



May 2, 2022

Via ELECTRONIC MAIL

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New York Independent System Operator, Inc.

Re: Comments of Propel NY Energy on NYISO LIPPTN Initial Facilities Characterization

Propel NY Energy (Propel or PNYE), on behalf of the development arm of New York Power Authority (NYPA) and NY Transco, LLC (NY Transco), submits the following comments regarding New York Independent System Operator, Inc.'s (NYISO's) initial facility characterization list issued April 11, 2022 (the Initial Facilities Characterization or IFC) in connection with the Long Island Offshore Wind Export Public Policy Transmission Need (LIPPTN).¹ Propel applauds NYISO for its expeditious implementation of the many and complicated requirements and procedures implementing recent revisions to the NYISO Open Access Transmission Tariff (OATT) to address the right of first refusal (ROFR) approved by the Federal Energy Regulatory Commission (FERC) on March 11, 2022 (the ROFR Procedures), which now apply to the ongoing LIPPTN process.

However, Propel is concerned that NYISO has not consistently applied principles to distinguish, based on relevant electrical characteristics, between what facilities contained in developer proposals constitute "Upgrades" to an incumbent transmission owner's (TO) existing transmission assets and what facilities constitute "New Facilities," pursuant to Section 31.6.4 of the OATT.² In addition, Propel has identified facilities included in one or more of its proposals that are not reflected at all in the Initial Facilities Characterization. Similarly, certain facilities advanced by other developers were omitted from the IFC. Failure to include all facilities in the IFC creates potential confusion as to whether the missing facilities constitute Upgrades or New Facilities.

¹ See [a4b26e9d-755b-162d-707c-daea508c771c \(nyiso.com\)](https://www.nyiso.com/info/procurement/initial-facilities-characterization/initial-facilities-characterization-comments). Propel's comments are focused primarily on the impact of the Initial Facilities Characterization on the proposals submitted jointly by NYPA and NY Transco. They are not intended to represent NYPA's views in its role as an incumbent TO. NYPA in its role as incumbent TO owns certain transmission facilities affected by the Initial Facility Characterization and will submit separate comments relevant to its views on how the IFC affects its existing transmission assets.

² As NYISO is aware, whether a facility is subject to the ROFR turns on whether it constitutes an Upgrade or a New Facility.



Clear and consistent application of the ROFR Procedures and the principles used to determine what facilities constitute Upgrades versus New Facilities is critical to a fair, efficient and accurate LIPPTN process and to ensure that consumers benefit from a correct determination of the more efficient and cost-effective solution to the LIPPTN. Accordingly, Propel offers the following comments for NYISO's consideration on each of the three above-described topics.

Inconsistent Application Of Upgrade Versus New Facility Principles

Under the OATT, an Upgrade is defined as “an improvement to, addition to, or replacement of a part of, an existing transmission facility and shall not refer to an entirely new transmission facility.”³ This definition must be applied consistently to all solutions submitted and deemed viable and sufficient in the LIPPTN. FERC's guidance on this distinction indicates that the electrical function and characteristics of the subject facility is critical to its status as an Upgrade or New Facility, and the vagaries of property boundaries have not been identified as relevant to determining a facility's status.

In the Initial Facilities Characterization, NYISO appears to have adopted a *de facto* principle concerning substation facilities that where a developer proposes to split an existing bus and install a line at the same voltage as the existing facility, such an installation constitutes an Upgrade. Each of the following elements included in the IFC adhere to that principle:

- NYISO identified as an Upgrade a gas insulated switchyard (GIS) NEETNY proposes to install at each of Con Edison's Rainey 345 kV, Farragut 345 kV and Dunwoodie 345 kV substations outside of Con Edison's existing fence line/ground grid
- NYISO identified as an Upgrade a GIS Anbaric proposes to install outside of LIPA's existing fence line at its Shore Road 345/138 kV substation
- NYISO identified as an Upgrade a GIS NEETNY proposes to install outside of LIPA's existing fence line at its 138 kV Barrett substation
- NYISO identified as an Upgrade an air insulated substation (AIS) included in Propel Solutions 1, 3 and 5 to be installed on a separate parcel of land located across a fence line from NYPA's existing East Garden City (EGC) 345 kV switchyard

Unfortunately, NYISO has without explanation diverged from the above approach in at least one instance. As relevant here, NYISO was tasked with characterizing a GIS to be constructed on land located across the street from NYPA's existing EGC 345 kV switchyard included in a NEETNY proposals that connect into the EGC 345 kV substation and an AIS included in Propel Solutions 1, 3 and 5.

Consistent with the *de facto* principle identified above that NYISO has applied in virtually all other circumstances, NYISO agreed with Propel's assertion that the AIS facilities in Propel

³ Section 31.1.1 referencing Section 31.6.4, Attachment Y, OATT.



Solutions 1, 3 and 5 should be characterized as Upgrades. Note that the Propel AIS is proposed to be constructed on land located across a fence line on a parcel separate from the parcel on which NYPA's existing EGC 345 kV substation is located. Thus, from the perspective of its electrical characteristics and function, Propel's proposed AIS and NEETNY's proposed GIS are effectively the same. Moreover, NEETNY's GIS configuration is not materially different from each of the examples mentioned above.

The only salient difference is one is located on a separate parcel of land separated by a fence, and the other separated by a road. Yet NYISO characterized Propel's AIS as an Upgrade (consistent with other noted precedent) and NEETNY's GIS as a New Facility, in contravention of the *de facto* principle described above.

The disparate characterization of these facilities is, in Propel's view, is an inconsistent application of the NYISO's tariff. Propel urges NYISO to consistently apply the definitions of New Facility and Upgrade and find that both the AIS and GIS are Upgrades.

Facilities Missing From The Initial Facilities Characterization

As noted above, the Initial Facilities Characterization fails to include certain elements Propel included in its proposals. As a result, NYISO has not indicated its views on the status of these missing elements. These missing elements are listed below (together with the characterization Propel believes should apply based on NYISO's treatment of other similar facilities):

- Interconnection facilities at Con Edison's Tremont substation required for Propel's proposed GIS within the existing station (included in Propel Base Solutions 1,2,3 and 4 and Alternative Solutions 5, 6 and 7) – [Upgrade]
- New Sprain Brook HVDC converter station for PNYE Alternate Solution 7 [New Facility]⁴
- Terminal work at Con Edison's Dunwoodie 345 kV substation for PNYE Alternate Solution 6 and 7 [Upgrade]
- GIS at EGC 345 kV for PNYE Alternate Solution 6 [Upgrade]

Propel requests that the NYISO update the IFC to include these facilities and identify their status.

Finally, Propel has found facilities missing from proposals submitted by other developers. Again, an efficient and accurate evaluation requires that all facilities included in each developer's proposal(s) be considered and characterized in a consistent manner. The missing facilities from other developers' proposals include, but may not be limited to, the following proposed project elements:

⁴ Note the converter at the other end of the line, at Northport, is listed as a New Facility



- Newbridge – Bagatelle transmission work scope for NEETNY projects
- LSP 138 kV upgrades: Holbrook-Ronkonkoma, Ronkonkoma - Central Islip, Holbrook - west Bus and West Bus - Kings-Pilgrim upgrades (replacement of CTs) for higher rating
- NEETNY Solutions 7,9 OSW Transmission Platforms (2)
- LSP Ruland Road 138 kV upgrade has (2) additional 138 kV bays that are not exactly captured
- LSP Millwood 345 kV upgrade (4 removals and 3 re-terminations from Northgate substation)

Conclusion

For the foregoing reasons, Propel respectfully requests that the NYISO update the Initial Facilities Characterization to reflect the positions advanced above.

A handwritten signature in blue ink, appearing to read "Frank D'Eufemia".

Frank D'Eufemia
Senior Director – Business Development
New York Power Authority

A handwritten signature in blue ink, appearing to read "Paul Haering".

Paul Haering
VP Capital Investment
NY Transco LLC