

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

Case No. 16-E-0558 — *In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration for 2016.*

**Comments of the New York Independent System Operator, Inc.**

**I. Introduction**

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits these comments in the above-captioned proceeding. These comments are prepared in response to the New York State Public Service Commission’s (“Commission” or “NYSPC”) Notice of Proposed Rulemaking in “Proposed Public Policy Transmission Needs/Public Policy Requirements, As Defined Under the NYISO Tariff” published in the October 19, 2016 edition of the New York State Register (I.D. No. PSC-41-16-00014-P) (“October 19 Notice”).

The NYISO supports New York State’s efforts to implement the Clean Energy Standard (“CES”) and will continue to work with state agencies on aspects of the standard that affect the New York State transmission system.<sup>1</sup> Achieving this public policy objective will require additional transmission capacity in New York State to deliver renewable resources from upstate New York and northern regions to consumers in downstate New York. Moreover, the potential development of wind resources off of the Long Island coast could drive the need for on-shore transmission upgrades in order to deliver off-shore wind resources to Long Island and New York City. Given the multi-year lead time necessary for transmission development in New York, the

---

<sup>1</sup> See generally, Case No. 15-E-0302, *et al.*, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Order Adopting a Clean Energy Standard (August 1, 2016); *id.*, Order Providing Clarifications (November 17, 2016).

NYISO supports the Commission finding the need for transmission to achieve the CES in this cycle of the Public Policy Transmission Planning Process (“PPTPP”).

## II. Background

The NYISO’s Order No. 1000 PPTPP<sup>2</sup> was conditionally accepted by the Federal Energy Regulatory Commission (“FERC”) in 2014, subject to a further compliance filing, and the NYISO implemented its first PPTPP cycle beginning that year. In that cycle, the Commission identified two Public Policy Transmission Needs for transmission additions in western New York and for new transmission in the Mohawk and Hudson Valleys. The 2014–2015 PPTPP cycle continues, with the NYISO having completed Viability and Sufficiency Assessments of proposed solutions to those needs.<sup>3</sup> The NYISO also made further compliance filings, which were largely accepted by FERC as compliant with Order No. 1000 principles.<sup>4</sup>

The first step in the PPTPP involves the identification of transmission needs on the New York State Bulk Power Transmission Facilities (“BPTFs”)<sup>5</sup> driven by Public Policy Requirements for which the NYISO should solicit and evaluate solutions.<sup>6</sup> Accordingly, the

---

<sup>2</sup> Capitalized terms in this document are defined by Attachment Y to the NYISO Open Access Transmission Tariff (“OATT”) and otherwise in the OATT and Market Administration and Control Area Services Tariff.

<sup>3</sup> See Case No. 12-T-0502, *et al.*, *Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades* (December 17, 2015) (identifying the public policy transmission need commonly referred to as the “AC Transmission Need”); Case No. 14-E-0454, *Matter of New York Independent System Operator, Inc.’s Proposed Public Policy Transmission Needs for Consideration*, Order Addressing Public Policy Transmission Need for Western New York (October 13, 2016) (confirming the public policy transmission need commonly referred to as the “Western NY Transmission Need”).

<sup>4</sup> See *New York Indep. Sys. Op., Inc.*, Order on Compliance, 156 FERC ¶ 61,162 (September 7, 2016); *New York Indep. Sys. Op., Inc.*, Order on Compliance Filing, 155 FERC ¶ 61,037 (April 18, 2016); *New York Indep. Sys. Op., Inc.*, Order on Compliance Filing, 151 FERC ¶ 61,040 (April 16, 2015); *New York Indep. Sys. Op., Inc.*, Order on Compliance Filing, 148 FERC ¶ 61,044 (July 17, 2014); *New York Indep. Sys. Op., Inc.*, Order on Compliance Filing, 143 FERC ¶ 61,059 (April 18, 2013); see also *New York Indep. Sys. Operator, Inc.*, Compliance Filing, FERC Docket No. ER13-102-007 (March 22, 2016).

<sup>5</sup> Section 31.1 of the OATT defines the “New York State Bulk Power Transmission Facilities (‘BPTFs’)” as “[t]he facilities identified as the New York State Bulk Power Transmission Facilities in the annual Area Transmission Review submitted to NPCC by the ISO pursuant to NPCC requirements.”

<sup>6</sup> Section 31.4.2 of the OATT. Section 31.1 of the OATT defined “Public Policy Requirement” as “[a] federal or New York State statute or regulation, including a NYPSC order adopting a rule or regulation subject to

NYISO solicits interested parties to submit proposed Public Policy Requirements that drive transmission needs for consideration by the Commission. The NYISO then posts all submittals on its website and submits them to the Commission, along with transmission needs and criteria proposed by the NYISO, if any.<sup>7</sup> In accordance with the NYISO's tariff and its own procedures, the Commission determines whether there are Public Policy Transmission Needs for which the NYISO should solicit transmission solutions as proposed in the submittals or pursuant to the Commission's own finding.<sup>8</sup>

In accordance with the PPTPP established pursuant to Order No. 1000 and the policy statement issued by the Commission,<sup>9</sup> the NYISO initiated a second cycle of the PPTPP for its 2016–2017 Comprehensive System Planning Process (“CSPP”) by issuing a letter on August 1, 2016, inviting stakeholders and interested parties to submit proposed transmission needs that they believe are being driven by Public Policy Requirements, and for which the NYISO should solicit and evaluate solutions.<sup>10</sup> The 60-day solicitation window closed on September 30, 2016, and the NYISO received 12 submittals (“Submittals”) proposed by: (i) AVANGRID Networks, Inc., (ii) City of New York, (iii) H.Q. Energy Services (U.S.) Inc., (iv) Invenergy LLC, (v) New York Power Authority (“NYPA”), Niagara Mohawk Power Corporation d/b/a National Grid, and

---

and in accordance with the State Administrative Procedure Act, any successor statute, or any duly enacted law or regulation passed by a local government entity in New York State, that may related to transmission planning on the BPTFs.”

<sup>7</sup> See Section 31.4.2 of the OATT.

<sup>8</sup> See Case No. 14-E-0068, *Matter of Policies and Procedures Regarding Transmission Planning for Public Policy Purposes*, Policy Statement On Transmission Planning For Public Policy Purposes (August 15, 2014), at p 3.

<sup>9</sup> See *id.*

<sup>10</sup> See Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2016–2017 Transmission Planning Cycle (August 1, 2016), available at [http://www.nyiso.com/public/webdocs/markets\\_operations/services/planning/Planning\\_Studies/Public\\_Policy\\_Documents/Public\\_Policy\\_Notices/Public\\_Policy\\_Needs\\_Solicitation\\_2016-08-01.pdf](http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Planning_Studies/Public_Policy_Documents/Public_Policy_Notices/Public_Policy_Needs_Solicitation_2016-08-01.pdf)

Central Hudson Gas & Electric Corporation, (vi) New York Transco LLC, (vii) “New York Transmission Owners”<sup>11</sup> and NYPA, (viii) NextEra Energy Transmission New York, Inc., (ix) North America Transmission, (x) Poseidon Transmission 1, LLC, (xi) PPL Translink, Inc., and (xii) PSEG Long Island. The NYISO posted on its website<sup>12</sup> and filed the Submittals with the Commission’s Secretary, on October 3, 2016.<sup>13</sup>

On October 19, 2016, the Commission published in the New York Register a notice soliciting public comments on whether the Commission should identify any Public Policy Requirement or transmission need driven by a Public Policy Requirement based upon the submitted proposals.<sup>14</sup> In addition, the Commission sought comment on whether, in conjunction with finding a transmission need driven by a Public Policy Requirement, the Commission should (i) provide, to the NYISO, evaluation criteria for analysis of any submitted proposed Public Policy Transmission Need project and the type of analyses it will request the NYISO to conduct as part of its review process,<sup>15</sup> (ii) prescribe a specific cost allocation methodology associated

---

<sup>11</sup> As stated in their submission, the “New York Transmission Owners” include Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Gas & Electric Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

<sup>12</sup> The NYISO posted the submittals on its website under “Planning Notices” at the following location: [http://www.nyiso.com/public/markets\\_operations/services/planning/documents/index.jsp](http://www.nyiso.com/public/markets_operations/services/planning/documents/index.jsp).

<sup>13</sup> See Case No. 16-E-0558, *In the Matter of New York Independent System Operator, Inc.’s Proposed Public Policy Transmission Needs for Consideration for 2016*, Filing of Proposed Public Policy Transmission Needs (October 3, 2016). The NYISO also filed with the Chair of the Long Island Power Authority Board of Trustees the proposal by: (i) North America Transmission, (ii) Poseidon Transmission 1, LLC, and (iii) PSEG Long Island. See *id.*, NYISO Letter Regarding Proposed Transmission Needs Within the Long Island Transmission District (October 3, 2016). Section 31.4.2 of the OATT states that “[f]or submittals to identify transmission needs that require a physical modification to transmission facilities in the Long Island Transmission District pursuant to Section 31.4.2.3, the ISO will post all submittals on its website after the end of the needs solicitation period, and will provide the NYPSC and the Long Island Power Authority all submittals proposed by stakeholders, other interested parties, any additional transmission needs and criteria identified by the ISO.”

<sup>14</sup> See October 19 Notice.

<sup>15</sup> See OATT Section 31.4.2.1 of the OATT (“The NYPSC shall issue a written statement that identified the relevant Public Policy Requirements driving transmission needs and explain why it has identified the Public Policy Transmission Needs for which transmission solutions will be requested by the ISO. The statement shall also explain why transmission solutions to other suggested transmission needs should not be requested. The NYPSC’s statement may also provide: (i) additional criteria for the evaluation of transmission solutions and non-transmission projects,

with a Public Policy Requirement,<sup>16</sup> or (iii) consider whether any Public Policy Transmission Need should be addressed by transmission or non-transmission solutions.<sup>17</sup>

### **III. The NYISO's Interest and Position in this Proceeding**

The NYISO is an independent not-for-profit entity that is responsible for the reliable operation of the bulk power transmission system in New York State, for planning for that bulk power transmission system's continued reliability, and for administering competitive wholesale electricity markets. Based on those responsibilities, the NYISO has a substantive and direct interest in the outcome of this proceeding. The NYISO has no financial interest in the Commission's rulings or in the construction of new transmission infrastructure. It has no affiliation with the Commission, any transmission project sponsor, or any other interested entity. The NYISO recognizes that the Commission has issued orders and is furthering examining certain initiatives that will increase the need for transmission system upgrades, including the Reforming the Energy Vision, the CES, the Clean Energy Fund, and the NY-Sun initiative.

---

(ii) the required timeframe, if any for completion of the proposed solution, and (iii) the types of analyses that it will request from the ISO.”)

<sup>16</sup> Section 31.5.5.4.1 of the OATT provides that the Commission may prescribe, as a part of establishing a Public Policy Requirement, a specific cost allocation methodology that the NYISO would file within sixty (60) days of the Commission issuing an order identifying a Public Policy Transmission Need driven by a Public Policy Requirement. In the absence of a cost allocation methodology prescribed by the Public Policy Requirement, and unless a cost allocation methodology is established through the collaboration of the Developer, whose transmission project was selected by the NYISO, and the Commission, Section 31.5.5.4 of the OATT provides for an *ex ante* load ratio share methodology.

<sup>17</sup> See October 19 Notice.

#### IV. Comments

##### A. **The NYISO Supports Identification of a Need for Transmission to Fulfill the New York State Clean Energy Standard by Delivering Renewable Energy to Downstate Load Centers.**

In the 2014–2015 PPTPP cycle, the NYISO commented, in the Western New York Transmission Need and in the AC Transmission Proceedings, in support of the need to strengthen the high-voltage 345 kV transmission backbone that runs from Buffalo across central New York through the Mohawk and Hudson Valleys to serve downstate load centers. In its comments, the NYISO pointed out a variety of benefits to fortifying the New York State transmission system, including: improving reliability, relieving congestion, lowering consumer costs, replacing aging infrastructure, hardening the transmission system against storms, and reducing emissions. The NYISO emphasized the particular importance of transmission facilities to deliver renewable resources from the northern and western regions of New York State where such resources are located to customers in downstate New York.<sup>18</sup> The NYISO previously determined, in its 2010 wind study, *Growing Wind*, that when there is a higher penetration of wind resources in New York State, transmission upgrades will be needed to relieve the curtailment of wind generation and to achieve the deliverability of wind energy.<sup>19</sup>

The Public Policy Transmission Needs identified by the Commission for the Western New York Transmission Need and the AC Transmission Need will significantly increase the

---

<sup>18</sup> Case No. 14-E-0454, *et al.*, *Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration*, Comments of the New York Independent System Operator, Inc. (December 29, 2014), at p 9; *id.*, Comments of the New York Independent System Operator, Inc. (May 21, 2015), at p 7; *id.*, Letter of President & CEO Stephen G. Whitley to Hon. Audrey Zibelman, Chair (June 4, 2015), at pp 4-5.

<sup>19</sup> New York Independent System Operator, Inc., *Growing Wind: Final Report of the NYISO 2010 Wind Generation Study* (2010), at pp 76–90, available at [http://www.nyiso.com/public/webdocs/markets\\_operations/services/planning/Documents\\_and\\_Resources/Special\\_Studies/Special\\_Studies\\_Documents/GROWING\\_WIND\\_-\\_Final\\_Report\\_of\\_the\\_NYISO\\_2010\\_Wind\\_Generation\\_Study.pdf](http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Documents_and_Resources/Special_Studies/Special_Studies_Documents/GROWING_WIND_-_Final_Report_of_the_NYISO_2010_Wind_Generation_Study.pdf).

potential for the BPTFs to deliver energy from renewable resources to loads.<sup>20</sup> However, as suggested by the Submittals, additional transmission facilities are needed to deliver energy from renewable resources to New York consumers and achieve New York’s environmental and energy policies.

**(1) Transmission for Cross-State Delivery of Renewable Resources to Load Centers**

All of the Submittals point to the CES, which requires 50% of the state’s electric energy to come from renewable resources by 2030 (“50% by 30”), as a primary driver of the need for new transmission facilities in New York. In the CES proceeding, the New York State Department of Public Service (“DPS”) Staff White Paper stated that “the CES program will be required to add an additional 33,700 GWh of renewable energy to meet the 50% by 2030 mandate.”<sup>21</sup> New transmission will be required to support the significant amount of new renewable resources necessary to meet this mandate. The transmission infrastructure necessary to deliver capacity and energy from these resources will depend on where the new generation is located and how it is dispersed throughout the State.

Much of New York’s renewable energy capability is located in upstate New York, requiring upgrades to the BPTFs to deliver the renewable energy to load centers. The resource mix and geographic distribution of the new renewable resources will dramatically change power flows across the BPTFs. Significant additional volumes of renewable energy will have to move east and south across the State to serve load.

---

<sup>20</sup> The NYISO is conducting the selection phase for the Western New York transmission need confirmed by the Commission to pick the more efficient or cost effective transmission solution to fulfill that need. Moreover, the NYISO has submitted to the Commission its Viability and Sufficiency Assessment for the proposed projects it received for confirmation of the AC Transmission Need to increase the transfer capability of the Central East interface by at least 350 MW and of the UPNY/SENY interface by at least 1,000 MW.

<sup>21</sup> DPS Staff White Paper, at p 7.

In order to maximize the yearly average load served by renewable generation, cross-state energy transfers will actually increase—even as statewide load is decreasing—due to the fact that more renewable generation is available to serve the downstate load. As renewable penetration in the upstate regions exceeds the load in those same regions, additional energy transfers from upstate renewable resources to downstate load centers are necessary, subject to the transmission system capability. Curtailment of renewable generation to maintain transmission system reliability, consistent with the NYISO’s 2010 wind study’s findings, would jeopardize achievement of 50% by 30 because energy will not be deliverable from renewable resources to downstate load centers.

New BPTFs will be needed, in addition to the AC Transmission Need and Western New York Transmission Need public policy initiatives now underway. Such transmission will enable the BPTFs to deliver additional renewable energy to downstate consumers and, thereby, help achieve 50% by 30.

Specifically, expansion of the New York transmission system in the St. Lawrence to Marcy corridor would allow developers of renewable resources to provide additional output onto the high-voltage system for delivery to consumers in downstate New York. The New York Power Authority, along with National Grid and Central Hudson, point out in their submission that additional transmission capacity would afford full access to clean, renewable generation resources in northern New York, including existing wind generation. NYPA further states that based upon its analyses, the transmission system in northern New York cannot fully support the deliverability of renewable sources from New York and, potentially, Canada together with the



full output of NYPA's Saint Lawrence – Franklin D. Roosevelt Power Project.<sup>22</sup> Based upon these comments and the NYISO's prior experience, high-voltage transmission in the northern corridor would unbottle the hydroelectric capacity of the St. Lawrence – Franklin D. Roosevelt facility, allowing it to operate at its full output while simultaneously delivering other renewable resources to consumers in the eastern and southern load centers of New York State.

Furthermore, new transmission capacity could allow developers to explore sites that are attractive for wind and solar resources but underserved by the existing transmission system.

Access to the transmission system becomes an issue as many sites with convenient access to the transmission system have already been taken or are under development. Conceptually, expanding the transmission system in certain key locations could facilitate the interconnection of new wind and solar resources that are not in proximity to the high-voltage transmission system, as well as unbottle energy from existing wind resources. Further analysis will be required to identify the areas of the State that have high potential for renewable resource development that could be facilitated through the expansion of the transmission lines that connect to the backbone of high-voltage transmission system. For all of these reasons, the NYISO supports the Commission finding that there is a Public Policy Requirement and/or Public Policy Transmission Need for additional transmission capacity in the St. Lawrence to Marcy corridor.

## **(2) Off-shore Wind**

The NYISO does not confine its recommendation solely to transmission upgrades for land-based renewable resources located in northern New York and western New York. Two of the submittals, from PSEG Long Island and Poseidon Transmission 1, LLC, identified the potential for transmission upgrades driven by the development of wind resources off the coast of

---

<sup>22</sup> Response to NYISO Solicitation of Transmission Needs Driven by Public Policy Requirements, of the New York Power Authority, Niagara Mohawk Power Corporation d/b/a National Grid, Central Hudson Gas & Electric Corporation (September 30, 2016), at pp 2, 5–6.

Long Island.<sup>23</sup> The NYISO agrees that reinforcing the transmission system on Long Island is necessary to reliably deliver off-shore wind resources to Long Island and New York City.

Therefore, the NYISO supports the Commission determining that there is a need for transmission to bring renewable energy from off-shore resources to downstate customers.

### **(3) Identification of the Transmission Need**

The NYISO does not believe that the Commission's finding of a Public Policy Requirement or Public Policy Transmission Need should specify a need for a particular transmission line. Rather, consistent with the structure of the NYISO's PPTPP, the Commission should determine the need for transmission and allow developers to propose their own projects to fulfill the need for transmission.<sup>24</sup> This would allow the greatest potential for creative and innovative solutions to be offered to the Commission for its further consideration, for the NYISO's selection of the more efficient or cost effective Public Policy Transmission Project eligible for cost allocation and cost recovery under its tariffs, and for eventual siting under Article VII of the Public Service Law.

#### **B. The NYISO Supports Identification of a Need for Transmission to Achieve the CES Objectives in the 2016-2017 Cycle of the PPTPP to Allow the Timely Development of New Transmission Facilities.**

The NYISO agrees with the comments of North America Transmission that establishing a Public Policy Transmission Need for renewable resources to achieve the CES objectives is appropriate due to the long lead time needed for transmission planning, siting, and development.<sup>25</sup> Such processes and actual construction of transmission facilities take years to

---

<sup>23</sup> See Poseidon Transmission 1, LLC, Response to Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2016-2017 Transmission Planning Cycle, at pp 2-3; PSEG Long Island, Response to NYISO Solicitation of Transmission Needs Driven by Public Policy Requirements (September 30, 2016), at pp 1-3.

<sup>24</sup> See Section 31.4.3 of the OATT.

<sup>25</sup> North America Transmission, Proposed Public Policy Requirements (September 30, 2016), at p 3.

complete. Given the lead time to get transmission service built and that the CES requirement lies less than 15 years away in 2030, the NYISO supports the Commission finding the need for transmission to achieve the CES in the 2016-2017 cycle of the PPTPP.

**V. Conclusion**

For the foregoing reasons, the NYISO respectfully requests the New York State Public Service Commission consider these comments and establish a Public Policy Requirement and/or a Public Policy Transmissions Need for transmission to fulfill the New York State Clean Energy Standard by delivering renewable energy from upstate and off-shore resources to downstate load centers.

Respectfully submitted,

/s/ Carl F. Patka

Robert E. Fernandez

General Counsel

Carl F. Patka

Assistant General Counsel

Brian R. Hodgdon

Attorney

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, New York 12144

December 5, 2016

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rensselaer, NY this 5<sup>th</sup> day of December 2016.

*/s/ Joy A. Zimmerlin*

Joy A. Zimmerlin  
New York Independent System Operator, Inc.  
10 Krey Blvd.  
Rensselaer, NY 12144  
(518) 356-6207