STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of Niagara Mohawk Power Corporation	)	
d/b/a National Grid for Approval to Offer Flexible	)	
Interconnection Service Options to Distributed	)	
Generation and/or Energy Storage Projects	)	Case 26-E-0052
Interconnecting Under the New York State	)	
Standardized Interconnection Requirements at	)	
Limited Locations as an Expansion of the Active	)	
Resource Integration Pilot.	)	

Comments of New York Solar Energy Industries Association (NYSEIA), Solar Energy Industries Association (SEIA) and Coalition for Community Solar Access (CCSA) (Collectively the Solar Parties) in Support of the National Grid Flexible Interconnection Scaling Pilot Proposal

I. Introduction

On January 21, 2026 National Grid filed a petition seeking to offer flexible interconnection (Flex IX) service options to distributed generation and/or energy storage projects interconnecting under the New York State Standardized Interconnection Requirements (NY-SIR) at limited locations as an expansion of National Grid's Active Resource Integration (ARI) pilot. National Grid's petition states that the proposal 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."[1] The petition continues "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."

Rising interconnection costs and dwindling cost-effective hosting capacity are critical barriers to sustained cost-effective deployment of large (1-5 MWac) distributed energy resources (DERs) in New York State. Flex IX, or the active management of DERs to cost-effectively integrate these resources, is a promising solution to overcome these barriers by eliminating cost-prohibitive distribution upgrades, accelerating development timelines, and increasing overall system utilization. The Solar Parties are keenly interested in advancing Flex IX in New York, and we commend National Grid for proactively proposing this Flex IX pilot expansion before any other utility and without waiting for a Commission Order directing them to do so. National Grid is exhibiting leadership and advancing Flex IX in a thoughtful manner that can serve as a model for New York's other utilities and support progress toward a statewide framework. The Solar Parties urges the Commission to swiftly authorize this proposal's implementation. In these comments,

[1] Case 26-E-0052. National Grid Flexible Interconnection Scaling Pilot Petition. January 21, 2026.

The Solar Parties also offers suggestions for consideration that seek to strengthen the proposal and increase its impact and scalability.

Background

National Grid included the ARI pilot within its Clean Innovation Projects to deploy an initial demonstration of Flex IX solutions in its 2020 Rate Case proceeding, which was subsequently approved by the Commission in its January 20, 2022 Order.[2] At the present time, the Company has flexible interconnection services in place for two solar PV projects in its ARI pilot, both served by the Company's 115 kV-13.2 kV Peterboro Substation located in Village of Canastota, Madison County. The two projects sum to an aggregate installed nameplate capacity of 8.25 MWac, and were commissioned in November 2024 and January 2025.

National Grid's petition seeks to extend the ARI pilot in a limited capacity through the Flex IX Scaling Pilot, before potentially offering flexible interconnection service options more broadly. The Flex IX Scaling Pilot would provide the option for Flex IX service at a limited number of projects at up to seven additional substations in the service territory. The Flex IX Scaling Pilot will also serve as a learning opportunity for National Grid, and enable the Company to establish and iteratively improve upon the regulatory, legal, and operational systems necessary for Flex IX at-scale in the future.

II. Elements of the Flex IX Scaling Pilot Proposal The Solar Parties Support

A. Alignment with the SIR and Optionality for Developers

National Grid intends to process Flex IX applications in alignment with the existing framework established in the NY-SIR, with any divergences clarified in the petition. The Company proposes conducting the existing preliminary screening analysis and seeking a detailed interconnection design package to determine project eligibility for a Flex IX option. If a project is deemed eligible, both firm and flexible options will be studied in the Coordinated Electric System Impact Review (CESIR) unless the applicant opts-out of the Flex IX option, in which case the CESIR study will be lower cost but the applicant will only receive a firm interconnection option. For projects that opt to evaluate Flex IX, the Company will issue a separate invoice for a curtailment study. The Company notes that the Flex IX option will result in a higher total study cost than a typical CESIR study and an increased time window of an additional 40 business days, aligning with the existing timeline extension allowance for complex studies. Upon completion of CESIR, the applicant must choose which option to move forward with and pay 25% of the CESIR estimate for the desired option.

The Solar Parties appreciate this proposal's strong alignment with the NY-SIR, and we also support the way National Grid proposes including optionality for developers. Optionality will be critical during this initial roll out; while DER developers are generally excited about Flex IX as a solution to lower interconnection costs and shorten development timelines, financiers and independent power producers (IPPs) have expressed concern about Flex IX, specifically relating

[2] Case 20-E-0380. National Grid Electric and Gas 2020 Rate Case Proceeding, Order Adopting Terms of Joint Proposal. January 20, 2022

to uncapped curtailment risk. By providing DER developers with the option to opt-out of Flex IX and/or to complete the curtailment study and evaluate a side-by-side comparison of firm and flexible, National Grid is offering DER developers with the information that they and their financiers need in order to make informed decisions. The Solar Parties anticipate some projects may be able to move forward with Flex IX, while many will not unless and until there is a framework to manage the financial risk of excessive curtailment.

B. Approach to Qualifying Upgrades

The Solar Parties support the Company's proposed approach to handling Qualifying Upgrades under Cost Sharing, which encourages Cost Sharing upgrades to move forward when they appear to be viable and otherwise allows Flex IX as an alternative to avoid these costly traditional upgrades. In National Grid's proposal, if the applicant triggers the need for a Qualifying Upgrade of a substation transformer that will reach, or has already exceeded the utility mobilization threshold without Flex IX, then the interconnection applicant must pay its share of the Qualifying Upgrade charge to either interconnect as firm or to temporarily interconnect under Flex IX as a "bridge" to firm IX.

If the applicant triggers the need for a Qualifying Upgrade of a substation transformer that has not yet reached or exceeded the utility mobilization threshold, the applicant can elect to pursue the Flex IX option and avoid the cost of the Qualifying Upgrade. Any Flex IX project that does not help pay for the Qualifying Upgrade will not be allocated any subsequent substation hosting capacity resulting from any future DER developer-funded upgrade of the substation transformer.

The Solar Parties support this smart and equitable approach, which considers DER development activity as a signal to identify substation transformers that are likely cost-prohibitive for DER and disallows free-ridership for Flex IX projects in cases when the substation transformer upgrade ultimately moves forward.

C. 5% Target Limit to Annual Curtailment and Pro Rata Curtailment Framework

The Solar Parties support National Grid's proposed 5% target maximum curtailment in order to limit curtailment risk for the PV or battery energy storage system (BESS) owners. The Solar Parties also support the use of pro-rata curtailment logic to minimize the amount of total curtailment each project must absorb in order to address constraints, while more evenly allocating the amount of curtailment across all flex IX projects contributing to the system constraint.

With respect to the 5% curtailment limit target, in general, projects are more economically feasible when curtailment is limited to 5% vs a higher number that would further erode project revenue (but allow additional DER capacity to be interconnected cost-effectively). As additional Flex IX projects interconnect at the same location, contributing to the same constraint, the pro-rata curtailment exposure for earlier projects can increase based on subsequent projects. National Grid proposes limiting this curtailment risk by limiting the total amount of flexible capacity that would be added to each substation such that the average should not exceed 5% based on the forecast load and DER performance. National Grid proposes effectuating this policy by assessing curtailment study results, and closing substations to new Flex IX applications when

it projects that the next project would result in overall annual curtailment in excess of the 5% threshold. This is a sensible approach that balances the objectives of maximizing capacity deployed and minimizing curtailment risk.

While this approach reduces the probability of excessive curtailment, The Solar Parties remain concerned that in the absence of clearly defined remedies, projects could still be exposed to uncapped curtailment in the event actual conditions exceed the modeled threshold. This subject is discussed further in the following section outlining The Solar Parties' recommendations to strengthen the Flex IX Scaling Pilot and support its scalability.

III. **Recommendations to Strengthen the Flex IX Scaling Pilot**

The Solar Parties offer the following suggested modifications to strengthen the Flex IX Scaling Pilot, for consideration by the Commission and National Grid.

A. Expand the Scope of the Pilot to Support at Least 100 MWac

The Solar Parties commend the Company's efforts to expand the Flex IX program; however, the Company's proposal to limit Flex IX opportunities to just seven substations, with a maximum of 30-60 MWac of flexible capacity enabled, unnecessarily constrains the program and its impact. Importantly, seven substations and 30-60 MWac are a *ceiling* for the program's scale rather than a floor or expected level of participation; siting/permitting and economic constraints may result in little or no flexible projects moving forward at some of the seven substations. By expanding the universe of substations where Flex IX is allowable, National Grid will increase the total number of Flex IX projects that move forward. Securing meaningful participation will not only advance progress toward state energy policy goals – it is also important for achieving the research and learning objectives that National Grid seeks to obtain through the scaling of this pilot.

Expanding the scope of the Flex IX Scaling Pilot does not need to be overly complex; National Grid's filing identifies clearly defined eligibility requirements for substations, noting that "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."[3] The Solar Parties encourage the Commission to authorize National Grid to increase the number of eligible substations in consultation with Staff, provided that the additional sites meet these predefined criteria. This will provide flexibility to add sites to the Flex IX Scaling Pilot without subsequent Commission action, which could result in procedural delays that impact project development.

B. Expand Scope to Actively Manage Energy Storage Import Constraints

The Company proposes to allow Battery Energy Storage System (BESS) participation in Flex IX, and that these resources be subject to curtailment of discharge capability. However, National Grid's proposal does not include active management of BESS charging. Our understanding of

[3] Case 26-E-0052. National Grid Flexible Interconnection Scaling Pilot Petition. January 21, 2026.

retail BESS integration is that overnight charging presents a more significant constraint than a BESS' ability to export to the grid during high value discharging hours based on the Value of Distributed Energy Resources (VDER) tariff.[4] Accordingly, The Solar Parties recommend that the Company expand its Flex IX Scaling Pilot to manage both charging and discharging behavior for large (1-5 MWac) BESS. Enabling Flex IX for BESS will unlock a range of use cases that provide tangible system and customer benefits, including reduced load growth, lower customer bills and increasing operational flexibility during peak load conditions. Importantly, the notion of a 5% limit to curtailment is less relevant for BESS, as BESS do not generate power and are instead a highly flexible resource for energy storage and dispatch. The Solar Parties suggest that curtailment studies provide detailed hourly data to participating projects so PV and BESS developers can evaluate the impacts of Flex IX on their proposed assets' revenue generation and make well-informed development decisions.

C. Make the Pilot Participation Agreement Template Available to the Public

The Solar Parties urge the Company to file its draft Pilot Participation Agreement in this docket for stakeholder review/awareness and/or to publish this template agreement on its website for public access. The specific terms and conditions of participation in the Flex IX Scaling Pilot are critical to evaluating whether DER projects will be able to meaningfully participate in the program and, ultimately, whether the program will achieve its intended objectives. Making this contract template available will allow DER developers, financiers and IPPs to evaluate the terms and conditions of participating in the Flex IX Scaling Pilot, supporting the program's overall success.

Certain key provisions governing the implementation of Flex IX should be clearly defined within the pilot participation agreement. Without sufficient transparency and long-term certainty regarding these provisions, developers will face challenges in financing and advancing projects under the proposed framework. At a minimum, the Agreement should:

1. Extend for the full expected life of a project (e.g. 25 years).
2. Clearly describe the risks associated with flexible interconnection by defining the implementation of the proposed pro-rata curtailment scheme, including how the Company will limit overall Flex IX capacity as the substation-level to mitigate excessive curtailment.
3. If the Flex IX serves as a bridge to a Qualifying Upgrade, the Agreement should clearly state that the project will be provided a firm IX agreement that supersedes the Flex IX agreement when the Qualifying Upgrade is completed.
4. Explicitly state that curtailment will only be exercised when necessary to maintain safe and reliable system operations and affirm that the Company will make reasonable efforts to operate, maintain, and, where needed, upgrade its communications and distributed energy resource management system (DERMS) infrastructure over the useful life of participating projects.

[4] Case 24-E-0621. Con Edison Notice on SIR Energy Storage. January 14, 2026.

D. Address the Risk of Excessive Curtailment

The possibility of excessive curtailment, in this case defined as annual energy curtailment greater than the program's target maximum of 5%, is the single biggest risk to the success of National Grid's proposed Flex IX Scaling Pilot. The Solar Parties appreciate the elements of National Grid's proposal that seek to prevent excessive curtailment, such as completing robust curtailment studies and limiting the overall amount of flexible capacity at the substation level to avoid intentional curtailment in excess of 5%. However, the Company's curtailment studies are for informational purposes only, and do not provide any contractual guarantee that limits the financial exposure to curtailment for the DER developer/owner; it is possible that actual curtailment could be more than initially anticipated, and more than the 5% target maximum defined in this pilot.

The Solar Parties support a contractual limit to curtailment to ensure that participating projects are not exposed to the financial risk of excessive curtailment. However, we recognize that this is a voluntary utility-initiated pilot, and introducing such a limit is complex. At minimum, the Solar Parties urge National Grid to provide full data transparency to DER developers so they can replicate and independently verify curtailment studies, and complete their own sensitivity analyses and risk assessments. While this is not a substitute for a firm limit to the financial risk of curtailment, transparent access to multiple years of the underlying 8760 loading data used for curtailment studies will be a valuable risk mitigant. It would be similarly valuable to provide DER asset owners with access to 8760 loading data in instances where curtailment exceeds 5% so the asset owner can consider what, if any, means they have to reduce this curtailment.

Finally, The Solar Parties encourage the Commission to direct Staff to convene a technical conference to explore potential strategies to effectively manage curtailment risk, with presentations from the Joint Utilities, technical experts, and DER stakeholders. The Flex IX Scaling Pilot is an important and necessary step toward modernizing interconnection in New York State in a manner that lowers costs for ratepayers and accelerates clean energy integration. However, scaling Flex IX broadly will require creative solutions to de-risk participation for developers and IPPs without imposing undue risk on other parties. The Solar Parties believe that, through further stakeholder engagement, it may be possible to develop additional remedies for unanticipated exceedance of curtailment thresholds, allowing more interconnecting customers to consider participation in the pilot and any future programs. Discussions are occurring across the country on this topic, providing a starting point for engagement in NY. The Solar Parties recommend that the Company commit to continued stakeholder engagement on this topic, with the intent to evolve the pilot or inform a future program. A few concepts that could be explored at a future technical conference focused on managing curtailment risk include:

- Creating financial incentives for utilities to optimize grid operations in order to minimize curtailment and maximize clean energy generation.
- Creating dispatch schedules, which could serve as de facto curtailment ceilings.
- Creating DER developer-funded curtailment insurance, whereby large DERs that make their interconnection deposit after a certain date and experience low levels of curtailment (e.g., 0-2%) contribute towards a DPS, NYSERDA or utility-administered fund that

makes payment to Flex IX projects that experience curtailment in excess of the anticipated levels.

- Streamline energy storage deployment opportunities (AC-coupled or DC-coupled) to minimize or eliminate PV curtailment risk.

E. Establish a Fixed and Predictable Annual Fee Structure

The Solar Parties recommend that the Company establish a fixed annual fee for Flex IX participation that is predictable for the life of each individual project. The Solar Parties recognize that, consistent with New York's cost causation principles, DERs are responsible for the costs of distribution system upgrades they trigger. However, it is not feasible for developers to commit to a long-term (e.g., 25-year) financial obligation when the magnitude of that obligation is uncertain at the time of project initiation, and fully outside of the interconnection customer's control. The Solar Parties recommend that the Company determine an appropriate fixed annual fee for each project based on expected costs determined at the time of study. This approach would provide the level of cost-certainty necessary for project financing and development while maintaining alignment with cost causation principles. Over time, the Company could update its underlying cost assumptions through its Cost Matrix on a periodic basis, with revised annual fees applying only to new participating projects. This framework would allow the Company to recover its costs while ensuring that existing projects are not subject to volatile operating expenses that they have no means to control.

IV. Conclusion

Distributed solar is New York's most successful clean energy sector. However, rising interconnection costs and dwindling cost-effective hosting capacity are critical barriers to sustained deployment of large (1-5 MWac) DERs in New York State. Flex IX is a promising solution to overcome these barriers by eliminating cost-prohibitive distribution upgrades, accelerating project development timelines, and increasing overall system utilization. The Solar Parties commend National Grid for proactively pursuing its proposed Flex IX Scaling Pilot, and we urge the Commission to approve a robust version of this Flex IX Scaling Pilot for implementation without delay. In addition to advancing this utility-specific pilot, we urge the Commission to direct DPS to convene a technical conference to identify strategies to limit the risk of excessive curtailment; solutions that could be considered by National Grid in the context of its Flex IX Scaling Pilot, and that could be considered for any future statewide Flex IX programs. Thank you for the opportunity to provide input on this impactful proposal.