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New York Independent System Operator
10 Krey Boulevard
Rensselaer, New York 12144

**RE: Response to Request for Proposed Transmission Needs Being Driven by
Public Policy Requirements for the 2020-2021 Transmission Planning Cycle**

Dear Sir/Madam:

In response to the New York System Operator's ("NYISO") Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2020-2021 Transmission Planning Solicitation Notice, PSEG Long Island¹ hereby submits its recommendations regarding transmission needs driven by Public Policy Requirements ("PPRs") on Long Island.

PSEG Long Island believes that the passage of groundbreaking energy policies and legislation by the State of New York, including the Climate Leadership and Community Protection Act of 2019 ("CLCPA") and the Accelerated Renewable Energy Growth and Community Benefits Act of 2020 ("AREGCBA"), and the targets they have established for the integration of Off-Shore Wind ("OSW") and Solar and Energy Storage resources, are PPRs that have heightened and expanded the need for significant additional bulk transmission and sub-transmission reinforcements on Long Island. Specifically, achieving the goal of developing 9,000 MW of OSW by 2035 will require enhancements to the Long Island electrical network to enable those resources to be delivered to loads across Long Island and elsewhere in New York State. While the NYISO interconnection process could in due course identify the specific reinforcements that would result from future OSW Solicitations by the New York State Energy Research and Development Authority ("NYSERDA"), such an approach is not likely to yield the most cost-

¹ PSEG Long Island is the Service Provider for the Long Island Power Authority's subsidiary Long Island Lighting Company d/b/a LIPA.

effective or timely construction of needed facilities. Rather, a coordinated approach is needed, whereby certain bulk facilities are identified and developed in advance as public policy projects, because they are likely to be required regardless of the specific points of injection selected by OSW developers for study under the NYISO interconnection process. With NYSERDA proceeding with its second OSW solicitation, it is conceivable that close to half of the 9,000 MW goal may be under contract by year-end 2020, and the need for a coordinated approach is all the more critical. Consequently, PSEG Long Island has proposed certain transmission needs driven by these PPRs that will help achieve the CLCPA goals in concert with provisions of the AREGCBA. In accordance with the NYISO's request that the identification of transmission needs driven by PPRs be accompanied by "...propose[d] criteria for the evaluation of transmission solutions to those need[s]....," PSEG Long Island has identified herein a number of criteria to be considered by the New York Public Service Commission ("Commission") when it evaluates the PPR proposals received by NYISO.

Public Policy Requirements Background

In July 2019, Governor Cuomo signed into law the CLCPA that mandates the following clean energy targets for New York State: 9,000 MW of OSW by 2035, 6,000 MW of distributed solar by 2025, and 3,000 MW of energy storage by 2030. It also raises New York's Clean Energy Standard requirements to 70% renewable electricity by 2030 with a focus for the state's electric sector to reach zero emissions by 2040, as well as to reduce greenhouse gas emissions by 85% from 1990 levels, by 2050. Studies conducted by PSEG Long Island and others suggest that approximately 3,000 MW of OSW could be injected into the Long Island grid at a reasonable cost, with the remainder connecting to New York City. As described more fully below, such a large injection of wind generation into Long Island will result in the need for significant upgrades to LIPA's bulk electric system ("BES"), along with necessary enhancements to various non-BES facilities, to safely and reliably integrate the wind generation.

In recognition of the fact that achieving the CLCPA renewable energy and climate targets requires restructuring and repurposing the state's electric transmission and distribution infrastructure, the AREGCBA was enacted in April 2020. Among other things, this Act directs the Commission to develop and implement plans for future investments in the electric grid. The AREGCBA also provides that in order to achieve the CLCPA targets, the state take appropriate action to ensure that new renewable energy generation projects can be sited in a timely and cost-effective manner and that renewable energy can be efficiently and cost effectively injected into the state's distribution and transmission system for delivery where and when needed.

Proposed Evaluation Criteria

The NYISO Notice requests “propose[d] criteria for the evaluation of transmission solutions”² (*i.e.*, bulk transmission). PSEG Long Island proposes the following criteria to evaluate solutions for transmission needs driven by PPRs:

- Ability to support additional development and interconnection of renewable resources.
- Ability to cost effectively minimize or eliminate renewable energy curtailment and negative pricing.
- The degree to which the project supports the timely achievement of the state’s renewable energy goals.
- Project cost effectiveness as measured against other potential solutions in both the near and longer term.
- The project’s feasibility from key perspectives such as cost, schedule, constructability and community acceptance.

Identification of Potential Transmission Needs for Future Evaluation

LIPA formally submitted its identification of transmission needs for the NYISO’s 2018/2019 Public Policy planning process to the Public Service Commission (“PSC”) on July 30, 2020. Those recommendations were based on the PSC’s 2018 order establishing an Offshore Wind Standard.³ Subsequent to the Commission’s order, the passage of the CLCPA substantially increased the state’s OSW installation target from 2,400 MW to 9,000 MW, increasing the need for transmission upgrades associated with OSW. Recognizing the potential impacts of integrating as much as 3,000 MW (of the 9,000 MW total) of OSW energy on the Long Island electrical network, PSEG Long Island conducted transmission studies that have identified transmission needs driven by the interconnection of OSW to LIPA’s system regardless of the specific locations at which future OSW projects may be connected, including:

- The addition of at least one bulk transmission Phase Angle Regulator (PAR)-controlled intertie cable to increase the export capability of the LIPA-Con Edison interface, which connects NYISO Zone K to Zones I and J. This need was identified by LIPA in its response to the NYISO’s 2018/2019 Public Policy planning process. However, the

² Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2020- 2021 Transmission Planning Cycle, August 3, 2020 (emphasis added).

³ On July 30, 2020, LIPA recommended that the Commission determine that the Offshore Wind Standard set forth in PSC Case 18-E-0071 (which committed the State to install 2,400 MW of OSW by 2030), “...is a PPR that is driving the need to increase the export capability of the LIPA-Con Edison interface...”

CLCPA's increase in the OSW procurement target from 2,400 MW to 9,000 MW will likely require a further increase in the capacity of this interface.

- Upgrading associated local transmission facilities to accompany the expansion of the proposed OSW export capability. Such upgrades would include portions of the existing 138 kV transmission "backbone" between the Ruland Road and East Garden City substations to 345 kV, as well as a need to enhance the ability to move power from eastern Long Island to western Long Island through the creation of a new 138kV bulk transmission path along the corridor connecting the Brookhaven and Ruland Road substations, based on proposed projects currently in the NYISO interconnection queue.

PSEG Long Island recommends that during the 2020/2021 Public Policy planning process, the Commission and NYISO consider the specific transmission needs identified above as necessary upgrades to the Long Island electrical network in order to meet the renewable energy goals established by New York State legislative policies. PSEG Long Island believes that delay or deferral of these transmission projects may impact the ability to achieve the State's renewable energy goals and timeline for transition, as mandated under the CLCPA and the Accelerated Renewable Act.

In closing, PSEG LI respectfully requests that the NYISO consider these comments and recommendations during its 2020/2021 Public Policy planning process.

Respectfully,

/s/ Robert G. Grassi

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cc: Peter Andolena, PSEG Long Island