

**Notice of Extension of Public Policy Transmission Planning Process
for 2014-2015 Transmission Planning Cycle**

July 29, 2016

Dear NYISO Stakeholder or Interested Party,

The NYISO commenced its Public Policy Transmission Planning Process (Public Policy Process) for the 2014-2015 transmission planning cycle on August 1, 2014. Pursuant to Section 31.4.1 of its Open Access Transmission Tariff (OATT), the NYISO must notify stakeholders if the Public Policy Process cannot be completed within two years, provide an estimated completion date, and explain the reasons why the additional time is required. The NYISO hereby notifies stakeholders of an extension of its current Public Policy Process because it cannot be completed within the two-year period ending in August 2016. The NYISO has acted diligently in administering the current process, but will require additional time to complete it.

The NYISO began the current Public Policy Process when it issued a letter on August 1, 2014 inviting stakeholders and interested parties to submit proposed transmission needs driven by Public Policy Requirements. The NYISO submitted the proposed transmission needs it received to the New York Public Service Commission (NYPSC) on October 3, 2014.

The NYPSC identified two separate Public Policy Transmission Needs for which the NYISO is required to solicit and evaluate solutions. On July 20, 2015, the NYPSC issued an order identifying the relief of congestion in Western New York as a transmission need (Western New York Need). Subsequently, on December 17, 2015, the NYPSC identified as separate transmission needs the need for new transmission facilities to cross the Central East and Upstate New York/Southeast New York interfaces to provide additional transmission capacity to move power from upstate to downstate (AC Transmission Needs).

For the Western New York Need, the NYISO prepared and presented to stakeholders baseline system analysis through the months of August, September, and October of 2015. The NYISO then issued a solicitation for proposed solutions on November 1, 2015, which were due on December 31, 2015. The NYISO then evaluated the viability and sufficiency of the proposed solutions and issued a final Viability and Sufficiency Assessment on May 31, 2016. At present, the NYPSC is reviewing the assessment and has issued a notice for public comments in accordance with the State Administrative Procedure Act. If the NYPSC concludes that there continues to be a transmission need, the NYISO will evaluate the viable and sufficient transmission solutions for purposes of selecting the more efficient or cost-effective transmission solution to address the Western New York Need. The NYISO anticipates completing the selection process in mid-2017.

For the AC Transmission Needs, following review and discussion of the NYPSC order with stakeholders, the NYISO issued a separate solicitation for proposed solutions on February 29, 2016, which were due on April 29, 2016. The NYISO is currently evaluating the viability

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and sufficiency of proposed solutions. Once completed, the NYISO will provide its assessment to the NYPSC. If the NYPSC concludes that there continues to be transmission needs, the NYISO will evaluate the viable and sufficient transmission solutions for purposes of selecting the more efficient or cost-effective transmission solution to address the AC Transmission Needs. The NYISO anticipates completing the selection process in late 2017 or early 2018.

In parallel with the completion of the current process, the NYISO will commence the Public Policy Process for the 2016-2017 transmission planning cycle. The NYISO anticipates issuing a solicitation for proposed transmission needs on August 1, 2016. Questions about this notice or the Public Policy Process can be addressed to the Public Policy Planning Mailbox (PublicPolicyPlanningMailbox@nyiso.com).