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Proposed Transmission Needs Driven by Public Policy Requirements

LS Power Grid New York Corporation I ("LS Power") is pleased to provide these comments in response to the New York Independent System Operator's ("NYISO") August 31, 2022 Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2022-23 Transmission Planning Cycle.

New York State is undergoing a tremendous change in how electricity is generated, transmitted and consumed. The Public Policy Transmission Need process is a critical tool to aid in planning a transmission grid that will keep up with these changes, and ensure safe, reliable, and economic service. In the comments below, LS Power identifies certain Public Policy Requirements driving the need for transmission and proposes criteria for the evaluation of solutions.

CLCPA Targets and the Accelerated Renewables Act

The 2019 Climate Leadership and Community Protection Act ("CLCPA") identifies specific goals for New York State including:

- achieving 70% renewable generation on an energy basis by the year 2030 (the "70 x 30 Requirement")
- Procurement of 9,000 MW of off-shore wind by 2035 ("OSW 2035 Requirement"); and
- Achieving 100% emissions-free electricity by 2040 ("100 x 40 Requirement").

The 2020 Accelerated Renewable Energy Growth and Community Benefit Act ("The Act") provided that the Department of Public Service ("DPS") staff together with the utilities produce the Power Grid Study which identified certain transmission was needed to meet CLCPA requirements. The Act provides that a bulk transmission investment plan ("Bulk Power Plan") be developed based on the bulk power study, and that any identified bulk transmission investment not identified as a priority project for designation to the New York Power Authority[1] be referred to NYISO as a Public Policy Transmission Need. As part of The Act the NYPSC is

[1]A petition to establish criteria for Priority Projects and requesting a specific project be declared a priority project was filed on July, 2, 2020, see Case No. 20-E-0197: *Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act*, Petition Requesting Adoption of Criteria for Guiding Evaluation of Whether a Bulk Transmission Investment Should Be Designated as a Priority Transmission Project, and for Designation of Certain Transmission Investments in Northern New York as a Priority Transmission Project (Jul. 2, 2020).

developing the Coordinated Grid Planning Process (CGPP), a collaboration between the State and the Incumbent Transmission Owners to serve as a mechanism to identify local and bulk transmission solutions. This new planning process will work in coordination with the NYISO Comprehensive Planning Processes to meet the CLCPA requirements of the State.

70 x 30 Requirement

The 70 x 30 target constitutes a Public Policy Requirement that will necessitate transmission improvements in order to fully integrate the identified CLCPA resources, and would constitute a Public Policy Transmission Needs under the NYISO Open Access Transmission Tariff ("OATT") as discussed below. NYISO points out in The Outlook, "by 2030…an estimated 20 GW of additional renewable generation must be in –service to support the energy policy target of 70x30 and 100x40." To fully understand the magnitude of this buildout, NYISO has added just 12.9 GW of total new generation since the wholesale markets began in 1999.[2] To reach the estimated 20 GWs, there must be coordinated effort among private and public investment, including the buildout of the transmission system.

The NYISO Public Power Transmission Need (PPTN) Process has been successful at identifying the most efficient and cost effective transmission proposals to meet a stated need. In each case there were many innovative proposals provided by the market, as well as cost containment measures. NextEra's Empire State line and the AC Transmission Segment A and Segment B projects were previous transmission upgrades identified to help meet this transition. The Long Island Export PPTN process is underway, with 16 widely-varied proposed projects being evaluated by NYISO. Given the monumental buildout of renewable generation needed to meet the 70x30 and 100x40 requirements, The PSC should declare a PPTN for transmission to integrate on-shore renewables to meet the 2030 requirement.

OSW 2035 Requirement

The Long Island Export PPTN will aid in better integrating Long Island with the rest of New York. For OSW proposing to connect to Zone J, ConEd proposed an energy hub in Brooklyn. At a technical conference held by NYSERDA, several other developers identified alternatives to ConEd's proposed Hub. Clearly New York would benefit from a coordinated planning process for OSW connections to Zone J, which constitutes a Public Policy Requirement. In fact, The Outlook report recently published by the NYISO points out that offshore wind resource additions of up to 20 GW are under discussion and may necessitate additional transmission needs[3]. The PSC should declare a PPTN to thoroughly review the proposed Hub solutions and allow for any additional developers to participate. This process will ensure that the most cost effective, efficient, and technological advanced option is implemented.

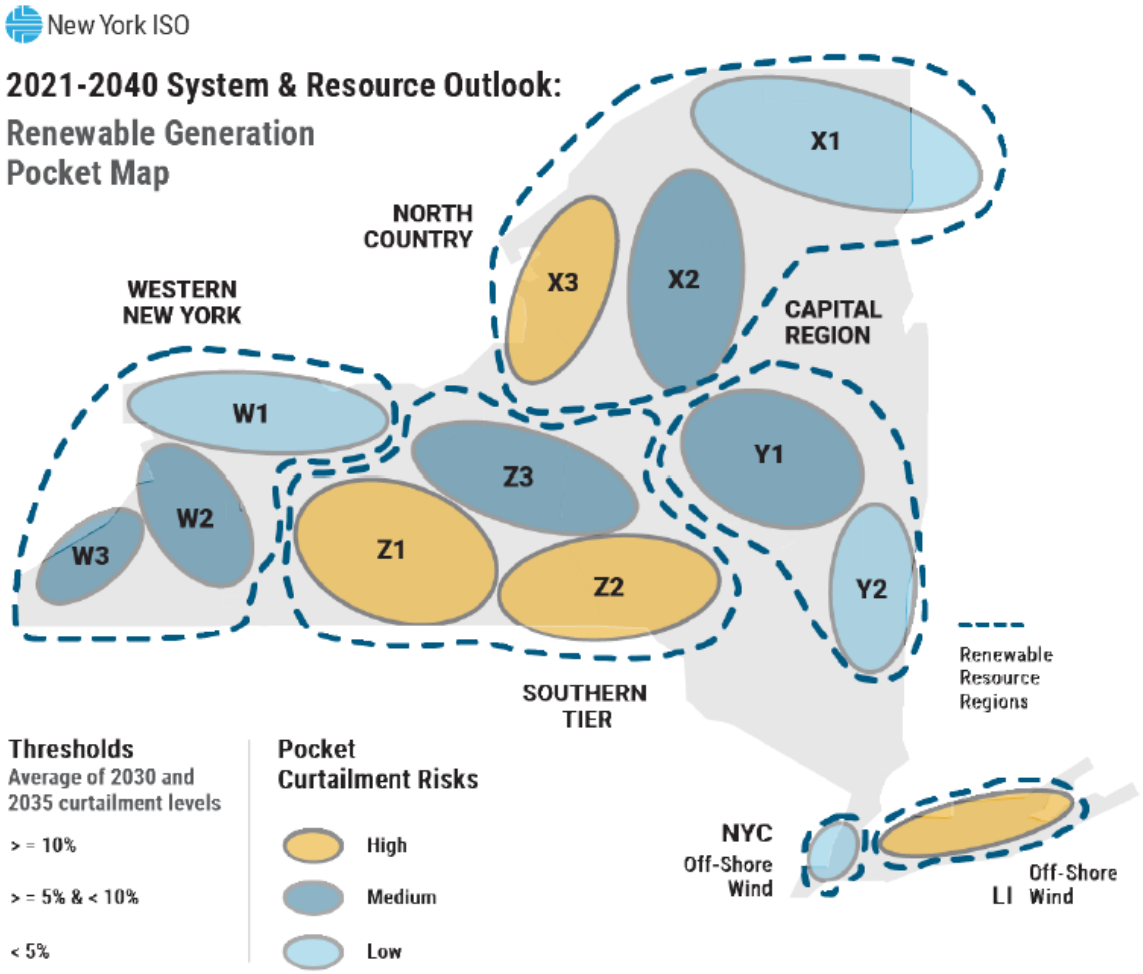
[2] The New York Independent System Operator. (2022). *2021-2040 System & Resource Outlook (The Outlook) A Report the New York Independent System Operator*. Pg. 7
[3] The Outlook, Pg. 18

The Outlook

The System Resource & Outlook Study (Outlook) was released in September 2022. The Outlook looks at a wider range of future system conditions through a 20 year planning study to help determine potential resource development needed to meet public policy goal in NY State. The transmission system and generation fleet in NY are currently inadequate to achieve requirements outlined in the CLCPA.

Transmission constraints will arise as significant amounts of new resources come into the market. To fully understand this impact, NYISO studied specific renewable generation pockets throughout the State. These pockets were developed based on the geographic grouping of renewable generations, and transmission constraint in the area. As mentioned above, to meet the near term 70X30 requirement, new transmission will be needed to unbottle the renewable buildout throughout the state. The Outlook identified the following renewable generation pockets: Long Island offshore wind export, The Watertown/Tug Hill Plateau (X3), and Southern Tier (Z1 & Z2) as the most notable and urgent transmission needs[4].

[4] The Outlook, pg. 75



These regions will need to be studied in a coordinated effort to ensure the best, most cost effective solutions are selected to unbottle renewables and limit rate impacts to consumers. The transmission limitations in these pockets could prevent the full delivery of renewable energy. The Outlook found that 5 TWh of renewable energy in 2030 and 10 TWh in 2035 are projected to be curtailed in renewable generation pockets, which equates to roughly 5% less renewable generation that can be counted towards the CLCPA goals[5]. Without the buildout of sufficient transmission the State could be procuring resources that are unable to count towards its goals. The State cannot afford such an inefficiency. A PPTN should be declared related to these specific zones in order to remediate these transmission constraints. All the renewable energy on the system will be needed meet the 70x30 requirement.

[5] The Outlook, Pg. 14

Conclusion

LS Power respectfully requests that the NYISO include these identified Public Policy Requirements in its submittal to the New York Public Service Commission. LS Power requests that the Public Service Commission establish Public Policy Transmission Needs as identified above.

Sincerely,

Tim Lundin
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