

Updates to Public Policy Transmission Planning Process Manual

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Business Issues Committee

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Operating Committee

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Agenda

- **Background**
- **Overview of Manual Updates**
- **Next Steps**

Background

- As part of the “lessons learned” process, the NYISO, in conjunction with its stakeholders, proposed two sets of tariff revisions to the Public Policy Transmission Planning Process (Public Policy Process). FERC accepted both revisions
- The Public Policy Transmission Planning Process Manual (Manual-36) was updated to reflect the tariff revisions. The NYISO also made ministerial revisions including conforming changes, defined terms, clarifications, and hyperlink updates
- The NYISO reviewed the manual revisions at the April 6, 2020 and April 23, 2020 ESPWG/TPAS meetings, and incorporated changes from stakeholders

Background

- **In February 2019, FERC accepted tariff changes to clarify, streamline, and enhance the Public Policy Process (Docket No. ER19-528) (“short-term tariff improvement” filing)**
 - Technical conference to be held before solicitation
 - Elimination of the pause point for NYPSC to confirm the need
 - Consistent project information between Public Policy Process and interconnection process
 - Other revisions including refund of interest, information requirement, and confidentiality

Background

- **In February 2020, FERC accepted tariff changes to consider cost containment in the Public Policy Process (Docket No. ER20-617)**
 - Developer may voluntarily include in its Public Policy Transmission Project a cost cap in the form of either hard cap or soft cap
 - Requirements about how cost containment should be submitted and evaluated.
 - Requirements to include cost containment commitment in the pro forma Development Agreement
 - Requirements regarding how cost containment commitments will be implemented

Section 1: Overview

■ Section 1.1

- Made conforming changes for the overview of the Comprehensive System Planning Process

■ Section 1.2

- Updated the steps of the process to be consistent with the description in the tariff
- Revised to reflect the elimination of the pause point and addition of the technical conference
- Updated the description of the planning cycle and the process flow diagram to reflect FERC acceptance of the Short Term Reliability Process
- Added an illustrative timeline for the process

Section 2: Identification and Determination of Transmission Needs

- **Section 2.1**
 - Clarified information requirement when proposing a Public Policy Transmission Need
- **Section 2.2**
 - Clarified the posting process when NYPSC determines the transmission needs

Section 3: Solicitation of Proposed Solutions

- **Section 3.1**
 - Replaced language that duplicates tariff requirements with reference to applicable tariff sections
- **Section 3.2**
 - Inserted to reflect the addition of the Technical Conference on NYISO's application of selection metrics
- **Section 3.3**
 - Clarified how Interregional Transmission Projects, if any, will be evaluated
 - Clarified requirements for NYPSC or LIPA to direct submission of a proposed solution to the NYISO
- **Section 3.4**
 - Added that a brief project description will be posted within five business days following the end of solicitation period
 - Inserted reference to requirements for submission of redacted and un-redacted project information
 - Clarified that the only permitted alternatives within a proposed Public Policy Transmission Project are routing alternatives
 - Added project information requirements for Developers voluntarily proposing cost containment
 - Inserted procedure and diagram for the coordination between the Public Policy Process and the interconnection process

Section 4: Study Cases Development

■ Section 4.1

- Updated language to indicate that the Public Policy Process analysis will begin with the most recent reliability planning process base case updated in accordance with NYISO procedures
- Clarified that the economic metrics in Public Policy Process will be calculated over twenty years following the expected in-service date of the proposed projects

■ Section 4.2

- Removed the reference to Siemens PTI PSS/MUST software in Figure 4

Section 5: Viability and Sufficiency Assessment

■ Section 5

- Clarified scope of Viability and Sufficiency Assessment (VSA)
- Clarified that the draft VSA will be provided to the NYDPS and the final VSA will be filed at the NYPSC

■ Section 5.1

- Revised to reflect that developer has 15 days to notify its intention to proceed following the NYISO's filing of VSA. The notice must demonstrate an executed SIS or SRIS Agreement
- Updated confidentiality requirements in accordance with the revised tariff

■ Section 5.2

- Revised to reflect the restart of the process following a modified Public Policy Transmission Need

Sections 6 Through 10

- **Section 6.1**
 - Revised to describe the Cost Cap will be evaluated on a quantitative and qualitative basis
- **Section 7**
 - Replaced duplicative tariff language with references to applicable tariff sections
- **Section 8**
 - Revised to include Cost Cap, if proposed, in Development Agreement
- **Section 9**
 - Revised to require Developer compliance with Cost Cap, if any
- **Section 10**
 - Updated the email address to which the quarterly reports should be sent
 - Added new section requiring Developers to provide information NYISO requests to monitor compliance with Cost Cap

Attachments

- **Attachment B**
 - Added Question 11 regarding cost containment
- **Attachment C**
 - Added clarification to cost tables that a Cost Cap must cover all Included Capital Costs, except for Excluded Capital Costs as defined by the tariff
 - Added a section for cost cap total amount and risk sharing if it is soft cap
 - Land acquisition costs broken into two types: utility property and non-utility property
- **Attachment E, the Study Agreement for Evaluation of Public Policy Transmission Projects, was included in OATT 31.12. Therefore, it was removed as a manual attachment**

Next Steps

- **Seek approval by Business Issues Committee and Operating Committee**
- **Post final approved Public Policy Process Manual and Attachments**

Questions?

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

