

NEET NY Response to Avangrid Questions

Questions submitted on: December 1, 2022

Responses due: December 22, 2022

- 1. For the \$18.1 Million in costs associated with the Thruway Horizontal Directional Drill (HDD) that NEET NY identifies as unforeseeable, in Table 1 NEET NY states that “The independent NYISO estimate assumed overhead crossing for the Thruway. NYSEG’s existing overhead transmission lines cross the thruway overhead at the same location. NEETNY applied for a waiver with the New York State Thruway Authority (NYTA) to cross the Thruway that was denied.” Please provide detailed justification for the cost of placing the lines underground being unforeseeable given that preexisting requirements expressly describe that placing lines underground is required absent a waiver to only be granted in “limited circumstances” where undergrounding of lines is determined to not be feasible.**

Also: The NYSTA Occupancy and Work Permit Accommodation and Guidelines state that new utility crossings need to be placed underground, “...except in limited circumstances where the Authority, in its discretion, determines that placement of Utilities underground is not feasible” (NYSTA 2010) NYSTA denied NEETNY’s waiver request to cross overhead, stating “...we found no applicable reason why the electrical line cannot be installed underground.”

In the response, please specifically address and reconcile the fact that placing the line underground was feasible (as demonstrated by the fact that the line has since been placed underground), with the above-cited regulations that were in place at the time of NEET NY’s bid.

Response:

NEETNY proposed an overhead crossing of the New York State Thruway (“NYST”) because it would be constructed on an existing corridor with two existing transmission lines currently crossing at the same location. This is a reasonable assumption and an assumption that was adopted by all other bidders in the Western New York Public Policy solicitation that proposed a transmission line crossing the NYST including Avangrid. Further, the NYISO consultant estimated an overhead crossing of the NYST for all proposals proposing a transmission line over the NYST. While NEETNY believes the overhead crossing was the appropriate and correct assumption, Avangrid’s and NYISO’s same assumption of an overhead crossing is validating. Therefore, it is reasonable to categorize these costs as unforeseeable.

- 2. For the \$12.4 Million in costs associated with Delays/Acceleration/Schedule Compression, in Table 1 NEET NY states that “[t]he duration and scope of the Article VII, Section 68, and Section 70 proceedings exceeded the project schedule. This required schedule compression to meet the in-service date.” The Article VII Certificate of Environmental Compatibility and Public Need (CECPN) approval took 19 months from completed application on November 19, 2018, to**

a decision on June 16, 2020. The Environmental Management and Construction Plan (EM&CP) approval took two months from completed application on September 21, 2020, to decision on November 19, 2020. The Section 68 Certificate of Public Convenience and Necessity (CPCN) approval took 23 months from the completed application on March 8, 2019, to the decision February 11, 2021. The SECO Western NY Transmission Project Technical Review Report commissioned by NYISO noted that NEET NY had proposed 23 months for the Article VII approval process.

a. Please provide a detailed explanation of the difference between the actual duration and scope of the Article VII, Section 68, and Section 70 proceedings, and the 23-month schedule that NEET NY proposed for such proceedings as noted in the SECO Western NY Transmission Project Technical Review Report.

b. Please explain and justify in detail on an itemized basis each cost overrun incurred by NEET NY associated with the alleged delay in certificate approvals.

Response:

First, there are a few incorrect dates posed in the question. The question uses dates for when the filing or application was deemed complete and not when the application or filing was submitted to the Public Service Commission (“PSC”). It is the submitted filing dates that are the appropriate reference to the dates in the NYISO proposal. Specifically, the Article VII application was filed on August 10, 2018, the EM&CP application was filed on June 24, 2020, and the Section 68 application was filed on December 14, 2018. Also relevant to this question is the dates of filing for the Section 70 application. This is a filing that was made by Avangrid’s affiliate - New York State Electric and Gas - and this approval was required before Avangrid would permit construction to commence. The Section 70 was filed on March 15, 2021 and the written PSC Order was received on July 20, 2021.

The total length of time to receive all the necessary permits to commence full construction activities was approximately 36 months – August 10, 2018 to July 20, 2021. This is approximately 13 months longer than the time included in the NYISO report.

The components building up to the \$12.4 million are:

Increased Right of way clearing costs including additional manpower and additional matting to support the increased crews	\$7.7
Increased E. Stolle Road construction costs attributable to construction activities scheduled during periods of heavy wet soil conditions	\$2.7
Increased Dysinger Switchyard costs including additional manpower and the utilization of generators for temporary service	\$2.0

- 3. For the \$20.4 Million is costs that NEET NY attributes to “Engineering and Construction Requirements” NEET NY states that such cost were unforeseeable because they are “increased engineering, construction and design requirements due to connecting transmission owner and governmental authority requirements.” Please provide an itemized list describing each instance where costs were increased as a result of a connecting transmission owner or governmental authority requirement and, for each line item, explain the difference between assumed and actual scope and costs, and why such cost difference was unforeseeable. Specifically, please note all assumptions regarding such requirements, the basis for such assumptions, and how actual requirements differed from the assumptions.**

Response:

The principal line item costs attributable to governmental authority and connecting transmission owner requirements include:

Costs to construct to bulk power system requirements; SIS did not identify the stations as BPS however, after consultation with the interconnection TOs, it became known that elements of the station must be designed to BPS standards due to the interconnection of multiple BPS facilities.	\$11.4M
Construction of a microwave tower for communication between E. Stolle Rd and Five Mile Road station; proposed fiber or use of NYSEG microwave tower alternatives were not accepted	\$2.4M
Engineering design changes and engineering support to accommodate protection requirements of non-standard protection schemes of interconnecting TOs, compliance with newly adopted NERC standard PRC-027, E Stolle station service design for NYSEG, development of documentation for the NYISO consistent with their standards, unavailability of Avangrid drawings due to RARP project, et al.	\$2.3M
Construction entrances to rights of way; Final approved EM&CP required significantly greater number of construction entrances	\$0.84M
Design and construction of laydown areas; NEETNY planned to deliver structures to the right of way following fabrication however, due to delay in Sec 70 approval, NEETNY needed to secure additional laydown areas to receive them	\$0.74M
NY PSC requirement to utilize non-specular conductor	\$0.13M
Miscellaneous Engineering and Construction costs including temporary installations due to supply chain issues (i.e. generator install), vendor equipment requirements, and indirect costs associated with BPS compliance	\$2.3M

- 4. For the \$8.2 Million in costs associated with Agricultural Matting, in Table 1 NEET NY states that “NEETNY’s Environmental Monitoring & Construction Plan (EM&CP) approved by Public Service Commission (PSC) included a requirement to use matting in agricultural areas. NEET NY had planned to remove and replace topsoil in agricultural areas.” Please cite in detail to the New York regulations and/or Article VII precedent in effect at the time of NEET NY’s proposal submission that NEET NY relied on in determining that removal and replacement of topsoil**

would satisfy siting requirements instead of matting. Please provide an itemized list of all locations where matting was required that shows the cost assumptions in NEET NY's proposal and actual costs.

Response:

NEETNY relied on the New York State Department of Agriculture and Markets *Guidelines for Electric Transmission Right-of-Way Projects* published in 2011. Further, previous Article VII Orders including the Spier -Rotterdam 115kV New Transmission Line Construction project (Case #10-T-0080) and the Mohican – Battenkill 115kV Transmission Line Rebuild project (Case #11-T-0068) found that topsoil stripping was an acceptable means to protect agricultural lands. Avangrid may refer to the EM&CP located on the NY Public Service Commission's DMM site to find the location of access roads on agricultural land.