

Long Island Offshore Wind Export PPTN: Facility Characterization List

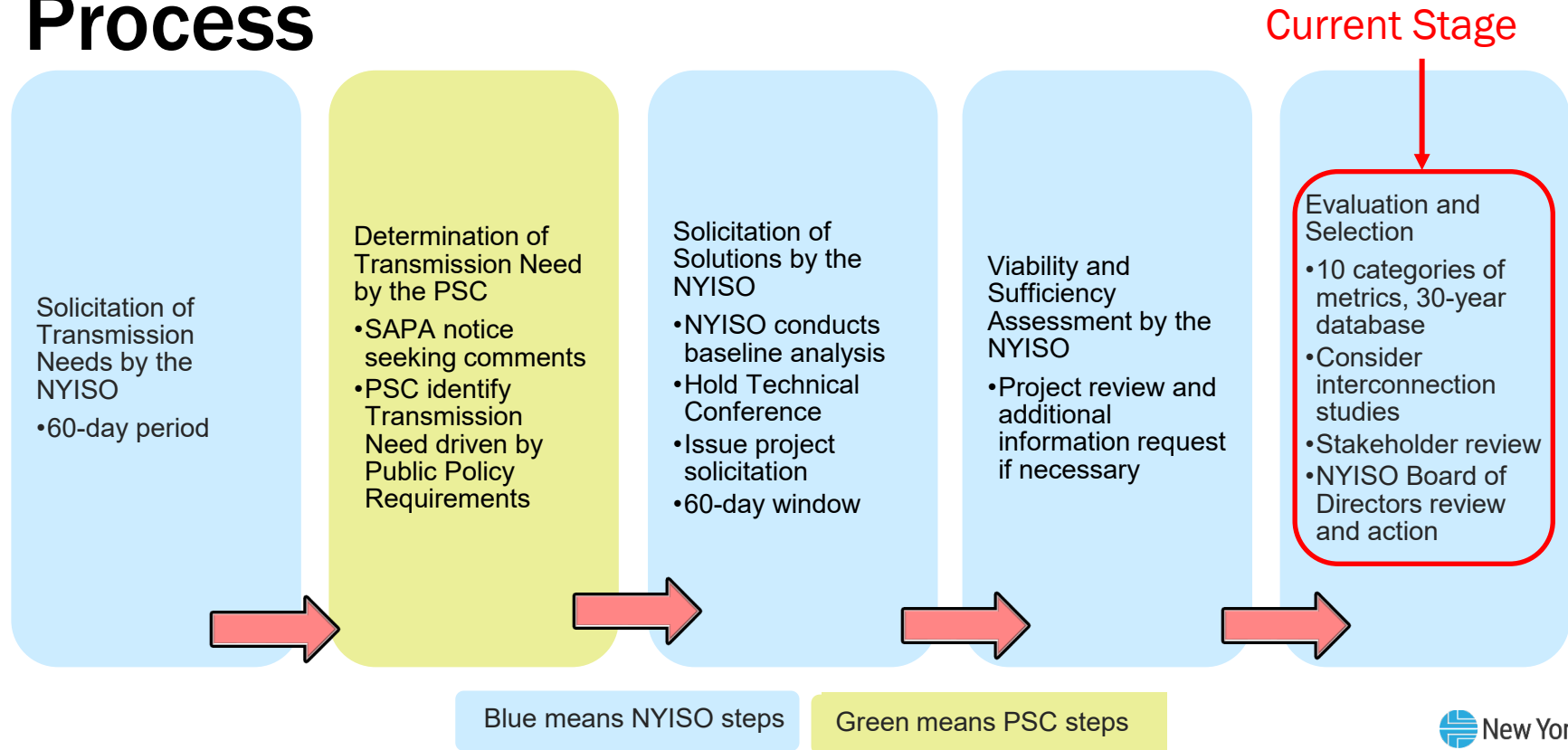
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Public Policy Transmission Planning Process



Right of First Refusal (ROFR) Steps in the Public Policy Transmission Planning Process

- **On April 11, 2022, FERC accepted revisions to NYISO's Public Policy Transmission Planning Process to include procedures to implement a ROFR over Public Policy Transmission Upgrades**
- **For purposes of the ongoing Long Island PPTN, the current ROFR steps include:**
 - NYISO will post an initial list characterizing elements of the proposals as new facilities or Public Policy Transmission Upgrades as soon as reasonably practicable after FERC's April 11, 2022 order
 - Parties will have 20 days to notify NYISO of any disputes to the characterizations, which the parties will attempt to resolve through the dispute procedures under Attachment Y and the stakeholder process.
 - NYISO will post the final list within 60 days of the initial list posting
 - Following the posting of the final list, NYISO will request additional information from Developers to adjust a proposed Cost Cap in the event NYISO's characterization differs from the way the Developer characterized the facility in its proposal

Initial Characterization of Project Facilities

- **NYISO posted the Initial Characterization of Project Facilities for the Long Island PPTN projects on March 11, 2022**
 - <https://www.nyiso.com/documents/20142/22968753/LIPPTN-FacilityCharacterization-InitialList.pdf>
- **Con Edison, LIPA, NYPA, and Propel NY submitted disputes to NYISO's Initial Characterization of Project Facilities**
 - <https://www.nyiso.com/documents/20142/22968753/Comments-on-Initial-Facility-Characterization.zip>
- **NYISO held separate meetings with each entity in an attempt to informally resolve the dispute and is evaluating whether there are potential changes to the initial list**
- **NYISO will post a final list by June 10, 2022**

Summary of Disputes

- **The characterization of the following facilities as “new” are disputed:**
 - Substation Facilities
 - S23 – Proposed Buchanan 345 kV substation on new footprint
 - S24 – Proposed East Garden City 345 kV substation on new footprint
 - S27 – Proposed Northgate 345 kV substation on new footprint
 - S28 – Proposed Northport 138 kV substation on new footprint
 - S30 – Proposed Ruland Road 345/138 kV substation on new footprint
 - S33 – Proposed Valley Stream 345 kV substation on new footprint
 - Transmission Lines
 - L53 - Proposed Valley Stream – East Garden City 345 kV lines
- **The following “owners of existing facilities” are requesting revisions:**
 - NYPA is the owner of the existing East Garden City 345/138 kV Substation
 - Con Edison owns portions of the Lake Success – Eastern Queens/Jamaica and Valley Stream – Eastern Queens 138 kV
- **Other comments requested confirmation as to whether certain facilities were included in the initial list and asked for an expanded list of facilities**

Considerations in Classifying Facilities

- **NYISO characterized the principal elements of each proposal (excluding any potential interconnection facilities) as new facilities or Public Policy Transmission Upgrades**
 - A facility is characterized as a “new” unless it meets the definition of a Public Policy Transmission Upgrade
 - A “Public Policy Transmission Upgrade” uses the definition of “upgrade” set forth in Section 31.6.4 of the OATT, which refers to:
 - an improvement to an existing facility,
 - an addition to an existing facility, or
 - a replacement of a part of an existing facility
 - Moreover, an upgrade “shall not refer to an entirely new transmission facility”

Considerations in Classifying Facilities

- **In applying the definition of Public Policy Transmission Upgrade, NYISO referred to FERC precedent to interpret the definition of upgrade under Section 31.6.4 of the OATT, which is identical to the definition in Order Nos. 1000 and 1000-A**
- **Relevant to the current disputes, NYISO considered concepts from the FERC precedent (including the 2021 Declaratory Order) in determining when certain facilities can be reasonably interpreted to be an upgrade**
 - FERC explained the limited situations when it is reasonable to classify a new substation footprint (and facilities within that new footprint) as an upgrade to an existing substation, despite the facilities having separate footprints
 - FERC also explained that the replacement of an existing transmission facility is an upgrade in the limited situations where the project replaces a part of the existing transmission facility as opposed to building an entirely new facility

Potential Changes to the Final Characterization of Project Facilities List

- **NYISO has identified the following potential changes:**
 - NYPA will be listed as the owner of the existing East Garden City 345/138 kV Substation for the 345 kV facilities identified as S4
 - Con Edison will be listed as the owner of portions of the Lake Success – Eastern Queens/Jamaica and Valley Stream – Eastern Queens 138 kV transmission lines (starting approximately at the Queens/Nassau County border) for the facilities identified as L22, L24, and L27

Potential Changes to the Final Characterization of Project Facilities List

- **NYISO is still examining the following the issues:**
 - The characterization as a “new” facility of:
 - S23 – Proposed Buchanan 345 kV substation on new footprint
 - S24 – Proposed East Garden City 345 kV substation on new footprint
 - S27 – Proposed Northgate 345 kV substation on new footprint
 - S28 – Proposed Northport 138 kV substation on new footprint
 - S30 – Proposed Ruland Road 345/138 kV substation on new footprint
 - S33 – Proposed Valley Stream 345 kV substation on new footprint
 - L53 – Proposed Valley Stream – East Garden City 345 kV lines
 - The level of detail used in describing the facilities in the Initial Characterization of Project Facilities List
- **If a disputing party notifies NYISO that its dispute has not been resolved prior to issuing the final list, NYISO will note that the dispute is ongoing in the Final Characterization of Project Facilities List in accordance with Section 31.4.6.5.1.2 of the OATT**

Next Steps and Estimated Schedule

- **June 10, 2022: NYISO posts the Final Characterization of Project Facilities List**
- **July 2022: Discuss Evaluation Metrics with Stakeholders**

Questions?

Our Mission & Vision



Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation