

# Public Policy Transmission Need: Long Island Offshore Wind Export

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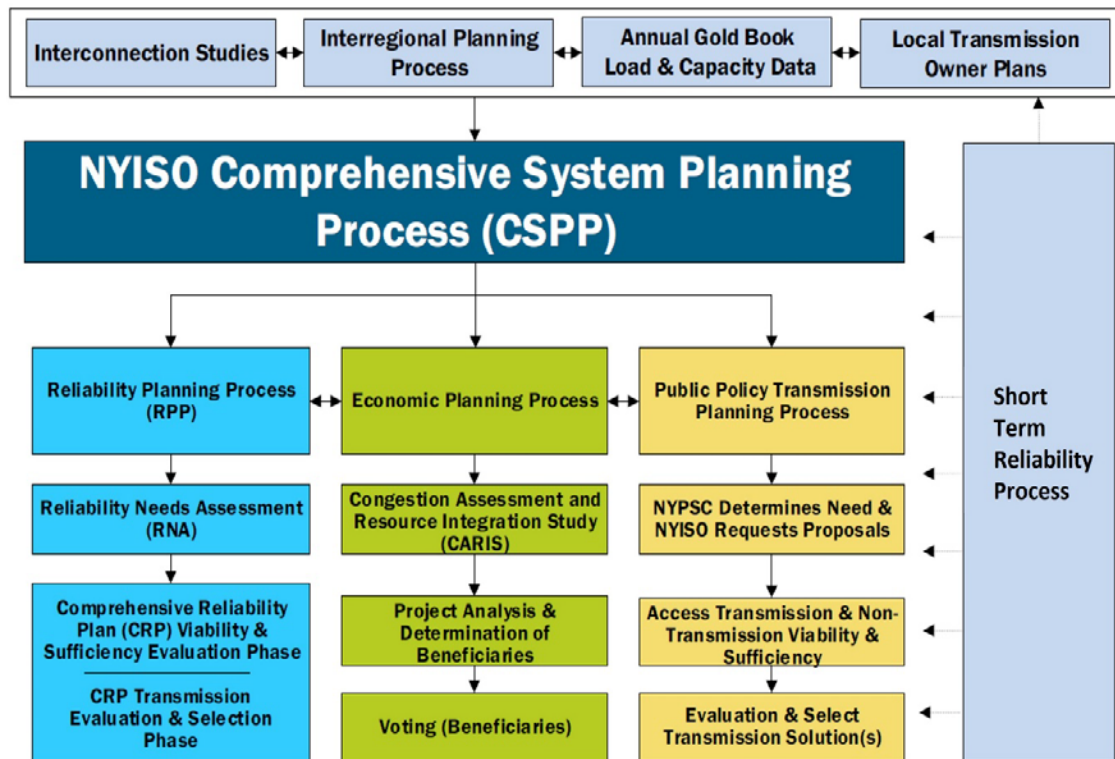
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**ESPWG/TPAS**

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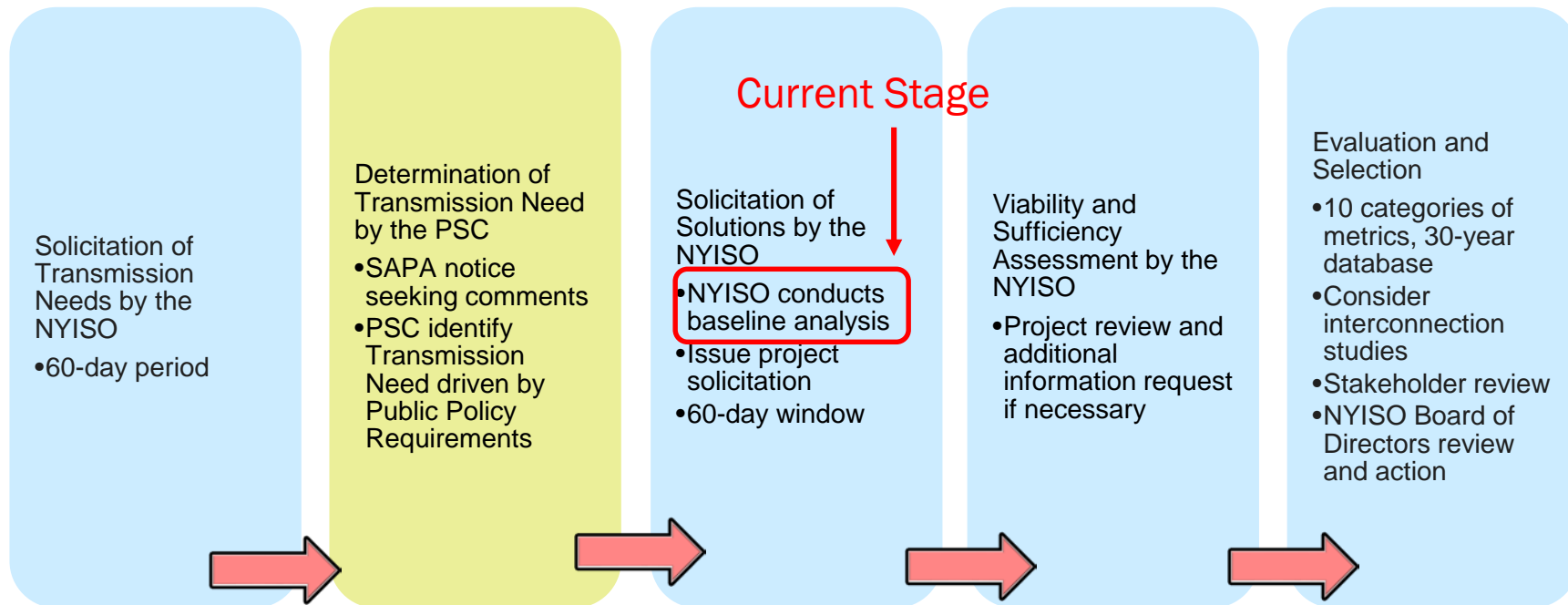
# Comprehensive System Planning Process



# What is Public Policy Transmission Planning?

- **As required by FERC Order No. 1000, the Public Policy Transmission Planning Process provides for evaluation and selection of transmission solutions to satisfy a transmission need driven by Public Policy Requirement**
  - Public Policy Requirements include federal, state and local laws and regulations, including a PSC order, that drives the need for transmission on the system
- **Developed to encourage both incumbent and non-incumbent transmission developers to propose projects in response to an identified need**

# Public Policy Transmission Planning Process



Blue means NYISO steps

Green means PSC steps

# Enhancements to PPTPP

- **Technical conference preceding solicitation of solutions; review base cases, obtain developer feedback**
- **Developers may propose binding capital cost containment commitments; part of NYISO evaluation and selection**
- **No pause point for second PSC order confirming need before NYISO can evaluate and select transmission project**
  - PSC can cancel or modify a need at any time
- **Coordination of timing and project models between PPTPP and Interconnection Studies**

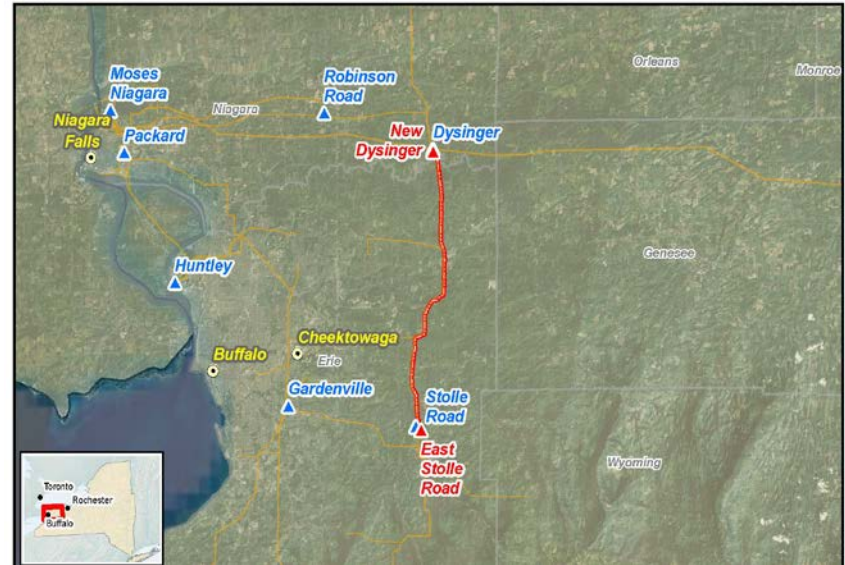
# PPTPP General Illustrative Timeline

| Major Steps                        | Process Steps   | Estimated Months |
|------------------------------------|---|------------------|
| Solicitation of Solutions          | Prepare baseline assessment                             | 3                |
|                                    | Hold technical conference                               |                  |
|                                    | Issues solicitation for solutions                       | 2                |
|                                    | Solutions due in 60 days                                |                  |
| Viability & Sufficiency Assessment | Perform Viability & Sufficiency Assessment              | 4                |
|                                    | Stakeholder review                                      |                  |
|                                    | Final Viability & Sufficiency Assessment filed with PSC |                  |
| Evaluation & Selection             | Evaluate transmission solutions and issue draft report  | 6                |
|                                    | Stakeholder review                                      | 3                |
|                                    | Board review and action                                 |                  |

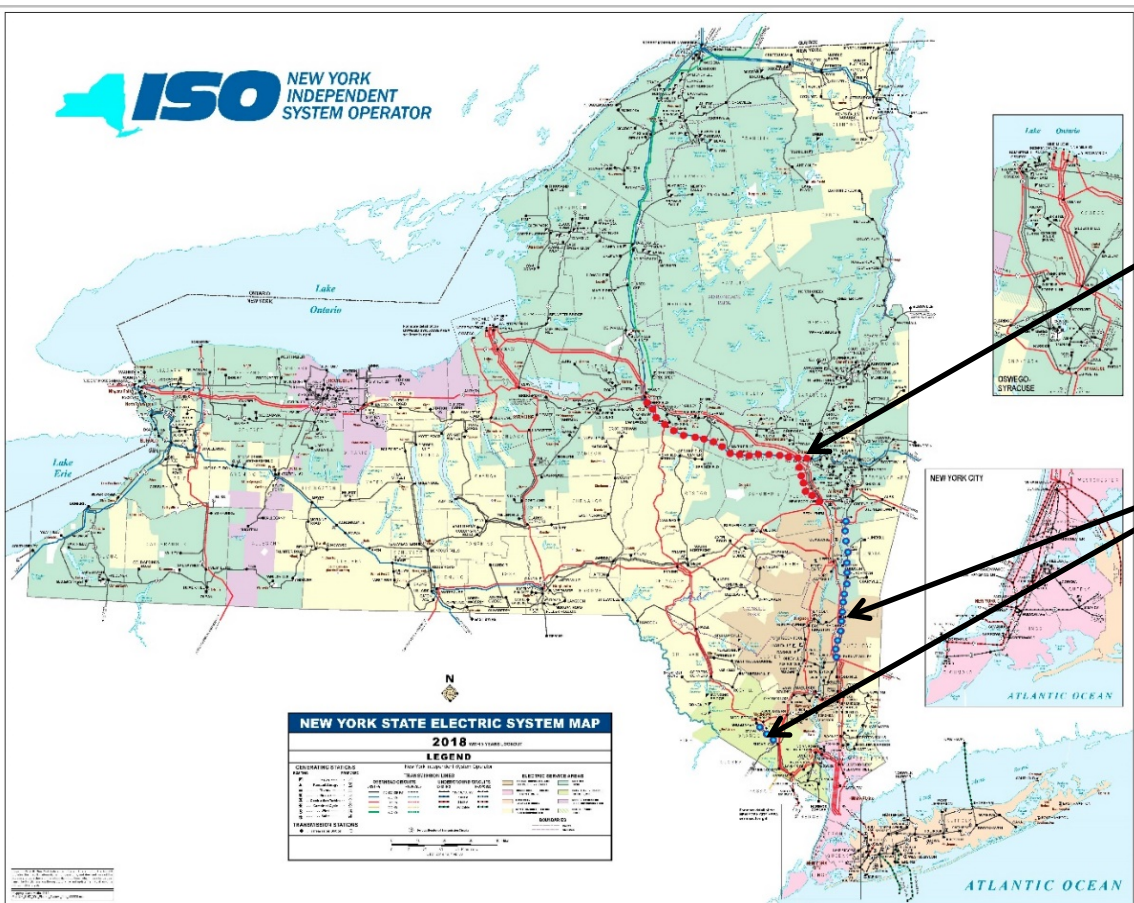
\*Viability & Sufficiency and Evaluation timeline is dependent on the number and complexity proposed solutions.

# Previous Projects: Western NY

- In October 2017, the NYISO Board of Directors selected the NextEra project to increase IESO-NY transfer capability while maintaining high Niagara output
- Final Western NY report is posted at:  
<https://www.nyiso.com/documents/20142/1396391/Western%20New%20York%20Public%20Policy%20Transmission%20Planning%20Report.pdf>



# Previous Projects: AC Transmission



## AC TRANSMISSION PROJECT SELECTION

- Segment A: T027 (Central East)
  - New double-circuit Edic to New Scotland 345 kV line
  - Decommission Porter to Rotterdam 230 kV lines
  - 115/230/345 kV connection to Rotterdam
- Segment B: T019 (UPNY/SENY)
  - New Knickerbocker to Pleasant Valley 345 kV line
  - Rock Tavern substation terminal upgrades
  - Shoemaker - Sugarloaf 138 kV line

Final AC Transmission Report is posted at:  
<https://www.nyiso.com/documents/20142/1390750/Board-Decision-AC-Transmission-2019-04-08.pdf/32323d32-f534-a790-1b03-2cb110033320>





# 2020 PPTPP Cycle

- On August 3, 2020, NYISO requested potential transmission needs driven by Public Policy Requirements from interested parties
- On October 9, 2020, NYISO filed the proposed transmission needs with the PSC from 15 entities
- On February 3, 2021, LIPA filed with PSC a determination that a Public Policy Requirement exists in the Long Island Transmission District
- On March 19, 2021, the PSC issued an Order declaring a Public Policy Transmission Need:
  - <https://www.nyiso.com/documents/20142/1406395/Order-on-PPTPP-Determination-of-Need.pdf/10e8004a-bc8e-40f2-e6ca-28c3e4428bfd>

# March 19<sup>th</sup> PPTN Order Highlights

**“The CLCPA constitutes a Public Policy Requirement driving the need for:**

- 1) Adding at least one bulk transmission intertie cable to increase the export capability of the LIPA-Con Edison interface, that connects NYISO’s Zone K to Zones I and J to ensure the full output from at least 3,000 MW of offshore wind is deliverable from Long Island to the rest of the State; and
- 2) Upgrading associated local transmission facilities to accompany the expansion of the proposed offshore export capability.”

# March 19<sup>th</sup> PPTN Order Highlights - continued

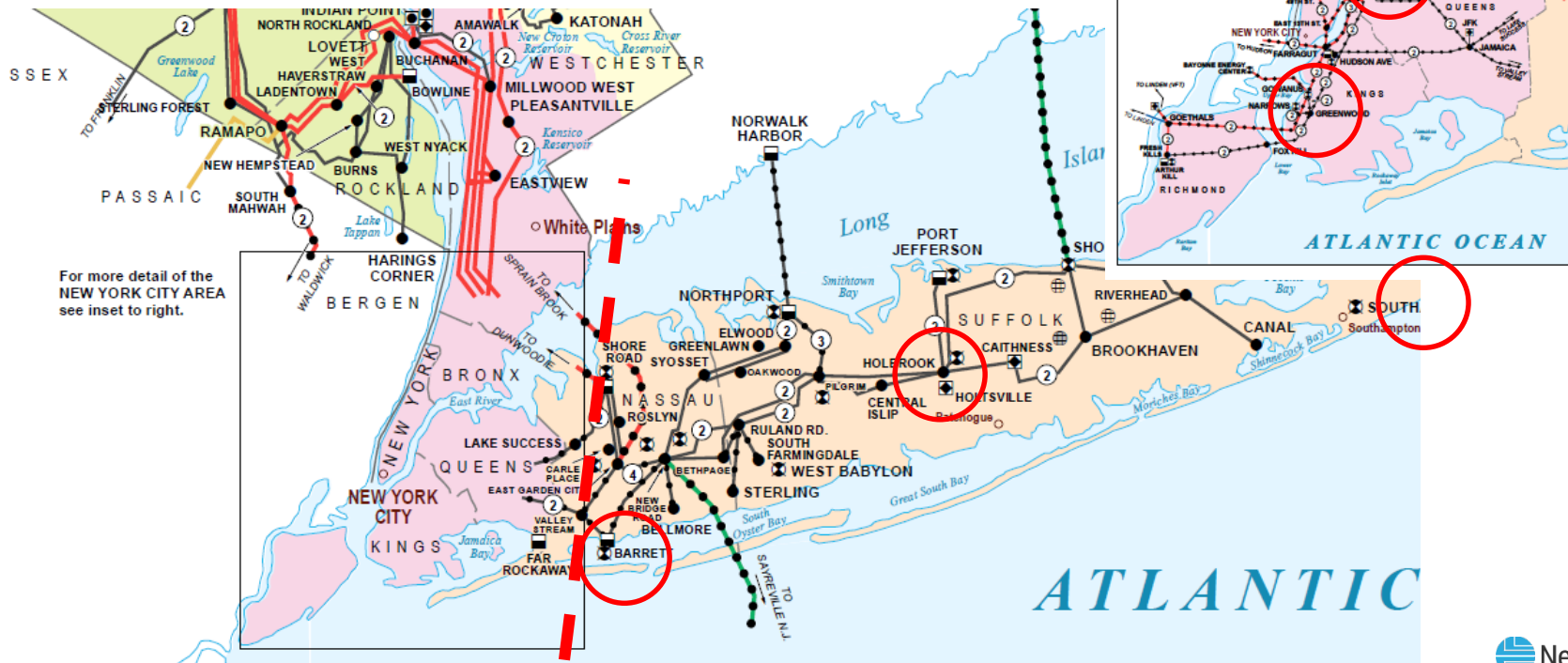
## ■ Cost Allocation Methodology

- “Beneficiaries pay principle” – assign a 75% portion of the project costs to the beneficiaries
- Remaining portion allocated on a load-ratio share statewide

## ■ Prescribed Evaluation Criteria in Order:

- “[E]nsure no transmission security violations, thermal, voltage or stability, would result under normal and emergency operating conditions”
- Additional metrics including: “changes in production costs; Load-Based Marginal Prices; transmission losses; emissions; Installed Capacity costs; Transmission Congestion Contract revenues; transmission congestion; impacts on transfer limits; and, resource deliverability”

# LIPA-NYISO Export Interface & Awarded OSW Projects



# Baseline Assessment

- **Baseline results will be used to measure the impact and performance of each proposed project**
- **Public Policy Manual Section 4 describes overview of typical study cases**
- **Study cases are under development consistent with NYISO OATT and the PPTN**

# Next Steps in Solicitation Phase

- **Present Baseline Assessment results to future ESPWG**
- **Technical Conference(s) for Prospective Developers**
- **Issue Solution Solicitation Letter**

# Information for Prospective Developers

- Further information will be presented at upcoming ESPWG and Technical Conference(s)
- Baseline cases and files will be available prior to solicitation with CEII/NDA approval
- Developer Eligibility and Qualification information in OATT § 31.4.4
- Public Policy Application & TIP Interconnection Request required prior to close of 60-day solicitation period
- Clarification of treatment of upgrades to existing transmission facilities that are part of Public Policy Projects is pending 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





# Questions?