



December 16, 2021

VIA E-MAIL

Hon. Michelle L. Phillips
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: NYPSC Case 05-E-0889
Notice of Intent To Retire Generating Facility
Gowanus Barges 1 and 4
Brooklyn, New York, NYISO Zone J

Dear Secretary Phillips:

Astoria Generating Company, L.P. ("Astoria Generating") is the owner and operator of the Gowanus Generating Station at 29th Street and 2nd Avenue, Brooklyn, New York, New York Independent System Operator, Inc. ("NYISO") Zone J, composed of four barges on which 16 simple cycle gas turbines totaling 320 MW (nameplate) are located ("Gowanus 1 & 4 Barges").¹ The Gowanus 1 & 4 Barges, which operate on fuel oil only, fall within the definition of facilities that must meet more stringent air emissions requirements by May 1, 2023 under the New York Department of Environmental Conservation's ("DEC") Peaker Rule.² In accordance with the requirements of the Peaker Rule, Astoria Generating submitted a compliance plan for the Gowanus 1 & 4 Barges with the DEC on March 2, 2020 ("Gowanus 1 & 4 Peaker Plan").³

In its order adopting generator retirement notice requirements, the New York Public Service Commission ("Commission") established that generating facilities must provide notice to

¹ These gas turbines are currently operational with the exception of the Gowanus 1-8 gas turbine which was put into ineligible ICAP forced outage status effective February 1, 2021 due to operational issues with the facility per the notice submitted to the Commission in NYPSC Case 05-E-0889 and to other affected entities on December 14, 2020.

² See 6 NYCRR Subpart 227-3 (hereinafter, "DEC Peaker Rule").

³ At the time the Gowanus 1 & 4 Peaker Plan was filed, Astoria Generating advised DEC that it was pursuing a number of alternative compliance options. Having completed its review and taken the State's actions to address climate change fully into account, Astoria Generating will retire the 16 gas turbines on these barges in favor of installing energy storage resources to support the New York City system and, as noted below, has submitted its modified compliance plan reflecting this determination to DEC accordingly.

the Commission, the NYISO and “any affected T&D utility” prior to deactivation.⁴ The timing of such notice is based on the size of the facility.⁵ To be conservative, Astoria Generating has considered the total size of the Gowanus 1 & 4 Barges and hereby provides this written notice that it intends to permanently retire the Gowanus 1 & 4 Barges as soon as November, 2022 (“Notice”).⁶ Astoria Generating’s decision to retire the Gowanus 1 & 4 Barges has been triggered by a number of factors.

In July, 2019, New York State enacted the Climate Leadership and Community Protection Act.⁷ Astoria Generating has closely reviewed the Climate Act and has carefully monitored the work performed to date by the Climate Action Council, an entity charged with major pieces of the Climate Act’s implementation. Astoria Generating stands ready to assist New York State in its efforts to combat climate change and, as the owner of existing generating facilities in New York City with interconnections to the electric grid, is uniquely poised to implement key aspects of the State’s initiatives.

To that end, Astoria Generating issued a press release earlier today announcing its plans to add over 350 MW of energy storage resources to its New York City portfolio and expects to file a petition with the Commission in the near future to site up to 180 MW of these resources at the Gowanus site in Brooklyn to replace these existing gas turbines.⁸ In addition, Astoria Generating has modified its Gowanus 1 & 4 Peaker Plan to reflect its decision to retire these gas turbines and site energy storage resources in their place and has submitted its updated Gowanus 1 & 4 Peaker Plan to DEC.

Two weeks ago, the NYISO completed its 2020-2021 reliability planning process cycle by issuing its 2021-2030 Comprehensive Reliability Plan. The 2021 Comprehensive Reliability Plan did not identify any reliability needs involving the Gowanus 1 & 4 Barges.⁹ Likewise,

⁴ See NYPSC Case 05-E-0889, *Proceeding on Motion of the Commission To Establish Policies and Procedures Regarding Generation Unit Retirements*, Order Adopting Notice Requirements for Generation Unit Retirements (issued and effective December 20, 2005) (hereinafter, “Generator Retirement Notice Requirement Order”) at 15-16.

⁵ *Id.* at 15 (specifying that at least 180 days written notice must be given for generating facilities greater than or equal to 80 MW and at least 90 days written notice must be given for generating facilities less than 80 MW).

⁶ Each affected gas turbine has a nameplate capacity of 20 MW but Astoria Generating has collectively taken the full capacity of the Gowanus 1 & 4 Barges into account and met the notice requirements applicable to generating facilities equal to or greater than 80 MW.

⁷ See Climate Leadership and Community Protection Act, S.B. 6599, 2019 Leg., 242nd Sess. (N.Y. 2019) (codified as Ch. 106, L. 2019) (hereinafter, “Climate Act”).

⁸ Eastern Generation, LLC Press Release, “Major New York City Power Producer Shifts Focus To Energy Storage” (dated December 15, 2021), available at www.easterngeneration.com/resources/newsroom.

⁹ See New York Independent System Operator, Inc., “2021-2030 Comprehensive Reliability Plan” (dated December 2, 2021).

Consolidated Edison Company of New York, Inc. (“Con Edison”) previously has issued an assessment of the Peaker Rule’s impacts on its system and did not identify any issues with the retirement of the Gowanus 1 & 4 Barges.¹⁰ Lastly, Astoria Generating exercised its right to request that the NYISO complete additional reliability studies which also have not identified any reliability needs arising from the retirement of the Gowanus 1 & 4 Barges.¹¹

Astoria Generating will file its generator deactivation notice application shortly with the NYISO in accordance with the requirements of Attachment FF to the NYISO’s Open Access Transmission Tariff (“DAN Application”) and expects that the reliability needs assessment for these facilities will be completed by no later than the NYISO’s Q2 2022 Short-Term Reliability Assessment in mid-summer, 2022.¹² While Astoria Generating will designate the full one-year retirement notice period in its DAN Application, it will also notify the NYISO of its intent to retire the Gowanus 1 & 4 Barges on an earlier date upon a finding that there are no reliability needs arising from their retirement.

Pursuant to the Generator Retirement Notice Requirement Order and NYISO Technical Bulletin No. 185, Astoria Generating is contemporaneously sending a copy of this Notice to the NYISO via email directed to its designated web address. While the Generator Retirement Notice Requirement Order did not define the term “any affected T&D utility,” Astoria Generating has also sent a copy of this Notice to Con Edison, the transmission owner in New York City.

Should you have any questions about this Notice, please call or e-mail me.

¹⁰ See Consolidated Edison Company of New York, Inc., *2019-2028 CRP: Peaker Scenario Assessing DEC’s NOx Limits Rule for Simple Cycle and Regenerative Combustion Turbines (‘Peaker Rule’)* (presented to March 19, 2019 Electric System Planning Working Group/Transmission Planning Advisory Subcommittee meeting). No significant changes have occurred on the system since the issuance of the Con Edison presentation that would be expected to alter Con Edison’s findings vis-à-vis the Gowanus 1 & 4 Barges.

¹¹ In an affidavit supporting the recent petition to the Commission by an ArcLight affiliate and another entity which assessed current system conditions and system conditions in 2025, study assumptions recognized the expected absence of any reliability needs, incorporated peaker retirements under the Peaker Rule, including the retirement of the Gowanus 1 & 4 Barges and all other Gowanus peaking units, and produced results accordingly. (See NYPSC Case 21-E-0196, *Joint Petition of Generation Bridge Acquisition, LLC and NRG Energy, Inc. for a Declaratory Ruling Eschewing Further Review of the Proposed Transaction or, in the Alternative, an Order Approving the Proposed Transaction Pursuant to Section 70 of the New York Public Service Law and Petition of Generation Bridge Acquisition, LLC for an Order Authorizing Financing Pursuant to Section 69 of the New York Public Service Law*, “Joint Petition” (dated April 5, 2021), Attachment A, Affidavit of Julie R. Solomon (dated April 5, 2021) at P 46.)

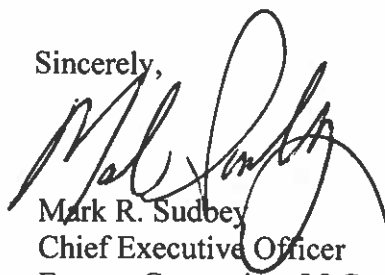
¹² See New York Independent System Operator, Inc., “Short-Term Assessment of Reliability: 2021 Q4 Key Study Assumptions (presented to October 25, 2021 Electric System Planning Working Group/Transmission Planning Advisory Subcommittee meeting) at 2 (confirming the NYISO’s short term reliability assessment (“STAR”) work remains on track and establishing the Q1 2022 STAR study would begin January 15, 2022 which would lead to an April 15, 2022 start date and a mid-July completion date for the Q2 2022 STAR study).

Hon. Michelle L. Phillips

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Sincerely,

A handwritten signature in black ink, appearing to read 'Mark R. Sudbey', is written over the word 'Sincerely,' and the printed name below.

Mark R. Sudbey
Chief Executive Officer
Eastern Generation, LLC, parent company
of Astoria Generating Company, L.P.

cc: New York Independent System Operator, Inc. at generator_retirement@nyiso.com
(via e-mail)

Mr. Timothy P. Cawley, Consolidated Edison Company of New York, Inc. (via e-mail)

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