New York City Public Policy Transmission Need FAQ

A Document from the New York Independent System Operator

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DRAFT - FOR DISCUSSION PURPOSES ONLY



Introduction

On June 22, 2023, the New York State Public Service Commission (PSC) issued an order identifying a New York City Offshore Wind Public Policy Transmission Need ("NYC PPTN"). The Order declared that the Climate Leadership and Community Protection Act (CLCPA), which requires the Commission to develop a program for at least 9,000 megawatts (MW) of offshore wind energy by 2035, constitutes a Public Policy Requirement driving the need for additional transmission facilities to deliver the output of offshore wind generating resources to New York City (Zone J) interconnection points. The Order calls for complete end-to-end solutions that will accommodate the full output of at least 4,770 MW of incremental offshore wind generation injected into New York City (Zone J) with all permitting and construction activities necessary to achieve an in-service date no later than January 1, 2033.

Key References

Questions, comments and suggestions on the NYC PPTN should be raised during stakeholder discussions or provided to the NYISO by submitting questions to <u>stakeholder_services@nyiso.com</u> with the subject line "NYC PPTN."

NYC PPTN References:

- PSC Order
- DPS/NYISO PSC Order Q&A Document

Planning Manuals:

- <u>Public Policy Transmission Planning Process Manual and Attachments B and C</u>
- <u>Transmission Expansion & Interconnection Manual</u>
- <u>Economic Planning Process Manual</u>

Planning Reports:

- Long Island Offshore Wind Export Public Policy Transmission Planning Report
- <u>AC Transmission Public Policy Planning Report</u>
- Western NY Public Policy Planning Report

Relevant Tariff Sections: <u>https://www.nyiso.com/regulatory-viewer</u>

- Section 22 Transmission Interconnection Procedures
- Section 31.4 Public Policy Transmission Planning Process

Frequently Asked Questions (FAQs)

New York City Public Policy Transmission Need

1. How do interested parties stay informed of the NYC PPTN process updates and respective portals of interest?

Answer: The NYISO presents NYC PPTN updates at stakeholder meetings and technical conferences. The best way to stay up to date with the NYC PPTN process is through routinely checking for updates on the NYISO's website, the NYISO's stakeholder calendar and attending stakeholder meetings, such as the <u>Electric</u> <u>System Planning Working Group</u> (ESPWG) and <u>Transmission Planning Advisory</u> <u>Subcommittee</u> (TPAS), among others.

Developers and interested parties can subscribe to receive ESPWG and/or TPAS emails without registering to become NYISO governance members. If you are interested in receiving correspondence regarding the NYISO's stakeholder planning forums, please send an email to <u>MemberRelations@nyiso.com</u> asking to subscribe to the particular forum of interest. If your organization is interested in registering to become a NYISO governance member, please contact Member Relations as well.

Relevant information, including this FAQ, is posted on the NYISO website: <u>Comprehensive System Planning Process (CSPP)</u> > Public Policy Documents > NYC Offshore Wind PPTN.

Questions, comments, and suggestions on the NYC PPTN should be raised during stakeholder discussions or provided to the NYISO by submitting questions to <u>stakeholder services@nyiso.com</u> with the subject line "NYC PPTN."

2. Can offshore wind developers get access to the Viability & Sufficiency Assessment (VSA) baseline case? What permissions are required in order to access the baseline case for the NYC PPTN?

Answer: Any entity interested in participating in this cycle of the Public Policy Transmission Planning Process can submit a CEII request to obtain the VSA baseline case for the NYC PPTN. The NYISO will review the CEII request in accordance with its procedures. Please refer to the slides in the NYISO's technical conference presentation held on November 6, 2023 for more information on, among other things, requesting the VSA baseline cases for the NYC PPTN.



3. Are proposers to NYSERDA's 2022 offshore wind solicitation prohibited from bidding their transmission export facilities as a potential solution to the NYC PPTN?

Answer: Any developer qualified under Attachment Y is eligible to propose a Public Policy Transmission Project for the NYC PPTN and to be eligible to use the cost allocation and cost recovery mechanism for regulated transmission projects. Please refer to the <u>NYISO's website</u> and Section 31.4.4. of the NYISO's Open Access Transmission Tariff (OATT) for further information on the developer qualification process under Attachment Y. Developers should assess the potential implications in the Public Policy Transmission Planning Process and the NYISO's interconnection processes, as well as obligations under its NYSERDA award, in choosing to submit "transmission export facilities" referenced in the question as a potential solution to the NYC PPTN.

4. Will the Con Edison hub information be made available to transmission developers that wish to propose solutions to the NYC PPTN?

Answer: Information regarding Con Edison's proposed hubs can be found on the <u>Con Edison website</u> for its information sharing process as directed in the order identifying the NYC PPTN.

5. Are any of the Con Edison clean energy hubs required to be included in the PPTN solution or is it at proponents' discretion to use one or more these hubs as part of their solutions?

Answer: As detailed in the <u>question and answer document</u> filed by the New York State Department of Public Service in Case No. 22-E-0633 – *In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2022,* a proposal needs to only interconnect in Zone J and is not required to directly connect to a Con Edison-owned facility. The question and answer document further provides:

"Participation in the information sharing process contemplated by the Order, while encouraged, is entirely voluntary on the part of a developer. The Order intended to create an exploration opportunity with Con Edison to 'reduce interconnection-related risk as much as possible.' Developers may elect to proceed with designing their projects without collaborating with Con Edison or participating in the information sharing process contemplated by the Order."

Additional details can be found in the filed question and answer document related to the order identifying the NYC PPTN.

A developer could propose to interconnect to and/or expand the Brooklyn Clean Energy Hub, as approved by the PSC in Case No. 20-E-1097 - *Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act*, as a part of its proposed solution to the NYC PPTN. This substation is considered to be part of the existing



system representation and is subject to open access consistent with the provisions of the OATT.

Public Policy Transmission Planning Process

6. With the changes proposed by the Federal Energy Regulatory Commission's recent Order No. 2023, would there be a significant change to the process that the PPTN solution will have to go through?

Answer: The final rule on *Improvements to Generator Interconnection Procedures and Agreements* ("Order No. 2023") requires changes to the Federal Energy Regulatory Commission's *pro forma* generator interconnection procedures and agreements. Developers that proposed Public Policy Transmission Projects for past public policy transmission needs have submitted Transmission Interconnection Applications under the NYISO's Transmission Interconnection Procedures (TIP), as set forth in Attachment P of the OATT. The TIP is not explicitly subject to the compliance directives of Order No. 2023. To the extent that developers submit their interconnection application through the TIP for their proposed Public Policy Transmission Projects, the NYISO does not currently expect significant changes to the process compared to the changes to the Large Facility Interconnection Procedures. For entities seeking more information, discussions on the NYISO's approach to comply with Order No. 2023 are occurring in the stakeholder process, and the NYISO encourages interested parties to join or review the available material.

Viability & Sufficiency Assessment

7. To be a complete, end-to-end solution as required by the order identifying the NYC PPTN, does a single proposed solution have to, by itself, satisfy the technical requirements under Attachment A? For example, does a single proposed solution have to "accommodate the full output of at least 4,770 MW of incremental offshore wind generation injected into New York City (Zone J), under applicable reliability standards, without reducing the overall output of other renewable resources interconnected in Zones J and K?"

Answer: As detailed in the <u>question and answer</u> document filed by the New York State Department of Public Service in Case No. 22-E-0633 – *In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2022*:

"The Order identifies a 'Public Policy Requirement driving the need for transmission to support the injection of at least 4,770 MW of offshore wind energy with the Con Edison system . . . subject to the more detailed criteria and specifications listed in Appendix A.' Each proposed solution must satisfy the criteria set forth in Appendix A by itself. Accordingly, under the NYISO's process, each proposed solution must independently satisfy those requirements. For example, each proposed solution must independently



accommodate 4,770 MW nameplate capacity of incremental offshore wind at full output, which must be injected into Zone J."

8. Is 4,770 MW requirement measured at the onshore point of interconnection or at the offshore substation that will serve as the point of interconnection for offshore wind generation facilities?

Answer: The 4,770 MW of incremental offshore wind generation will be measured at the offshore interconnection point(s) that will serve as a point of interconnection for offshore wind generating facilities.

9. What is the maximum capacity permissible for each transmission circuit? Would the NYISO's single-unit contingency limit of 1,310 MW per injection apply to each onshore point of interconnection, or offshore point of interconnection? Will the NYISO allow onshore or offshore injections more than 1,310 MW?

Answer: The NYISO will not limit injections to 1,310 MW at the offshore interconnection point(s). An analysis of the impact of the injections higher than 1,310 MW on the wholesale electrical market and system operation will be studied in the evaluation to identify the more efficient or cost-effective solution to the NYC PPTN.

10. What ratings are utilized for Con Edison's underground cables for NYC PPTN studies?

Answer: In the studies for the NYC PPTN, post-contingency rating of the underground cables will be limited to LTE.

10. How will the Clean Path NY HVDC transmission project be modeled in NYC PPTN studies?

Answer: Clean Path NY is modeled as injecting 0 MW in the Viability & Sufficiency Assessment baseline case. The NYISO tariff specifies that the baseline case is to be developed with "the most recent base case from the Reliability Planning Process" and to include "updates in accordance with ISO Procedures." The Clean Path NY project is currently being studied in the ongoing Class Year 2023 and, therefore, does not meet these inclusion rules set forth in the Reliability Planning Process Manual. The assumptions used in the evaluation stage are not limited to the same assumptions as the Viability & Sufficiency Assessment, and the NYISO has the ability to perform potential sensitivities to evaluate and identify the more efficient or cost-effective solution to the NYC PPTN as the future system evolves and new information becomes available.



11. How are the two recently awarded offshore wind projects announced by NYSERDA on October 24, 2023 under its 2022 offshore wind solicitation being considered in NYC PPTN? Do the awarded projects (totaling ~2,718 MW) count towards the requirement of injecting at least 4,770 MW of incremental offshore wind?

Answer: Developers do not need to assume that the 2022 offshore wind solicitation awards are part of their project proposals to meet 4,770 MW of incremental offshore wind injection into Zone J in the Viability & Sufficiency Assessment. The NYISO may conduct sensitivities to consider the 2022 offshore wind solicitation awards and other subsequent awards by NYSERDA in future solicitations in the evaluation stage as incremental amounts up to 8,000 MW consistent with the PSC order establishing the NYC PPTN. Updates will be provided as new information is received during stakeholder meetings, other open forums, and/or in subsequent FAQ document(s).

12. Will production cost simulations be performed for the Viability & Sufficiency Assessment? How do developers stay informed about production cost models & simulations when designing projects?

Answer: The NYISO does not consider production cost simulations in performing the Viability & Sufficiency Assessment, as prescribed by the OATT. The NYISO will perform production cost simulations as a part of the evaluation phase for the viable and sufficient project proposals for several evaluation metrics. Information regarding the production cost models that the NYISO will leverage in its evaluation for the more efficient or cost-effective solution to the NYC PPTN can be found by following 2023-2042 System & Resource Outlook study updates during relevant ESPWG meetings. Please review Question No. 1, above, for information on how to follow the NYC PPTN updates.

13. Will the Agency Working Group (cable working group) assist the NYISO in the Viability & Sufficiency Assessment?

Answer: Under the OATT, the NYISO is responsible for evaluating projects in the Viability & Sufficiency Assessment. The cable working group will have the opportunity, as with other interested parties, to obtain information on the proposed solutions (*see* Section 31.4.4.3.11 of the OATT) and to provide comments on the initial draft of Viable & Sufficient Assessment. The NYISO will also consider input from the cable working group, developers, and other interested parties during the evaluation of the viable and sufficient solutions (that elected to proceed to the evaluation stage) to identify the more efficient or cost-effective solution to the NYC PPTN.



Evaluation and Selection

14. How do interested parties receive information regarding the NYISO's evaluation of the viable and sufficient proposed solutions? What would be shared during the technical conference?

Answer: Details regarding the NYISO's evaluation process for the viable and sufficient proposed solutions will be provided and further discussed at the NYISO technical conference to be held on December 7, 2023.