



September 29, 2016

Mr. Zachary G. Smith, Vice President, System and Resource Planning
New York Independent System Operator
10 Krey Boulevard
Rensselaer, NY 12144

Sent Via Email

RE: NextEra Energy New York Comments Regarding Needs Required for the 2016-2017
Transmission Planning Cycle

Dear Mr. Smith:

In response to your August 1, 2016 letter, and pursuant to Section 31.4.2 of Attachment Y to the New York Independent System Operator, Inc.'s ("NYISO") Open Access Transmission Tariff ("OATT"), NextEra Energy Transmission New York, Inc. ("NEETNY") submits the following comments. NEETNY respectfully requests that NYISO solicit and evaluate solutions to facilitate renewable generation to help New York meet the Clean Energy Standard ("CES").

Public Policy Requirement Driving Transmission Need

On August 1, 2016, the New York Public Service Commission issued an Order adopting a Clean Energy Standard ("CES"), New York's primary policy initiative to promote the development of new renewable energy resources in New York.¹ The CES has established a goal whereby 50 percent of New York's electricity is to be generated by renewable resources by 2030. In order to meet this target, NEETNY believes that New York will need to develop substantial new bulk power transmission beyond the needs identified in both the AC Transmission and Western New York solicitations. NEETNY agrees with NYISO's public comments that "a significant build-out of renewable resources will require new or upgraded transmission facilities on both the bulk power system and the sub-transmission systems to deliver the output of these new resources to the southern and eastern portions of New York State, where demand for electricity is greatest."²

Criteria for Evaluation of Transmission Solutions

NEETNY proposes that NYISO evaluate transmission solutions submitted in response to an identified Public Policy Transmission Need ("PPTN"). This will allow transmission providers to compete to offer the best solutions and at the same time reduce project costs for the benefit of

¹Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard; Case 16-E-0270, Petition of Constellation Energy Nuclear Group LLC; R.E. Ginna Nuclear Power Plant, LLC; and Nine Mile Point Nuclear Station, LLC to Initiate a Proceeding to Establish the Facility Costs for the R.E. Ginna and Nine Mile Point Nuclear Power Plants, August 1, 2016 Decision.

²Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, NYISO July 8, 2016 Comments at 4.

New York’s electric consumers. The best way to begin such a process is for NYISO to share as much information about its identified needs as possible with all interested stakeholders.

To start, we believe that a common set of assumptions regarding the location and capacity of assumed renewables should be made available. Regardless of whether the renewable assumptions include new wind generation and solar development in Western New York or Northern New York, or increased imports from Canada, all assumptions should be made public so that all transmission developers can begin on a level playing field. Furthermore, this consistency will enable NYISO to better compare the cost effectiveness of proposals as well as support renewables from both a reliability and market congestion perspective.

NEETNY suggests that NYISO consider the following additional evaluation criteria as it moves forward in the process:

1. Potential and viability for accommodating additional renewable resources on the proposed transmission line, in order to consider the route with the highest use potential;
2. overall cost impact of the project on customers, including the benefits of cost contained bids; and,
3. the extent to which a project will enable and enhance future renewable competition.

In addition, to the aforementioned proposed criteria, NEETNY also offers some additional thoughts on evaluation criteria for NYISO to consider. In order to ensure a more level playing field, when a greenfield solution is proposed to solve a PPTN, NYISO should only evaluate the primary component of a project and not penalize developers who do not propose the most efficient “secondary,” or non-bulk transmission facilities (“NBTF”) fixes. For example, the previous Western New York PPTN resulted in several proposals with a primary component between Dysinger – Stolle Road 345 kV – but with varying secondary components to solve non-BPTF issues. However, the incumbent transmission owners are inherently advantaged to address non-BPTF issues because they alone have the data required to best address those issues. Non-incumbent transmission developers are not privy to the same information as the incumbent transmission owner, and are at a disadvantage when proposing these “secondary” solutions. Therefore, in the event that primary solutions proposed are similar enough, secondary upgrades (especially if to be done by incumbent) should be excluded from evaluation.

Finally, we believe that right-of-way ownership should not be a distinguishing factor. As the New York Public Service Commission (“NYPSC”) has determined, non-incumbent developers should be able to negotiate for the right to utilize the right-of-way which was paid for by utility customers. More specifically, regarding rights- of-way the NYPSC stated that it “expects the utility company owner to bargain in good faith to reach an agreement with the developer of the transmission solution as to property access and compensation as it would for other linear project developers that seek to co-locate on utility property.”³

³Case 12-T-0502, Proceeding on Motion of the Commission to Examine Alternating Current Transmission

How Construction of Transmission Will Fulfill This PPR

The amount of renewable generation required to reach New York's goal of 50% by 2030 will be heavily constrained based on the current state of the transmission network in New York. The construction of new transmission facilities will make it financially advantageous for prospective renewable developers to interconnect to the grid, thereby significantly boosting New York's likelihood of achieving its renewable energy goals.

In addition, upgrades to New York's transmission system are necessary to ensure that all New Yorkers receive the benefits from renewable resources, such as efficiently and reliability providing renewable energy from upstate projects to downstate zones with greater demand.

Thank you for your consideration of NEETNY's comments. Please feel free to contact me if you have any questions with respect to these comments. As a preeminent renewable energy and transmission developer in North America, NextEra Energy and NEETNY look forward to working with NYISO and other stakeholders in helping New York to achieve its renewable energy goals.

Sincerely,

Stephen Gibelli

Stephen Gibelli
Director of Regulatory Affairs, NextEra Energy Transmission

Sent via e-mail to PublicPolicyPlanningMailbox@nyiso.com

Upgrades; Case 13-E-0488, In the Matter of Alternating Current Transmission Upgrades - Comparative Proceeding; Case 13-T-0454, Application of North America Transmission Corporation and North America Transmission, LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for an Alternating Current Transmission Upgrade Project Consisting of an Edic to Fraser 345 kV Transmission Line and a New Scotland to Leeds to Pleasant Valley 345 kV Transmission Line; Case 13-T-0455, Part A Application of NextEra Energy Transmission New York, Inc. for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the Marcy to Pleasant Valley Project; Case 13-T-0456, The Part A Application of NextEra Energy Transmission New York, Inc. for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII for the Oakdale to Fraser Project; Case 13-M-0457, Application of New York Transmission Owners Pursuant to Article VII for Authority to Construct and Operate Electric Transmission Facilities in Multiple Counties in New York State; Case 13-T-0461, Application of Boundless Energy NE, LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII for Leeds Path West Project; Case 14-E-0454, In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration, December 17, 2015 Decision (collectively referred to as "NYPSC Need Decision"), at 60. The NYPSC's justification for its determination is that the incumbent utility "is the steward of the property held for the benefit of its ratepayers" and therefore the incumbent should not have any unfair advantage over any other developer.