



James A. Lahtinen
Vice President – Regulatory Affairs

September 30, 2016

VIA ELECTRONIC SERVICE

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

RE: Response to NYISO Solicitation of Transmission Needs Driven by Public Policy Requirements for the 2016-17 Transmission Planning Cycle

Dear Zach:

New York Transco LLC (“NY Transco”) submits these comments in response to the New York Independent System Operator, Inc.’s (“NYISO”) solicitation on August 1, 2016 for proposed transmission needs driven by Public Policy Requirements (“PPR”) for the 2016-2017 transmission planning cycle.¹

NY Transco requests the NYISO to post these comments on its web site and submit them to the New York Public Service Commission (“PSC”) pursuant to the NYISO’s Public Policy Planning Process. As explained below, investment in new and upgraded transmission facilities is being driven by the PSC’s recent order adopting a Clean Energy Standard (“CES”).²

¹ NY Transco was established as a limited liability corporation in 2014 and is owned by affiliates of the New York investor owned utilities.

² Case 15-E-0302 – *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, and 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*, Order Adopting a Clean Energy Standard (August 1, 2016) (“CES Order”).

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The CES Order adopted the goal expressed in the State Energy Plan that requires 50% of the electricity consumed in New York to be generated by renewable sources by 2030 “as a foundational basis and essential component of the Clean Energy Standard.”³ The CES Order also requires that every load serving entity in New York procure qualifying Renewable Energy Credits in quantities that satisfy the mandatory minimum requirements established by the order.⁴

It is clear that the CES Order will require a very significant revision of the state’s energy resource mix and infrastructure with a much greater reliance on renewable resources. Since the bulk of electricity generated by renewable resources, such as wind, solar, hydro and biomass resources will be generated in the western and northern regions of New York, and the major load centers are located in the southeastern region of the state, new bulk and non-bulk transmission facilities will be necessary to accomplish the state’s goal. New and upgraded transmission facilities will:

- (i) ensure that renewable resources will not get bottled in local transmission systems;
- (ii) improve the flow in the bulk transmission system to enable both the transfer of renewable energy downstate as well as add additional flexibility into the system to manage the variability of renewable generation; and
- (iii) facilitate delivering lower energy costs to New York customers.

For example, the NYISO 2010 Wind Study recognized that enabling the full energy output from wind facilities in Jefferson County and in the southwestern New York regions, such as Steuben County, would require transmission upgrades in order to deliver that output throughout New York. While such transmission may not necessarily be driven in the short term by system reliability needs, appropriate new and upgraded transmission facilities will improve access and deliverability of renewable resources in support of the state’s goal of 50% renewables by 2030 and contribute to long term reliability. Likewise, transmission is needed to improve access to New York hydro in the St. Lawrence region and other hydro resources.

NY Transco submits that the construction of new and upgraded transmission facilities is necessary to achieve the PPR set forth in the CES Order. New transmission will benefit system reliability, performance and reduced overall costs to customers, by allowing New York to take better advantage of available diverse resources, from within and outside the state to meet the CES. It is important to note that cost-efficient and effective transmission solutions can take five to ten years to develop, assess, validate benefits, construct and place in service. Therefore, NY

³ *Id.* at 78.

⁴ *Id.* at 154.

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Transco is confident the PSC will affirm the need for transmission solutions to effectuate the CES which will trigger the NYISO's Public Policy Planning Process to solicit and evaluate proposed transmission projects necessary to achieve the state's goals.

Sincerely,

/s/James A. Lahtinen

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/s/Kathleen Carrigan

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