



**Richard J. Dewey**  
*President & CEO*

**PRIVILEGED AND CONFIDENTIAL**

**January 5, 2023**

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Gentlemen:

I am writing to clarify the New York Independent System Operator's (NYISO) process for selecting projects to address Public Policy Transmission Needs (PPTN) and to share our views about efforts to lobby or otherwise influence the NYISO's evaluation. Letters received recently from lawmakers, trade organizations, labor organizations, and others in support of specific PPTN projects necessitates this clarification.

At the outset, I must emphasize that, pursuant to its federally approved tariffs and other foundational documents, the NYISO will remain financially and politically independent in fulfilling its role as New York's grid operator, bulk electric system planner, and wholesale electricity market administrator. The NYISO's decision-making processes must, therefore, be consistent with specific rules set forth in tariffs approved by the Federal Energy Regulatory Commission (FERC) and mandatory reliability criteria promulgated by reliability councils such as the New York State Reliability Council. Further, the NYISO operates under a rigorous *shared governance process* where stakeholders from all sectors are afforded fair and equal opportunities to register their views on proposed NYISO rules and actions.<sup>1</sup>

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<sup>1</sup> See ISO Agreement

FERC-approved tariffs spell out specific factors and metrics that the NYISO must consider in selecting the *more efficient or cost-effective* project among competing developers to satisfy PPTNs identified by the New York State Public Service Commission (PSC).<sup>2</sup> These quantitative and qualitative factors are rooted in technical electric, economic, and engineering considerations. They include, among other things, a project's:

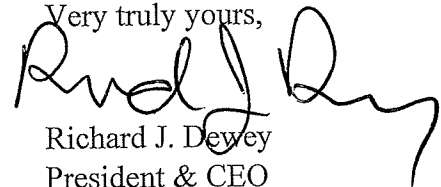
- Capital cost
- Cost Per MW
- Expandability
- Operability
- Performance
- Property rights
- Routing
- Schedule
- Production cost savings
- Installed Capacity savings

Competing project proposals are subjected to comprehensive review by the NYISO staff, an independent technical consultant (Substation Engineering Company), stakeholders, and ultimately the NYISO's Board of Directors. Upon selection by the NYISO Board of Directors, the NYISO will issue a final report and decision detailing the factors and rationale underlying its determination.

The NYISO cannot, under its applicable rules, select a project based upon political, parochial, or commercial interests. Grass roots lobbying efforts and media coverage are simply not part of the NYISO's evaluation of the *more efficient or cost-effective* solution to PPTNs identified by the PSC.

I hope this letter clarifies the NYISO's decision-making processes and our views on lobbying and other efforts to influence NYISO decisions based on factors outside our tariffs and outside the shared governance process.

Very truly yours,



Richard J. Dewey  
President & CEO

xc: R. Fernandez  
K. Lanahan  
Z. Smith

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<sup>2</sup> See Attachment Y of the NYISO's Open Access Transmission Tariff.