

June 28, 2018

**VIA ELECTRONIC MAIL:**

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NYISO Public Policy Planning Group  
New York Independent System Operator  
10 Krey Boulevard  
Rensselaer, New York 12144

**RE: Joint Request of Niagara Mohawk Power Corporation d/b/a National Grid and New York Transco LLC to Present Before the New York Independent System Operator's Board of Directors on July 16, 2018 and Further Joint Comments on the Selection of Proposals to Satisfy the AC Transmission New York Public Policy Transmission Need**

Dear NYISO Public Policy Planning Group:

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) and New York Transco LLC (“Transco”) appreciate the continued efforts of the New York Independent System Operator (“NYISO”) and its consultants, including Substation Engineering Company (“SECO”), in the ongoing Public Policy Transmission Planning Process (“PPTPP”) to select the more efficient or cost-effective electric transmission projects to satisfy the Public Policy Transmission Need (“PPTN”) that the New York Public Service Commission (the “Commission”) identified to provide additional transmission capacity to move power from upstate to downstate over the Central East and Upstate New York/Southeast New York (“UPNY/SENY”) interfaces (the “AC Transmission PPTN”). National Grid and Transco also appreciate and accept the opportunity to participate in the upcoming discussion with the NYISO’s Board of Directors (the “Board”) on July 16, 2018.

As requested by the Public Policy Planning Group, National Grid and Transco submit the following outline of the topics they currently intend to discuss during their presentation to the Board on July 16, 2018:

1. Confirm National Grid and Transco’s support of the NYISO as it selects the more efficient or cost-effective transmission solutions to address the AC Transmission PPTN based on their total performance under all of the selection metrics outlined in the NYISO’s Open Access Transmission Tariff (“OATT”) and as established by the Commission since this result is in the best interest of electricity customers of New York State.

2. Outline why the Board should select project T019<sup>1</sup> as the more cost-effective or efficient solution to satisfy Segment B of the AC Transmission PPTN.
  - a. Using the NYISO's own studies and analysis, demonstrate that the combination of projects T027+T019 clearly produce better performance and operability results than the combination of projects currently recommended for the Board's selection (T027+T029).<sup>2</sup>
3. Reiterate National Grid and Transco's concerns with the NYISO's decision to rank T019 as a "tier 3" project because of the perceived risks associated with the transmission series compensation element by discussing:
  - a. How series compensation is an advanced, proven technology utilized throughout the United States to increase real power capability between transmission line terminals;
  - b. How series compensation provides for a safe and reliable solution to enhance the real power flow capability on high-voltage transmission lines; and
  - c. National Grid and Transco's recent and ongoing successful experience implementing and operating series compensation as part of its TOTS project.
4. Highlight the lack of transparency and inequitable treatment project T019 has received during the evaluation process notwithstanding its undeniable features and superior performance when compared against other Segment B proposals.

In addition, National Grid and Transco take this opportunity to summarize and reiterate their concern that the NYISO should *not* be considering pole height as a distinguishing factor in this PPTPP. Pole height should not be treated as a distinguishing factor in this PPTPP because: (1) it is not delineated as a selection metric in Section 31.4 of Attachment Y of the OATT, (2) the Commission did not list it as a selection metric that the NYISO should consider during its evaluation process, and (3) the NYISO did not notify potential bidders during the solicitation process that pole height would be an evaluation criteria or a factor used to distinguish projects.

Moreover, the Commission specifically informed the NYISO and developers *before* the NYISO released its AC Transmission PPTN solicitation that the Commission will utilize the Public Service Law ("PSL") Article VII siting process to address any concerns associated with pole

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<sup>1</sup> Project T019 was submitted to the NYISO for evaluation by National Grid and Transco.

<sup>2</sup> National Grid and Transco support the NYISO's consideration of Transco's FERC approved AC Transmission rate formula.

heights and, if necessary, implement solutions to address any such concerns at that time.<sup>3</sup> Given this Commission directive, the NYISO should *not* utilize pole height as a distinguishing factor during its evaluation process—much less an “important” distinguishing factor.<sup>4</sup> Instead, the NYISO should evaluate pole height as it evaluated project T027’s proposed Princetown Substation. In that situation, SECO identified that project T027’s proposed Princetown Substation may not fit within the existing transmission right-of-way, and that there will likely be public opposition to the project given the proximity of the proposed substation to residential homes.<sup>5</sup> In response, NYISO did *not* use these identified risks as distinguishing factors to downgrade T027’s ranking.<sup>6</sup> Likewise, the NYISO should decline to use pole height as a distinguishing factor during the ongoing evaluation process and allow this topic to be addressed during the Commission’s PSL Article VII review.

If, alternatively, the NYISO continues to insist on considering pole height as a distinguishing factor, it should *not* consider pole height in isolation using the simplistic metric of a straight delta of a 10-foot height increase between new poles and existing poles to indicate “severe impacts.” Instead, to avoid the unjustified assessment of risk based solely on pole height, the NYISO should use the same type of analysis that the Commission employs during a PSL Article VII review to assess a project’s visual impacts—an incremental viewshed analysis. An incremental viewshed analysis considers mitigating factors such as mature tree stands and rolling topography and therefore provides a better estimate of potential visual impacts associated with a particular project than the NYISO’s simplistic review of pole height. Had NYISO Staff conducted the Commission-approved viewshed analysis of project T019—as National Grid and Transco have done—it would have determined that these projects have the least siting risks associated with visual impacts relative to other proposals, and NYISO Staff would have had no basis to downgrade them due to pole height.

National Grid and Transco look forward to further discussion with the NYISO Board on July 16, 2018, and to the NYISO’s review of these comments. If you have any questions about or would like to discuss these comments, please do not hesitate to contact Nabil Hitti at (781) 907-2657.

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<sup>3</sup> See Case 12-T-0502, *Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades*, Order Finding Transmission Needs Driven by Public Policy Requirements (Issued Dec. 17, 2015), at 35 (“A change in structure types and structure heights of the types contemplated may have local, site specific visual impacts. During the Part B Article VII process where it will be possible to look at details including individual structure locations and heights, alternative designs, and mitigation opportunities, the Commission and Staff will assess the degree to which any of the necessary changes result in visible changes in the landscape. The Commission and Staff will work with the developers, local farmers, landowners and other stakeholders to minimize the visual and other impacts of structures, and the Commission throughout these proceedings will continue to encourage the applicants to further minimize the heights of their proposed structures to the degree possible consistent with safety regulations as to conductor clearances.”).

<sup>4</sup> See Dawei Fan, New York Independent System Operator, Management Committee, *AC Transmission Public Policy Transmission Planning Report*, PowerPoint Presentation, dated June 26, 2018, at 34.

<sup>5</sup> Substation Engineering Company, *AC Transmission New York Public Policy Transmission Need*, Technical Review Report, dated June 18, 2018, at 62-63.

<sup>6</sup> See *e.g.* New York Independent System Operator, *AC Transmission Public Policy Transmission Planning Report*, dated June 19, 2018, Table 3-34, at 92.

Sincerely,

/s/ Nabil Hitti

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