

Next Steps on Upgrades in NYISO's Transmission Planning Processes

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Background on Upgrades in the Transmission Planning Processes

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- **December 19, 2018** – Certain Investor Owned Utilities (“IOUs”) brought to a joint meeting of the ESPWG and TPAS concerns related to necessary local upgrades in the Public Policy Transmission Planning Process (“Public Policy Process”)
- **April 12, 2019** – NYISO presented to a joint meeting of the ESPWG and TPAS a straw proposal to address non-BPTF upgrades in the Public Policy Process and to establish a procedure to administer Section 31.6.4 of Attachment Y
- **May 21, 2019** – NYISO presented to a joint meeting of the ESPWG and TPAS an updated straw proposal to address upgrades in the Public Policy Process
- **August 20, 2019** - NYISO presented to a joint meeting of the ESPWG, TPAS, and ICAPWG an updated straw proposal to address upgrades in the Public Policy Process

Background on Upgrades in the Transmission Planning Processes

- **The NYISO proposed two sets of revisions to address concerns related to upgrades in the Public Policy Process**
 - (1) Evaluate the feasibility/constructability of upgrades proposed or related to Public Policy Transmission Projects as it relates to the local transmission system through an Optional Feasibility Study or System Impact Study to inform the Public Policy Process
 - (2) Establish an assignment process for upgrades to effectuate the right of Transmission Owners referenced in Section 31.6.4 of Attachment Y

Background on Upgrades in the Transmission Planning Processes

- **NYISO received a significant number of comments on the proposed assignment process for upgrades in the Public Policy Process**
- **The comments highlighted a lack of consensus among the stakeholders and interested parties on several issues**
 - 1) Whether there is a right for Transmission Owners as referenced in Section 31.6.4 of Attachment Y to build, own, and recover the cost of upgrades, including upgrades contained in transmission solutions proposed by another Developer
 - 2) The scope of such a right under Section 31.6.4, specifically the need to add more specificity around the definition of “upgrade”

Next Steps on Open Upgrade Issues

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- With the start of new cycles of NYISO's transmission planning processes approaching, the NYISO continues to pursue options to address open issues related to the handling of upgrades.
- The NYISO identified the filing of a petition for a declaratory order with the Federal Energy Regulatory Commission ("FERC") as an approach to resolve some of these open issues in the NYISO's transmission planning processes.

Requested Clarification No. 1

- **Confirm that Transmission Owners have a right to elect to build, own, and recover the costs of upgrades to their existing facilities as referenced in Section 31.6.4 of Attachment Y**
 - Such a right would include an upgrade contained in a competing Developer's proposed transmission solution that was selected by the NYISO for purposes of cost allocation in one of its transmission planning processes.

Requested Clarification No. 2

- **Confirm that if Transmission Owners have a right to build, own, and recover the cost of upgrades as referenced in Section 31.6.4 of Attachment Y, the NYISO can treat a Transmission Owner exercising that right as the Developer of a selected transmission project under applicable tariff provisions for purposes of the upgrade portion of the project.**

Requested Clarification No. 3

- **Seek additional clarity on the scope of a Transmission Owner’s right based on the definition of “upgrade” in Section 31.6.4 of Attachment Y.**
 - Current definition of “upgrade” under Section 31.6.4 is “an improvement to, addition to, and replacement of a part of an existing transmission facility and shall not refer to an entirely new transmission facility.”

Schedule

- **July 23, 2020** – Presentation to ESPWG/TPAS
- **By end of July 2020** – File a Petition for Declaratory Order with FERC

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- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

