

September 13, 2018

**VIA ELECTRONIC MAIL:**

**[lbullock@nyiso.com](mailto:lbullock@nyiso.com)**

Mr. Zachary G. Smith  
Vice President of System & Resource Planning  
c/o Ms. Leigh Bullock  
New York Independent System Operator  
10 Krey Boulevard  
Rensselaer, New York 12144

**RE: New York Transco LLC's Comments Regarding the New York Independent System Operator's Review of the Public Policy Transmission Planning Process of its Comprehensive System Planning Process**

Dear Mr. Smith:

New York Transco LLC ("Transco") appreciates this opportunity to provide comments on the New York Independent System Operator's ("NYISO") ongoing review of the Public Policy Transmission Planning Process ("PPTPP") component of its Comprehensive System Planning Process ("CSPP") and recommend short-term process improvements to the PPTPP.

Transco appreciates NYISO Staff's efforts to propose an initial round of short-term process improvements to Section 31.4 of Attachment Y of the Open Access Transmission Tariff (the "OATT") and agrees that all of the proposed revisions will improve the PPTPP overall. To build upon NYISO Staff's proposed revisions and further improve the PPTPP, Transco prepared its own redline of Section 31.4 of Attachment Y of the OATT (the "Transco Redline"), which is enclosed herewith.<sup>1</sup> Having the experience of actively participating the PPTPP, Transco's proposed revisions are intended to achieve two goals in future PPTPPs: (1) reorganize certain sections Section 31.4 of Attachment Y of the OATT to provide potential developers and NYISO Staff with more clarity to draft and review, respectively, proposed solutions to a Public Policy Transmission Need ("PPTN"), and (2) incorporate certain process improvements to provide a more open and transparent NYISO decision-making process.

To achieve the first goal, the Transco Redline merely proposes reorganizing—without other substantive revisions—certain existing provisions of Section 31.4 of Attachment Y of the OATT. For example, Section 31.4.4.1.2 ("Developer Qualification Determination") addresses

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<sup>1</sup> Please note that, in light of Transco's agreement with NYISO Staff's proposed changes to Section 31.4, the Transco Redline was created using the NYISO's "Draft – Clean with Proposed Changes 9/10/2018" version of Section 31.4 of Attachment Y of the OATT as the base document. Also enclosed is a clean version of Section 31.4 of Attachment Y of the OATT, which incorporates all of the changes NYISO Staff incorporated into its "Draft – Clean with Proposed Changes 9/10/2018" version of Section 31.4 and the redline to Section 31.4 reflected in the Transco Redline.

how the NYISO will determine whether a developer is qualified to propose a solution to satisfy a PPTN.<sup>2</sup> Nearly 10 pages later, in a subsection that focuses on the submission of project proposals to the NYISO in response to a request for proposed solutions,<sup>3</sup> there are 3 paragraphs that address the effects of being deemed a “qualified developer” by the NYISO.<sup>4</sup> For clarity and ease of reference, these three paragraphs should be included in the earlier subsection on “Developer Qualification Determination” so that, during a developer’s or NYISO Staff’s review of Attachment Y, all of the pertinent information on this topic is contained in one location. To implement this simple, efficient revision, the Transco Redline proposes to move existing Sections 31.4.6.1.5-31.4.6.1.8 to Section 31.4.4.1.2 and to rename the subsection title to “Developer Qualification Determination and Information.”

Similarly, Transco proposes to reorganize and consolidate Sections 31.4.5 (“Project Information Requirements”), 31.4.6 (“ISO Evaluation of Viability and Sufficiency of proposed Solutions to Public Policy Transmission Need”), and 31.4.7 (“ISO Evaluation and Selection of Proposed Public Policy Transmission Projects”). In short, but as detailed more fully in the Transco Redline, Transco proposes to move the information in Section 31.4.5 to two other, related portions of Section 31.4 of Attachment Y of the OATT. If adopted, these proposed changes—along with other suggested reorganizations in the Transco Redline—will streamline Section 31.4 of Attachment Y of the OATT so that it is more clear to both potential developers and NYISO Staff in future PPTPPs.

In addition to reorganizing certain provisions of Section 31.4, Transco believes that its first goal of providing additional clarity to potential developers and NYISO Staff will be furthered if the OATT contains further explicit terms regarding what submitted project information may not be modified from the time of the initial submission in accordance with Section 31.4.5.1 and the time of the supplemental submission pursuant to Section 31.4.5.2. To that end, Transco has highlighted several portions of Section 31.4 that address this topic. Transco recommends that the NYISO modify these sections as proposed in the Transco Redline be clear and consistent about the elements of a proposed project that cannot be changed from the time a project is initially submitted in response to a request for proposed solutions and the time that supplemental project information is provided following the NYISO’s viability and sufficiency analysis.

To achieve Transco’s second goal of providing a more open and transparent NYISO decision-making process, the Transco Redline proposes several process improvements to incorporate into Section 31.4 of Attachment Y of the OATT. The following is an accompanying narrative explanation of three of the specific process improvements proposed in the Transco Redline for incorporation into Section 31.4 of Attachment Y the OATT: (1) a requirement that the NYISO fully disclose all selection metrics not specifically listed in the OATT or a New York

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<sup>2</sup> NYISO OATT, Attachment Y, § 31.4.4.1.2. Unless otherwise noted, all citations to Section 31.4 of Attachment Y of the OATT in these comments reference the proposed clean version of Section 31.4 of Attachment Y of the OATT that NYISO Staff circulated on September 10, 2018, *not* the Transco Redline or the existing and implemented OATT.

<sup>3</sup> *See id.* at § 31.4.6.1.

<sup>4</sup> *Id.* at §§ 31.4.6.1.5-31.4.6.1.8.

State Public Service Commission (the “Commission”) order prior to the release of the NYISO’s request for proposed solutions, (2) the imposition of timeframes within which the NYISO will release, upon request, the redacted version of project information submitted by developers to satisfy a PPTN, and (3) a requirement that NYISO Staff base its ultimate selection recommendation of the more efficient and cost-effective solution to satisfy a declared PPTN to the NYISO Board of Directors solely on information provided by the developers or information prepared by the NYISO or its consultants.<sup>5</sup> Following this narrative, for ease of NYISO Staff’s review, Transco summarizes certain additional suggested revisions to Section 31.4 of Attachment Y of the OATT in the Transco Redline.

### **I. Full Disclosure Of All Selection Metrics Prior To Release Of NYISO’s Request For Proposed Solutions To Satisfy A Commission-Declared PPTN**

Section 31.4.8.1 of Attachment Y of the OATT outlines the metrics that the NYISO must consider while evaluating which project(s) is the more efficient or cost-effective solution to satisfy a declared PPTN.<sup>6</sup> These metrics include: capital costs, cost per megawatt ratio, expandability, operability and performance of the solution, availability of property rights, schedule for project completion, and any Commission-specified criteria. Additionally, Section 31.4.8.1.9 allows the “[NY]ISO, in consultation with stakeholders, [to] consider other metrics in the context of the Public Policy Requirement, such as: change in production costs; LBMP; losses; emissions; ICAP; TCC; congestion; impact on transfer limits; and deliverability.”<sup>7</sup> This Section does not, however, contain any outside limitation on when the NYISO can add any such additional metric(s) to its evaluation process.

While Transco recognizes that the NYISO may—after consultation with stakeholders—add additional metrics to its evaluation process, Transco urges the NYISO to amend the OATT to require that any such additional metrics be discussed with stakeholders and incorporated formally into the PPTPP *before* the release of the NYISO’s request for proposed solutions.<sup>8</sup> This amendment would establish a defined deadline for the NYISO to disclose any new or additional metrics. This clear and simple amendment is in contrast to the current ambiguity on timing found in the NYISO’s PPTPP Manual, which states that all new “metrics will be identified and presented to ESPWG prior to commencing the NYISO’s evaluation.”<sup>9</sup> Unveiling new metrics “prior to commencing the NYISO’s evaluation” may be too late in the process because developers may have already finalized and submitted their proposals to the NYISO for evaluation without the benefit of knowing the selection metrics they were ultimately responsible

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<sup>5</sup> Transco makes these recommendations in addition to the short-term process improvements other stakeholders have proposed concerning NYISO Staff’s draft redline of Section 31.4 of Attachment Y of the OATT.

<sup>6</sup> NYISO OATT, Attachment Y, § 31.4.8 (stating “[t]he ISO shall evaluate any proposed regulated Public Policy Transmission Projects that are eligible for selection in the planning cycle of the Public Policy Transmission Planning Process using the metrics set forth in Section 31.4.8.1 below.”).

<sup>7</sup> *Id.* at § 31.4.8.1.9.

<sup>8</sup> Pursuant to Section 31.4.3 of Attachment Y of the OATT, the NYISO will request developers to submit proposed solutions to satisfy a PPTN via a request for proposed solutions. Transco’s suggested revision to Attachment Y of the OATT to effectuate this proposed amendment can be found in Section 31.4.7.1.9 of the Transco Redline.

<sup>9</sup> NYISO *Public Policy Transmission Planning Manual*, Manual 36 (dated July 2015), at § 6.1.3.

to satisfy. By adopting Transco's recommended amendment as to timing, however, it would be clear that any new or additional metrics must be discussed with stakeholders and incorporated formally into the PPTPP before the NYISO releases its request for proposed solutions.

Developers like Transco are well aware that the NYISO will evaluate any proposed solution to satisfy a PPTN based on the metrics outlined in Section 31.4.8.1 of Attachment Y of the OATT. To that end, developers spend significant amounts of time and capital to develop proposals that will satisfy each such evaluation metric, and they craft their proposals to highlight the satisfaction of these selection metrics. As such, it is critically important and only fair that any new or additional selection metric that the NYISO will consider during a specific PPTPP be agreed upon by stakeholders and provided to developers *while their proposals are still under development*. This way, the developers can modify, if necessary, their respective proposals to satisfy any such new or additional metric(s). Accordingly, Transco respectfully requests that the NYISO amend the OATT to require any new or additional selection metrics to be proposed to stakeholders and distributed in writing before the NYISO releases its request for proposed solutions.

## **II. Timeframe Governing The Release Of Redacted Version Of Project Information Submitted By Developers To Satisfy A PPTN**

Section 34.1 of Attachment Y of the OATT allows interested parties to request the redacted version of developers' project information that is submitted in response to the NYISO's request for proposed solutions and, separately, the additional project information submitted following the NYISO's viability and sufficiency analysis. More specifically, Section 31.4.6.1.9 of Attachment Y of the OATT requires, "following the NYISO's review of the completeness of project information" submitted in response to a NYISO request for proposed solutions, the NYISO to "make available upon request the redacted version of Developer's project information for its proposed Public Policy Transmission Project[.]"<sup>10</sup> Similarly, Section 31.4.7.1.5 requires the NYISO to make available, once the information is deemed complete and upon request, "the redacted version of developers' project information" submitted following the NYISO's viability and sufficiency analysis.<sup>11</sup>

Currently, neither provision imposes an outside date by which the NYISO must release the redacted information. As such, the NYISO could refuse to make this information available until after it releases its initial or final recommendations. To ensure that all developers have access to the project information with sufficient time to submit adequate and useful comments to the NYISO during its evaluation process, Transco recommends revising: (1) Section 31.4.6.1.9 to require the NYISO to make this information available to requesting parties no less than 30 calendar days prior to the NYISO's presentation of its Viability and Sufficiency Assessment to developers, stakeholders, interested parties, and/or the Commission for comment pursuant to Section 31.4.6.6; and (2) Section 31.4.7.1.5 to require the NYISO to make this information available to requesting parties no less than 30 calendar days prior to the earlier of the NYISO's

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<sup>10</sup> NYISO OATT, Attachment Y, § 31.4.6.1.9.

<sup>11</sup> *Id.* at § 31.4.7.1.5.

initial release of its comparative analysis pursuant to Section 31.4.8.1 or the release of its draft Public Policy Transmission Planning Report pursuant to Section 31.4.11.<sup>12</sup>

### **III. The NYISO Selection Recommendation Should Be Based Solely Upon Submitted Or Generated Data**

Under the OATT, the NYISO shall evaluate any proposal(s) submitted to satisfy a Commission-declared PPTN and determine whether it is viable and sufficient and then the more efficient or cost-effective solution to satisfy the PPTN.<sup>13</sup> As part of this process, the OATT, at minimum, implies that the NYISO must base this evaluation on information provided to or generated by the NYISO or its consultant(s). For example, Section 31.4.8 of Attachment Y of the OATT states, for purposes of the NYISO’s evaluation of proposed solutions, that the NYISO “will review the *information submitted by the [d]eveloper* and determine whether it is reasonable and how such information should be used for purpose of the [NY]ISO evaluating each metric” and that “[t]he ISO may engage an independent consultant to review the reasonableness and comprehensiveness of the information submitted by the Developer and *may rely on the independent consultant’s analysis* in evaluating each metric.”<sup>14</sup> Further, Section 31.4.11.1 of Attachment Y of the OATT states that the NYISO must be able to make available to “any interested party sufficient information to replicate the results of the draft Public Policy Transmission Planning Report.”<sup>15</sup>

Notwithstanding these existing requirements, for clarity and certainty, Transco respectfully recommends amending the OATT to explicitly state that the NYISO may only consider data submitted by the developers or generated through studies conducted by the NYISO or its consultant(s) that have been shared and discussed with stakeholders in determining: (1) whether projects are viable and sufficient, and (2) the more efficient or cost-effective solution to satisfy a PPTN, including the rejection of any other proposal(s).<sup>16</sup>

### **IV. Other Proposed Changes To Section 31.4 Of Attachment Y Of The OATT**

Transco proposes several less substantive changes that are not specifically addressed above in Sections 1-3 of these comments but that also further Transco’s goal of achieving a more open and transparent PPTPP. To simplify NYISO Staff’s review of the Transco Redline, those further changes are briefly summarized in the chart below.<sup>17</sup>

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<sup>12</sup> Transco’s suggested revisions to Section 34.1 of Attachment Y of the OATT to effectuate these proposed amendments can be found in Sections 31.4.5.1.4 and 31.4.6.1.11 of the Transco Redline.

<sup>13</sup> NYISO OATT, Attachment Y, § 31.4.6.3.

<sup>14</sup> *Id.* at § 31.4.8 (emphasis added).

<sup>15</sup> *Id.* at § 31.4.11.1.

<sup>16</sup> Transco’s suggested revisions to Section 34.1 of Attachment Y of the OATT to effectuate this proposed amendment can be found in Sections 31.4.5.5 and 31.4.7 of the Transco Redline.

<sup>17</sup> In addition to the items listed in the chart below, there are other proposed changes in the Transco Redline that are more housekeeping in nature.

Transco Redline Section Number	Brief Summary of Proposed Change
31.4.5.1.4	Insertion of a five-day deadline to publicly post brief project descriptions
31.4.5.2.1	Minor modification of project information requested by NYISO in category five
31.4.6.1.2	Removal of the requirement to provide credit information at this stage of the review process since that information has already been provided in advance of the developer qualification determination <i>and</i> viability and assessment review, and clarification that all developers have an obligation to update any prior submitted financial information
31.4.5.8	Requiring the NYISO to file its final Viability and Sufficiency Assessment with the Commission
31.4.6.1.1	Clarifying that the NYISO cannot request developers provide additional project information for purposes of its evaluation and selection of the more efficient or cost-effective solution to a PPTN until after its final Sufficiency and Viability Assessment is filed with the Commission
31.4.6.1.4	Minor modification of description of information contained within completed transmission routing study
31.4.9.1.8	Imposing a timeframe within which the Commission must release additional selection metrics

Transco looks forward to engaging in further discussions with the Transmission Planning Advisory Subcommittee, the Electric System Planning Working Group, and NYISO Staff regarding short-term improvements to the NYISO’s PPTPP of its CSPP.

Please contact me with any questions or if you would like to discuss these comments or the Transco Redline.

Sincerely,

Kathleen Carrigan  
 General Counsel and Corporate Secretary  
 New York Transco LLC  
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Enclosures