Comments on NYISO's straw proposal for interconnection reform

Orsted is an offshore wind generation developer, and through various affiliates, holds various leases from the US Bureau of Ocean Energy Management (BOEM) (specifically, Commercial Leases of Submerged Lands for Renewable Energy Development on the Outer Continental Shelf) for areas off the coasts of the Mid-Atlantic and New England states. Bay State Wind LLC is a joint venture between Eversource and Orsted that is currently developing two projects interconnecting in NYSIO’s territory: South Fork Wind (132MW), and Sunrise Wind 1 (924MW). Bay State Wind has also proposed Sunrise Wind 2 in response to NYSERDA’s 2022 Offshore Wind Renewable Energy Credit Request for Proposals. Orsted is directly impacted by the interconnection policies developed by the NYISO and appreciates the opportunity to provide comments on the current Interconnection Queue Reform straw proposal from on an offshore wind perspective.

Overall, Orsted supports efforts to streamline the interconnection process and provide project developers greater certainty regarding interconnection-related costs. Orsted looks forward to hearing from the NYISO how the measures contained in the straw proposal reduce the interconnection study timeline and provide greater cost certainty to interconnection customers. Site control is a issue of great import to developers and given the jurisdictional overlay with federal and state agencies, offshore wind projects provide some unique issues. Below, we provide comments on addressing site control for offshore wind as well as some initial thoughts/questions on other aspects of the proposal.

Site control

Orsted urges the NYISO to develop a definition of “full site control” for offshore wind resources that accommodates the unique federal and state statutory and regulatory permitting requirements for renewable energy on the outer continental shelf. For offshore wind developers, the acquisition of an offshore wind lease area will provide the developer with 100% site control over the generating facilities, which will be constructed in the offshore wind lease area. Offshore wind resources may not be able to demonstrate 100% site control of the interconnection facilities at the time of the interconnection request as they are not able to know with certainty the final offshore and onshore cable routes and onshore landings until the conclusion of the National Environmental Policy Act (NEPA) process, which is conducted by the Department of Interior’s Bureau of Ocean Energy Management (BOEM) as the lead agency. This permitting process can take nearly a decade and is designed to be a highly iterative process often resulting in significant and unanticipated cable route modifications due to various environmental impact, cultural, and other concerns. Accordingly, Orsted urges NYISO to define “full site control” so as to include the generation site (i.e. offshore wind lease area), but not the offshore export cable routes. We have also attached our initial comments in response to PJM’s interconnection proposal that provides more background on this process.

In addition, FERC noted this issue in its NOPR on Generator Interconnection Procedures and Reforms (Docket No. RM22-14-000) and indicated in paragraph 122 that there may need to be different site control requirements where interconnection customers are proposing to develop generating facilities on sites owned or physically controlled by a state governmental entity and/or federal governmental entity and has to comply with regulatory requirements of those agencies. This issue also came up in PJM’s interconnection filing and FERC indicted: Regarding concerns of projects being developed on government-owned land requiring flexibility due to regulatory approval and permitting processes, we note that PJM states that site control requirements on sites controlled by a governmental entity are different and require that the project developer pursue the requisite authorization and site the project in accordance with the authorization process. We agree with PJM that this provides the necessary flexibility for such projects. (Docket No. ER-2110-000, P 110)

To accommodate the federal and state siting process, Orsted suggests that NYISO consider the following language to address site control requirements for offshore wind developers:

For one or more parcels of land, bodies of water, and or submerged land owned or controlled by state or federal entities, NYISO will consider contracting structures such as leases, licenses, permits, easements or like rights to be deemed adequate evidence of site control.

Other comments on the straw proposal

1. Queue Window Approach (slide 10)

Slide 10 shows the indicative queue window phases but does not show the expected duration of each phase which will be important to show in future presentations. NYISO should also add if the queue windows will have hard deadlines and close dates, or if each phase if flexible depending on the number of projects and studies.

Because of the iterative nature of the complex federal and state permitting processes for offshore wind resources, there may be a need for some late-stage project changes. Orsted believes project design changes that do not impact the total MW or the electrical characteristics of the resource should not be considered material modifications that impact queue position. Orsted would appreciate continued stakeholder discussions on determinations of material modifications.

1. Application review (slide 11)

Slide 11 indicates that a complete application should include a conceptual breaker-level one-line diagram where an individual project proposes to interconnect to the existing system representation at the time of the application window. Orsted is concerned that it may not be feasible to provide one-line diagrams of certain interconnection facilities, including but not limited to transmission owner (TO) substations. Typically, TOs require confidentiality agreements to access one-line diagram level information for their substations as it contains CEII information. Accordingly, it may not be practical or feasible for developers to provide this information at the application phase.

Slide 11 also requires that a complete application requires a demonstration of workable individual project models (e.g., short circuit, steady-state, and stability). It is unclear what NYISO means by “workable” models and we would appreciate clarification. Orsted would also appreciate additional information on why the stability analysis is being proposed to be included at this stage including identification of the software packages which may require demonstration of workable models.

1. Site Control (slide 11)

Slide 11 also proposes under site control that only one of two mutually exclusive projects can be in a queue window. It is unclear from the proposal as to why this change is needed. Orsted prefers the flexibility contained in the existing interconnection rules The existing rules provide developers the flexibility to propose and investigate multiple interconnection points. This flexibility is important to offshore wind developers given the permitting and siting processes discussed earlier. If NYISO would like to move forward with this proposed change, additional background and discussion is requested. Is the NYISO proposal to allow for mutually exclusive projects in the interconnection queue but limit which ones could enter a queue window?

1. Phase 1 Study - Phase 1A (slide 12 & 13)

Slide 12 discusses reviewing physical feasibility based on the conceptual one-line diagrams and proposed to include identifying cable routing concerns and environmental issues with the proposed interconnection inside the substation if wetlands or similar environmental issues are evident. Orsted would like NYISO to explain in greater detail what kind of environmental issues are of concern and location of the concern.

Orsted would also like NYISO to set out durations for reviewing the study results and reports, timing for review meeting and timing for final acceptance of the phase 1A report.

Orsted would like NYISO to discuss whether interconnection projects will be studied concurrently or independently of other projects in the queue window and detail the base case inclusion rules for the window.

1. Phase 1 Study - Phase 1B (slide 14 & 15)

Slide 14 outlines a requirement for “bus flow analysis to identify upgrades/modifications to existing equipment or the addition of new equipment as a result of the Developer’s new interconnection.” Orsted supports moving this TO conducted bus flow analysis to a stage earlier in the process as proposed as it will provide more transparency earlier in the process.

Orsted would also like NYISO to set out durations for reviewing the study results and reports, timing for review meeting and timing for final acceptance of the phase 1B report.

Orsted would like NYISO to describe if the interconnection project will be studied concurrently or independently of other projects in the queue window and what the base case inclusion rules are of the window?

1. Phase 2 Study (slide 17 & 18)

Could NYISO explain the entry process to phase 2? Would it be mandatory for completed phase 1B projects to enter phase 2, or could projects enter a subsequent phase 2 without forfeit of queue position?

Orsted would also like NYISO to set out durations for reviewing the study results and reports, timing for review meeting and timing for final acceptance of the phase 2 report.

Orsted would like NYISO to set out if the interconnection project will be studied concurrently or independently of other projects in the queue window and what the base case inclusion rules are of the window?

Orsted appreciates the opportunity to provide comments on the proposal as it will have a significant impact on the interconnection processes future projects like Sunrise Wind 2. We look forward to continued engagement on this issue.

Best regards,

Eric Wilkinson

Govt Affairs Lead, Electricity Mkts

Government Affairs and Market Strategy

Region Americas