comply with the SIR’s reconciliation time limits and invoicing procedures, (ii) produce an original CESIR cost estimate in good faith, (iii) properly manage its interconnection inventory resulting in the need to source external contractors, its failure to communicate cost increases to Nexamp prior to

incurring those costs, (iv) justify the excessive and exorbitant costs included in its final reconciliation invoices (including for both taxes and overhead), and (v) timely issue final reconciliation invoices. Under these circumstances, particularly National Grid's noncompliance with the SIR, the Commission must reject National Grid's attempt to bill Nexamp for the Cost Increase and limit National Grid to only collecting the amounts previously collected from the Invoiced Projects, as identified in the Projects' original CESIR studies, with the same being applicable to the Development Projects.

Nexamp further encourages the Commission to closely review National Grid's interconnection practices and policies. It is Nexamp's understanding that the issues discussed herein go beyond just Nexamp's projects and it has become National Grid's common practice across development projects to materially increase costs at final reconciliation. The fact that National Grid consistently and continuously violates the SIR and charges developers above and beyond the initial cost estimate is a widespread issue and only underscores the need for the Commission to scrutinize National Grid's interconnection practices.

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Respectfully submitted,

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