October 2, 2020

VIA ELECTRONIC SERVICE

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

Re: New York Power Authority Response to NYISO Solicitation of Transmission Needs Driven by Public Policy Requirements

Dear Mr. Smith:

The New York Power Authority ("NYPA") submits this filing in response to the New York Independent System Operator's ("NYISO") August 3, 2020 solicitation of transmission needs driven by Public Policy Requirements ("PPRs")[1] for the 2020-2021 transmission planning cycle.[2] NYPA identifies a number of PPRs driving the need for transmission upgrades ("Transmission Needs") and requests that NYISO forward to the New York State Public Service Commission ("PSC") the Transmission Needs identified below.[3]

[1] A Public Policy Requirement is defined as a federal or New York State statute or regulation, including a PSC order adopting a rule or regulation subject to and in accordance with the State Administrative Procedure Act, any successor statute, or any duly enacted law or regulation passed by a local governmental entity in New York State, that may relate to transmission planning on the Bulk Power Transmission Facilities. OATT Section 31.1.1.

[2] Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to those terms in NYISO's Open Access Transmission Tariff ("OATT") or NYISO's Market Administration and Control Area Services Tariff ("Services Tariff"), as context requires. The reference to "Transmission" in the context of this submission shall mean "Bulk Power Transmission Facilities" ("BPTF") as defined in the NYISO tariffs.

[3] The recently enacted Accelerated Renewable Energy Growth and Community Benefit Act (the "Act") charged the PSC to conduct a comprehensive grid study to identify transmission needs to service the Climate Leadership and Community Protection Act targets and determine which transmission needs identified pursuant to that study should be progressed as a Priority Transmission Project ("PTP") pursuant to the Act, if any, and which should be pursued as a Public Policy Transmission Need ("PPTN") pursuant to the FERC Order No. 1000 process. NYPA has filed two petitions asking the PSC to designate certain transmission investments as PTPs, and nothing in the instant submission should be construed to suggest that the recommended Transmission Needs set forth in this submission

1. Executive Summary

Transmission Needs are being driven by a combination of new and continuing public polices, including: a) the Climate Leadership and Community Protection Act ("CLCPA"); b) PSC initiatives established in the Clean Energy Standard ("CES") Order; [4] c) the Reforming the Energy Vision ("REV") Order;[5][6] d) the City of New York's Local Law 97 and 80 x 50 goal; e) the New York Department of Environmental Conservation's ("DEC") implementation of the Regional Greenhouse Gas Initiative ("RGGI"); and f) the DEC's adopted regulations that require a substantial reduction in NOx emissions from peaking electric generators ("Peaker Rule"). All these PPRs drive the Transmission Needs identified below, including a need for comprehensive build out of transmission in the Southern Tier to accommodate renewable energy generation and connectivity between Western and downstate New York ("Southern Tier Transmission Need"), the precise details of which should be developed upon completion of the comprehensive grid study ("Grid Study") required by the Accelerated Renewable Energy Growth and Community Benefit Act (the "Act").

The PSC's offshore wind ("OSW") Order and subsequent CLCPA 9 GW mandate for OSW underscore a need to build transmission in southeast New York to efficiently interconnect and deliver the output from new OSW resources and NYPA supports the Long Island Power Authority's ("LIPA") recent PPTN submission to connect up to 2,400 MW[7] of OSW as a good first step in achieving the CLCPA targets.

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are not eligible for PTP designation by the PSC as part of the comprehensive grid study or that the two PTP petitions should not be timely acted upon by the PSC.

[4] Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting a Clean Energy Standard (issued August 1, 2016) ("CES Order").

[5] Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Instituting Proceeding (issued April 25, 2014)("REV Order").

[6] NYPA is not subject to the CES or REV Orders, but is voluntarily working in coordination with our customers to meet the requirements laid out by the Orders.

[7] *In the Matter of New York Indep. Sys. Operator, Inc.'s Proposed Public Policy Transmission Needs Consideration for 2018*, Case 18-E-0623 (July 30, 2020) ("LIPA Request") (The filing was predicated on the OSW Order of 2,400 MW of OSW which predated the enactment of the CLCPA mandate of 9 GW of OSW).

On July 2, 2020, the NYPA and DPS filed a joint petition with the PSC requesting the Northern transmission project ("Northern NY Project") be designated a Priority Transmission Project ("PTP") pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act and on July 13, 2020, NYPA filed a similar petition with the PSC for the Western New York Energy Link transmission project to be designated as a PTP.[8] As of the date of this submission, the PSC has not issued an order with respect to either petition and NYPA continues to assert that these projects are a priority and should be designated as PTPs by the PSC.

2. Public Policy Requirements

a. New York State Climate Leadership and Community Protection Act

The CLCPA sets the "most aggressive climate program in the nation and puts the state on a path to being entirely carbon-neutral across all sectors of the economy, including power generation, transportation, buildings, industry and agriculture."[9] The CLCPA requires: (1) a 40% reduction in GHG emissions from 1990 levels by 2030 and an 85% reduction by 2050; (2) achievement of a renewable electric generation target of 70% by 2030 ("70 x 30") and a 100% emissions-free electric supply by 2040; and (3) the deployment of 6 Gigawatts ("GW") of photovoltaic solar generation by 2025, 3 GW of energy storage resources by 2030, and *at least* 9 GW of offshore wind by 2035.[10] These CLCPA requirements are transformative in nature and will "require restructuring and repurposing the State's electric transmission and distribution infrastructure."[11]

[8] Case No. 20-E-0197.
[9] "Governor Cuomo Executes the Nation's Largest Offshore Wind Agreement and Signs Historic Climate Leadership and Community Protection Act" (July 18, 2019), https://www.governor.ny.gov/news/governor-cuomo-executes-nations-largest-offshore-wind-agreement-and-signs-historic-climate; Order on Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, Case No. 20-E-0197 (May 14, 2020) ("May 14 Order").
[10] ECL § 75–0107(1); PSL § 66-p(2), (5).
[11] Public Service Commission, May 14 Order at 2.

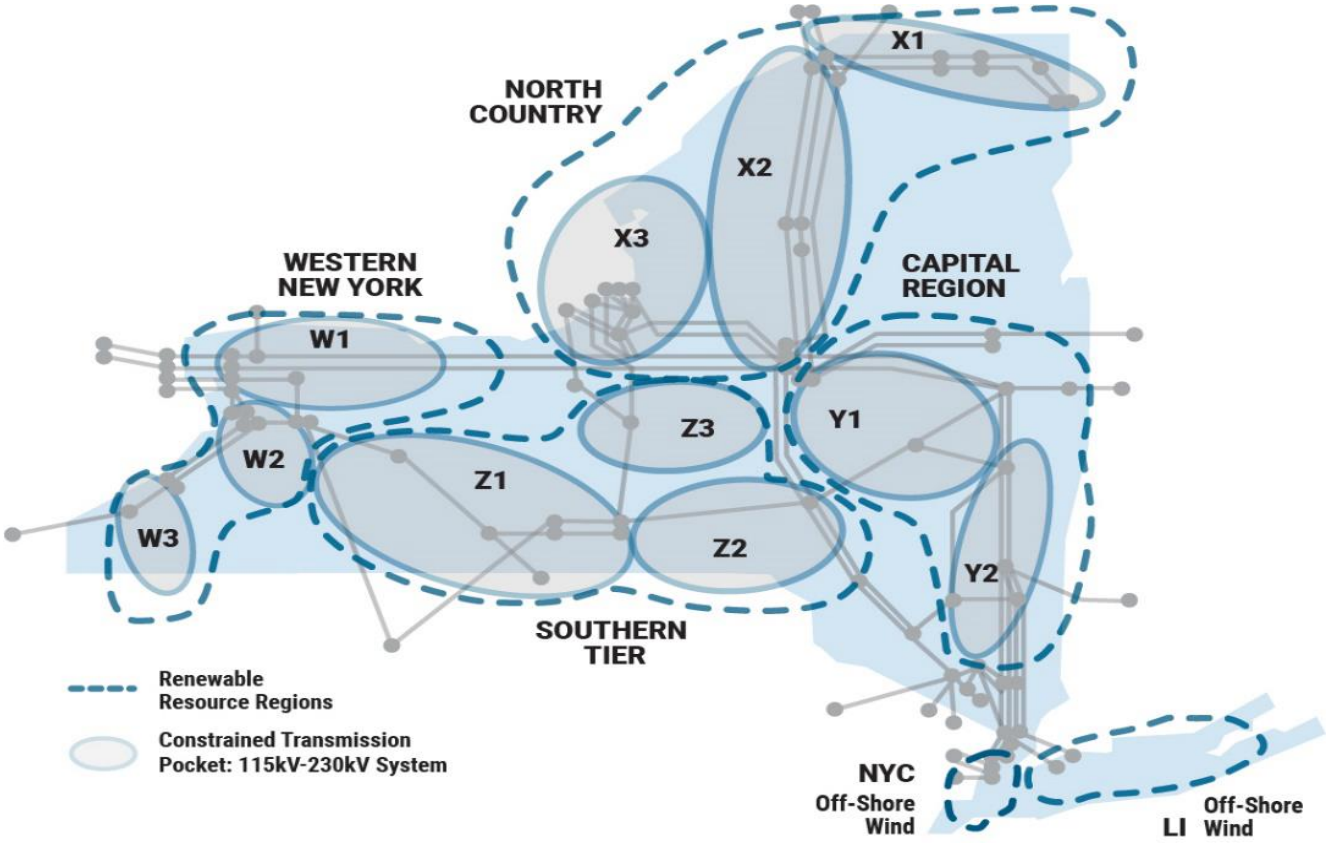
The CLCPA 70 x 30 mandate is less than 10 years away and transmission needs must be addressed in the near future to provide renewable and clean energy developers the upfront certainty where the transmission will be available so that they can plan, permit and develop their projects without delay. Time is of the essence to identify and begin planning the required bulk transmission needs, as it takes several years to take a project from concept to reality.

NYISO's 2019 Congestion Assessment and Resource Integration Study ("2019 CARIS") provides an in depth analysis of the CLCPA 70 x 30 requirement by modeling energy buildout scenarios and identifying transmission-constrained pockets throughout New York State that could prevent full realization of the renewable energy mandates set forth in CLCPA.[12] [13] The NYISO's 2019 CARIS report modeled approximately 110 new renewable generation sites including land-based wind, offshore wind, and utility-scale solar along with additional behind-the-meter solar across the system.[14] The 110 sites were derived by adding renewable resources to the base system model until the renewable energy equaled approximately 70 percent of the energy consumed in New York, taking into consideration "spillage" of generation over the course of a year.[15] This process resulted in an increase of approximately 15,000 MW utility-scale solar, 7,500 MW behind-the-meter solar, 8,700 MW land-based wind, and 6,000 MW of offshore wind of new generation capacity.[16] With this information the NYISO identified constrained areas called "renewable generation pockets", which are five regions in the state where renewable generation resources cannot be fully delivered to consumers statewide.[17] The five

[12] 2019 Congestion Assessment and Resource Integration Study, NYISO July 24, 2020 (To assess the 70 x 30 Targets, the 2019 CARIS report models two hypothetical buildouts of renewable energy facilities and identifies transmission-constrained pockets).
[13] Although the 70x30 "Scenario" analyzed in the 2019 CARIS report was "not intended as a roadmap for compliance with the [CLCPA] mandates", it does provide the most recently developed "insights into renewable generation pockets that are likely to form due to limited transmission capability in the areas where wind and solar resources are likely to be constructed." Id. at p.5.
[14] Id.
[15] Spillage occurs when there is more generation than load within the New York Control Area and could take the form of an export to a neighboring system or curtailment of renewable resources. Id.
[16] Id. at p.6.
[17] Id.

renewable regions[18] which included constrained transmission pockets, being: Western New York (Pocket W), Western New York constraints, mainly 115 kV in Buffalo and Rochester areas; Northern Country (Pocket X), Northern New York constraints, including the 230 kV and 115 kV facilities in the North Country; Capital Region (Pocket Y), Eastern New York constraints, mainly the 115 kV facilities in Capital Region; Southern Tier (Pocket Z), Southern Tier constraints, mainly the 115 kV facilities in the Finger Lakes area; and Offshore Wind, offshore wind generation connected to NYC (Zone J) and Long Island (Zone K). (See Figure 1).

Figure 1 (from NYISO CARIS 2019 Report)



[18] Id at pp. 7, 8. The NYISO also identified within four of the five regions additional subregions where transmission constraint could result based on the 70x30 buildout scenarios.

The NYISO's CARIS 2019 report notes that approximately 11 % of the annual total potential renewable energy production of 128 TWh needed to achieve the CLCPA 70x20 mandate would be curtailed across the New York system absent bulk transmission upgrades.[19] The simulation identified curtailments based on technology (solar and wind) across the subsections, including the Southern Tier Transmission Need identified herein. These curtailments will only become worse as the other CLCPA target of an emission free power sector by 2040 approaches.[20]

Although the Accelerated Renewable Energy Growth and Community Benefit Act does not set specific renewable energy target goals for the State, the Act does provide an accelerated path for the permitting and construction of large scale renewable ("LSR") energy projects to achieve the targets set forth in the CLCPA by creating the Office of Renewable Energy Siting ("ORES"). The ORES is charged with promulgating regulations by April 2021 and must make permit decisions within one year of receiving a complete LSR application.[21] LSR projects in the Public Service Law Article 10 queue may elect to transfer into the new siting process as well. It is anticipated that many new LSR projects will be issued permits as early as April 2022 and transmission must be in place to connect this renewable energy to load centers. As previously noted, the Act also establishes new transmission investment priorities and requires a comprehensive power grid study for local and bulk transmission system

[19] Id.

[20] The NYISO's and Analysis Group's *Climate Change Study Phase II: Reliability and Resiliency Report* (September 2020) analyzed resource mixes to serve load under the CLCPA 2040 state goals incorporating various climate change-type scenarios that could impact the electric system which were developed by the NYISO in collaboration with Itron as part of the *Climate Change Study Phase I: Long Term Load Impacts*. The report concluded that there will be a need for significant amounts of dispatchable emission-free resources in the downstate area. The report noted that as major interface capability increased, the levels of land-based wind and upstate solar resources that can be incorporated into the system will increase and an increase of the transmission from upstate to downstate will allow the output from upstate renewable resources to serve load demands down state. https://www.nyiso.com/espwg?meetingDate=2020-09-10 Last visited, September 24, 2020.

[21] https://ores.ny.gov/regulations, draft siting regulations. Last visited, September 24, 2020.

upgrades needed to meet the CLCPA mandates, with an initial report of the findings and recommendations due by December 31, 2020.[22]

b. Clean Energy Standard

The CES Order mandates "that 50% of electricity consumed in New York by 2030 will be generated from renewable resources."[23] In addition, among other objectives, the CES Order endorses the following mechanism of relevance to NYPA's proffered Transmission Needs:

- Jurisdictional obligations on load serving entities to ensure the procurement of renewable credits generated in New York or delivered into New York;
- Jurisdictional maintenance obligations on distribution utilities to maintain the contributions of older, small, renewable facilities; and
- Continued participation and leadership in [RGGI].[24]

In particular, the CES Order requires all New York load-serving entities ("LSEs") "to serve their retail customers by procuring new renewable resources, evidenced by the procurement of qualifying [Renewable Energy Credits]."[25]

Staff of the New York State Department of Public Service ("DPS Staff") has determined that "slightly more than 33,700 GWh of incremental renewable generation must be added to the State's fuel mix" in order to achieve the CES goal of 50% renewable by 2030 ("50 x 30").[26] NYISO estimated that in order to meet this target, the CES will require: 1) approximately 25,000 MW of solar capacity, to meet the targets solely with solar resources; 2) approximately 15,000 MW of wind capacity, to meet the targets solely with wind resources; or 3) approximately 4,000 MW of hydroelectric capacity, to meet the targets solely with high availability hydroelectric resources.[27] This expected proliferation of renewable

[22] Accelerated Renewable Energy Growth and Community Benefit Act, Subsection 2, Chapter 58 (Part JJJ) of the Laws of 2020.
[23] CES Order at p. 12.
[24] Id at p. 13.
[25] Id at p. 14.
[26] Staff White Paper on Clean Energy Standard, Department of Public Service, Case 15-E-0302, Jan. 25, 2016 ("CES White Paper"), p. 7.
[27] These estimates of new renewable megawatts in New York are calculated based on the historic demonstrated capacity factors for these categories of generators. From NYISO Comments on Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, April 22, 2016.

resources throughout the State is virtually certain to require increased transmission capacity throughout certain regions of the State. Those constraints have already been identified by the NYISO and other stakeholders in five regions of the state as noted above with the subsequent CLCPA mandate of 70x30.

Historically, New York has relied on large-scale hydropower as the backbone of the State's renewable supply portfolio, with hydro representing over 85% of the State's renewable baseline. The Southern Tier Transmission Need would effectively leverage the use of this existing hydroelectric power in conjunction with incremental increases in non-hydro renewable resources to meet the CLCPA and other CES mandates noted above.

The mandates outlined in the CES Order will require significant quantities of incremental renewable energy to be delivered to all the load centers in New York, supplied from resources within the State and imported from external control areas. While near-term goals may be met with existing infrastructure, existing intrastate transmission and interties between New York and adjacent regions likely will not be sufficient to physically deliver cost competitive renewable energy supplies at the levels needed to meet the more aggressive requirements set since the CES Order was issued.

c. Reforming the Energy Vision

The PSC has identified six policy objectives for REV: 1) fuel and resource diversity, 2) system reliability and resiliency, 3) reduction of carbon emissions, 4) system wide efficiency, 5) enhanced customer engagement, and 6) market animation.[28] Transmission expansion in the Southern part of New York and other parts of the State will result in increased bulk electric system flexibility and reliability, and will enable a more efficient dispatch of bulk electric system renewable resources. These outcomes complement the PSC's efforts under the CES Order and at the distribution level, and support achieving the REV objectives of carbon emission reduction, fuel diversity, system reliability and system efficiency.

[28] REV Order at p. 2.

d. New York City Local Law 97

New York City Local Law 97 ("LL 97") was enacted in May 2019 amending Chapter 26 of New York City's charter[29] by, among other things, establishing strict carbon emissions limits for New York City buildings larger than 25,000 square feet (approximately 50,000 existing residential and commercial buildings fall into this category). Local Law 97 is part of the New York City's efforts under the Climate Mobilization Act to achieve New York City's commitment of reducing greenhouse gas emissions by at least 80 percent by 2050 from a 2005 baseline ("80 x 50"), with an interim goal of reducing emissions 40 percent by 2030. Although smart building technology and energy efficiency will be an important part of achieving LL 97 mandates, a switch in technology towards renewable energy will also be driven by this PPR.

e. Regional Greenhouse Gas Initiative

RGGI is a cooperative effort among nine states – Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont – which seeks to "stabilize and then reduce anthropogenic emissions of CO_2, a greenhouse gas, from CO_2 budget sources in an economically efficient manner."[30] When renewable assets such as NYPA's hydropower facilities, upstate wind, or Canadian hydropower are constrained and their output is limited, fossil fuel generation must be dispatched, which not only increases carbon and other air emissions, but also drives up the price of RGGI allowances and consumer costs.

f. New York State Department of Environmental Conservation "Peaker Rule"

The final Peaker Rule took effect on December 7, 2019[31] and the New York State Department of Environmental Conservation ("DEC") started implementing the compliance filing phase this year.[32] The

[29] New York City Local Law No. 97, 2019; Section 651, Chapter 26 New York City Charter.
[30] 6 NYCRR § 242-1.1.
[31] 6 NYCRR Subpart 227-2.
[32] https://www.dec.ny.gov/regulations/116131.html, Last visited, September 24, 2020.

Peaker Rule, among other things, sets requirements to reduce emissions of smog-forming pollutants from peaking generation units. The Peaker Rule phases in compliance between 2023 and 2025 and is expected to impact approximately 3,300 MW of simple-cycle turbines located mainly in the lower Hudson Valley, New York City and Long Island. According to the NYISO's draft Reliability Needs Assessment ("RNA"), compliance plans submitted by impacted generators indicate approximately 1,800 MW are proposing to modify their availability to comply with the new emission standards however this does not provide a guarantee that these MWs will be available.[33] The remaining shortfall, along with any other MWs not modified, will have to be derived from other sources throughout the State.[34]

g. Power Authority Act

Relieving transmission constraints in the Southern Tier of the State will effectuate the objective of the Power Authority Act.[35] The Power Authority Act recognizes and directs NYPA, among other things, to develop, maintain, manage and operate the Niagara Hydropower Facility "for the creation and development of [dependable] hydroelectric power in the interest of the people of this state."[36] Enhancing the transmission in the Southern Tier will allow NYPA to more fully utilize the Niagara Hydropower facility to generate clean and low cost power for the benefit and interest of the people of New York by addressing Western NY constraints.

h. OSW Order

In 2018 the PSC adopted an offshore wind requirement ("OSW Standard") with a goal of obtaining 2.4 GW of OSW generation delivering power to New York by 2030 and authorized the New York State Energy Research and Development Authority ("NYSERDA") to hold initial procurement

[33] https://www.nyiso.com/espwg?meetingDate=2020-09-10, Last visited, September 24, 2020.
[34] "The deficiencies identified in this 2020 RNA are driven by the compound effect of increasing load forecasts (e.g., +495 MW in 2030) and loss of generation in Zone J (e.g., -1372 MW in 2030)…" NYISO's Draft RNA https://www.nyiso.com/espwg?meetingDate=2020-09-10, Last visited, September 28, 2020.
[35] Chapter 772 Laws of New York Section 1, 1931.
[36] New York Public Authorities Law, Article 5, Section 1001.

solicitations in 2018 and 2019[37] to help achieve the 50 x 30 CES requirement. As noted above, after the OSW Order was issued by the PSC, the state enacted CLCPA which increased the OSW mandate to 9 GW. The NYSERDA has contracts or solicitations for up to 4,200 MW underway[38] and is recommending future procurement in a manner that ensures, at a minimum, cumulative contracted capacity equivalent to between 750 MW and 1,000 MW per year through 2027 in order to meet the CLCPA target for OSW generation.[39] The continued aggressive build out of OSW generation will necessitate transmission enhancements onshore and offshore to support a robust, competitive offshore wind market and to ensure the renewable power is deliverable to load centers.

3. <u>Transmission Needs</u>

a. <u>Southern Tier</u>

In light of the foregoing PPRs, NYPA requests that the PSC establish the Southern Tier Transmission Need as expanding this transmission corridor is a necessary component of achieving the State policy mandates. The bulk transmission system in the Southern Tier of New York is limited creating an islanding effect between Western NY and the remainder of the State. While the Western NY PPTN proposed a solution to address transmission constraints in Western NY; the limitations of the sparse transmission system in this region as well as the Southern Tier are already met with existing renewable generation being curtailed. For reference, the 230 kV circuit from Stolle Road to South Perry has three wind farms connected to it, while the surrounding 115 kV infrastructure is also limited for future growth. This transmission deficiency will only be exacerbated by the proposed addition of the 4,000 MW of renewable energy in the NYISO queue for the Southern Tier region (Pocket Z of Figure 1),

[37] Case 18-E-0071, PSC Order dated July 12, 2018. NYSERDA contracted during the initial solicitation 1,696 MW of OSW.
[38] Case 18-E-0071, In the Matter of Offshore Wind Energy, Order Authorizing Offshore Wind Solicitation in 2020 (issued April 23, 2020, errata issued May 6, 2020 and May 19, 2020).
[39] Case 15-E-0302, DPS and NYSERDA, White Paper on CES Procurement to Implement CLCPA dated June 19, 2020.

5,000 MW for the Western Region (Pocket W of Figure 1) and the additional large scale renewable generation that will be required to meet the CLCPA and other PPR mandates identified above.

The current grid in the Southern Tier consists of just one 230 kV circuit bisecting the area from west to east; two 345 kV circuits at each end running north-south; two 345 kV circuits running across the top east-west, and a sparse 115 kV system connecting it all together, much of it at or near operating limits. A robust transmission investment is required to realize capabilities of a continuous bulk transmission system freely flowing from western New York to the remainder of the State. Creating a reinforced system through existing and new transmission upgrades, allowing for increased system transfer and stability, will drive future development of upstate renewables needed to meet the CLCPA and other PPR mandates.

Moreover, the Southern Tier Transmission Need will leverage the benefits of other ongoing and proposed transmission enhancements to the west, including NextEra's Empire State Line, NYPA's proposed Western New York Energy Link PTP, and local transmission plan upgrades proposed to achieve the CLCPA mandates. As noted above, the NYISO queue currently identifies 5,000 MW of renewable energy in the Western Region that could be serviced by the Southern Tier Transmission Need as well.

It is clear that upgraded transmission in the Southern Tier of the state will be required in short order to meet the CLCPA mandates and to leverage existing and new renewable energy generation, however, the exact need should not be defined until the PSC has the benefit of the recommendations and findings of the comprehensive Grid Study required by the Act, which is due within a few months of the date of these comments.

b. Other Needs

Long Island/NYC OSW PPTN: NYPA supports the Long Island Power Authority's ("LIPA") recent request to the PSC to consider LIPA's PPTN proposal to integrate up to 2,400 MW of OSW into the transmission grid as an initial phase to achieve the CLCPA requirement of 9 GW of OSW by 2035 and the

PSC's OSW Standard of achieving 2.4 GW of OSW by 2030. Over time NYPA believes that additional transmission will be required to deliver the identified targets of OSW generation to load centers and recommends the PSC consider defining a LI/NYC OSW PPTN in such a manner that projects sized to achieve larger capacity increases also may be proposed and will be considered by the NYISO in its process to select the more cost effective and efficient project to help achieve the CLCPA OSW related goals.

4. Benefits

Southern Tier transmission investments will ensure accessibility to renewable energy that will be key to meet the 70x30 mandate and other CLCPA requirements and provide many additional benefits, including the following:

a. Environmental Benefits

Emissions would fall with the introduction of additional wind, solar and hydro resources, decreasing further as more renewable energy is able to flow freely across unconstrained transmission systems across New York State. Also, with the adoption of DEC's Peaker Rule, up to 3,300 MW of clean energy could be required to offset more polluting Peaker facilities[40] and implementing a Southern Tier Transmission Need could ensure the reductions in NOx are achieved without compromising system resiliency. Transmission to enable OSW development will also provide downstate load centers with direct access to renewable resources which will balance the build out of renewables across the state and help the State reach its environmental goals in an efficient and cost effective manner.

b. Production Cost Savings

Additional transmission capacity would enable renewable generators to run without threat of curtailment, avoiding the need to run costlier and less efficient fossil fuel plants. Savings are also

[40] 2020 Load & Capacity Report ("Goldbook"), NYISO, p. 4.

realized through reduced cycling of plants and avoidance of reliability-must-run conditions. Production Cost Savings benefits should capture the benefits of wholesale market competition and the benefits from relieving congestion.

c. Fuel Diversity

New York State obtains electricity from a variety of sources including fossil fuel plants, nuclear, and renewable sources such as hydro, wind, and solar. Transmission expansion can provide increased access to power from this diverse portfolio of fuel sources, yielding increased reliability, reduced price volatility and enhanced market efficiency. Although the State is setting laudable targets for renewable energy generation, the state is still dependent upon gas, oil and natural gas with a combined energy production of 37% in 2019.[41] Investments in renewables as a way to mitigate the potential risks of over-dependence on these carbon emitting generation sources is important, but only achievable if the diverse generation of solar, wind and hydro can be delivered to the load centers.

d. Infrastructure Investment Risks

As noted above, certain transmission facilities in the Southern tier are at or near capacity with the existing renewable generation facing curtailment. Limitations in deliverability and curtailment risk are main drivers in whether proposed renewable generation projects ever get constructed. Eliminating risks to developers and potentially lowering their interconnection costs is one way to ensure continued renewable developer investments. Hence, NYPA believes that all constrained transmission pockets identified within the 2019 CARIS Report, including the Southern Tier which has significant LSR generation potential, should be further evaluated through the various transmission studies and planning groups with proposals to resolve expeditiously to further ensure compliance with the CLCPA mandates.

[41] Id. at p. 98.

e. Local Economic Assistance

After several years of upward trends, in the last 12 months (ending August 2020), the Southern tier region of New York has seen job losses in the private sectors reaching approximately 7.3 percent, with trade, transportation and utilities seeing losses of 2,700 jobs.[42] Bulk transmission and renewable energy generation investments will provide significant local economic benefits to the area by creating new permanent and short term jobs. Additionally, significant job creation is expected throughout New York with the investment of OSW by creating new port facilities, wind infrastructure and transmission to deliver the renewable energy to the load centers.

5. Evaluation Criteria

NYISO August 3, 2020 solicitation requires submission of proposed criteria for the evaluation of transmission solutions. NYPA proposes the following criteria to be used in evaluating projects proffered to satisfy the proposed Transmission Needs:

- Ability to provide increased development of renewable resources and decreased renewable curtailment and negative pricing;
- Ability to enable complete utilization of existing and expected future renewable and carbon-free generation resources, including the Niagara Hydropower facility, under an array of potential future system conditions (including possible regional industrial load reductions);
- Contribution toward enhancing transmission facilities that are at or near capacity;
- Economic benefits, including reduction in Demand$Congestion and system-wide production costs; and
- The solution's contribution to meeting resource adequacy requirements with the lowest possible Installed Reserve Margin.

For the reasons set forth above, NYPA requests that NYISO submit to the PSC its proposal that the PSC establish the Southern Transmission Need and consider defining a LI/NYC OSW PPTN in such a

[42] https://labor.ny.gov/stats/sou/index.shtm, last visited on September 23, 2020.

manner that projects sized to achieve larger capacity increases also may be proposed and will be considered by the NYISO.

Respectfully submitted,

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