

Comments of Con Edison Solutions and Con Edison Energy on Cost Recovery for Reliability Upgrades

Con Edison Solutions and Con Edison Energy recommend that all regulated transmission upgrades be incorporated in and collected through each Transmission Owners' Transmission Service Charge (TSC).

Currently all existing transmission related revenue requirements are collected through the utility TSCs and either applied to wholesale power wheeled through and out of NYS and to retail power used within NYS which is typically billed directly to the retail customers and included in the customers' utility delivery rates. The benefit about using the TSC is that it keeps all the transmission related charges in one place and ensures consistent treatment for all regulated transmission projects.

Con Edison Solutions and Con Edison Energy would argue against a model that had the NYISO collect such transmission charges from LSEs because it would fundamentally change the nature of the ISO from a facilitator of wholesale markets, would require the ISO to collect from LSEs payments that are not directly related to the wholesale electricity markets (since there's no ability for an LSE to self supply or otherwise hedge these costs), and would unnecessarily increase the ISO's credit requirements and risk of default.

Respectfully Submitted,

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