



# New York City Public Policy Transmission Need FAQ #2

**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 Public Policy Transmission Need.\* 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 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 (hereinafter the “NYC PPTN”).

## Key References

### NYISO NYC PPTN Technical Data:

- [See slide 71 for instructions to request CEII study data & Developer Guide](#)

### NYISO Technical Conference Presentations:

- [New York City PPTN November 6 Technical Conference Presentation](#)
- [New York City PPTN December 7 Technical Conference Presentation](#)

### Other NYC PPTN References:

- [PSC Order](#)
- [DPS/NYISO PSC Order Q&A Document](#)
- [NYISO FAQ \(dated November 6, 2023\)](#)
- [DPS PSC Order Q&A Document \(dated January 17, 2024\)](#)
- [DPS PSC Order Q&A Document \(dated February 14, 2024\)](#)
- [DPS Staff Letter to NYISO](#)

### Planning Manuals:

- [Public Policy Transmission Planning Process Manual and Attachments B and C](#)
- [Transmission Expansion & Interconnection Manual](#)
- [Economic Planning Process Manual](#)

### Planning Reports:

- [Long Island Offshore Wind Export Public Policy Transmission Planning Report](#)
- [AC Transmission Public Policy Planning Report](#)
- [Western NY Public Policy Planning Report](#)

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

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

\* Capitalized terms that are not otherwise defined in this document shall have the meaning specified in Attachment Y of the OATT, and if not defined therein, in other sections of the OATT.

## Frequently Asked Questions (FAQs)

### New York City Public Policy Transmission Need

1. How is a Developer required to submit its solution proposal to the NYISO?

**Answer:** Developers must complete the forms set forth in Attachments B and C to the Public Policy Transmission Planning Process Manual including all information required set forth in Section 31.4.5.1 of Attachment Y.<sup>1</sup> Attachments B and C of the PPTPP Manual are currently undergoing revisions and will be ready prior to the solicitation for the NYC PPTN. Developers must email the completed forms to [PublicPolicyPlanningMailbox@nyiso.com](mailto:PublicPolicyPlanningMailbox@nyiso.com) by the solicitation closing date. The NYISO expects, based on past experience, that certain files will be too large to be sent via email. The NYISO will provide instructions for facilitating the submission of oversized documents or files at the time NYISO issues the solicitation letter.

2. If multiple entities plan on submitting a proposal for the NYC PPTN as a joint venture, which is described as a separate legal entity, do they require one developer qualification application for the joint venture or separate developer qualification applications for entities that make up the joint venture?

**Answer:** Attachment Y requires a Developer proposing transmission solutions in one or more of its planning processes under the Comprehensive System Planning Process to demonstrate its qualifications to develop, finance, construct, operate, and maintain transmission facilities consistent with the provisions of Attachment Y. The Developer that is named in the proposed Public Policy Transmission Project submittal, therefore, must be qualified under Attachment Y. If the project is submitted in the name of a joint venture, which is an established legal entity, then that legal entity must be qualified under Attachment Y. If the joint venture is not a separate legal entity, then the entities should not use the joint venture name in the submission. Instead, the partnering entities should include their names in the proposed Public Policy Transmission Project submittal, and those entities must each be qualified through separate applications to the NYISO in accordance with the provisions set forth in Attachment Y. Please also familiarize yourself with Section 31.4.11 of Attachment Y on the treatment of entities that jointly proposed Public Policy Transmission Project, if selected.

3. Will the NYISO's compliance with Order No. 2023 require Public Policy Transmission Projects submitted to address the NYC PPTN to be studied through the proposed cluster study process for interconnection purposes?

**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

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<sup>1</sup> <https://www.nyiso.com/manuals-tech-bulletins-user-guides>

agreements. Developers that proposed Public Policy Transmission Projects for past public policy transmission needs 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. For a Developer that chooses to submit a Transmission Interconnection Application under the TIP for its proposed Public Policy Transmission Project, the NYISO does not currently expect any significant impacts to that process resulting from revisions to comply with Order No. 2023. A Developer that is considering submission of an Interconnection Request under Attachment X for its Public Policy Transmission Project should review the NYISO's approach to comply with Order No. 2023 that is occurring in the stakeholder process and consider whether submission of a Large Facility Interconnection Request is appropriate or necessary for their projects in light of the NYC PPTN.

4. Can Developers propose a Public Policy Transmission Project in multiple, discrete phases and have different in-service dates one of which may extend beyond January 1, 2033?

**Answer:** On January 17, 2024, the New York State Department of Public Service (PSC) filed a document in the PSC docket (Case No. 22-E-0633) related to NYC PPTN explaining that:

“the minimum technical requirement for a proposed solution is to support the injection of 4,770 MW of incremental offshore wind generation into New York City by [January 1, 2033], while also meeting the technical requirements detailed under the ‘Specifications’ section of Appendix A of the Order.”

DPS further explained that a Developer “may propose a different in-service date for additional facilities that are needed to support delivery of the incremental offshore wind generation above that minimum.” DPS noted that “[a]ny changes to the January 1, 2033 date applicable to the 4,770 MW minimum injection would require the advance approval of the New York State Public Service Commission.”

Based on the DPS guidance filed in the PSC docket, Developers can phase the construction of a proposed Public Policy Transmission Project to meet the NYC PPTN. In doing so, the submission must clearly detail the specific facilities that will be in service by January 1, 2033 to support the injection of 4,770 MW of incremental offshore wind generation into New York City. Developers must clearly identify and distinguish throughout their Public Policy Transmission Project submissions (a) the facilities, milestone schedule, associated costs, and permitting that are necessary to meet the minimum injection of 4,770 MW of incremental offshore wind generation and (b) those facilities, milestone schedule, associated costs, and permitting that may be subject to a later a proposed in-service date in its submission. In proposing a Public Policy Transmission Project with multiple phases with one of the in-service dates beyond January 1, 2033, Developers should also familiarize themselves with

the provisions of the TIP under Attachment P related to the In-Service Date of the proposed solution, as applicable.

Please note that the November 6, 2023 FAQ has been updated to remove an earlier answer to a similar question and reposted on the NYISO's website.

5. For a proposed Public Policy Transmission Project, how will the NYISO evaluate a project's demonstration of property rights or plan to obtain the necessary property rights in the context of the OATT? How can a Developer comply with the additional PSC Order provisions that require Developers to provide updates to the NYISO during the evaluation process?

**Answer:** A Developer proposing a Public Policy Transmission Project is required to demonstrate that it already possesses the real property rights necessary to implement the project *or* has a detailed plan or approach and schedule for acquiring the real property rights. The NYISO will evaluate the information provided in the proposal as a part of the Viability and Sufficiency Assessment and in the evaluation for the identification of the more efficient or cost-effective solution to the NYC PPTN. A Developer has the continuing obligation in accordance with Section 31.4.5.1.4 of the OATT to provide the final version of any contracts that are pending at the time of submission, which can include contracts related to the securing the necessary real property rights. Such final contracts must be submitted to the NYISO when available in order to be considered. Consistent with the NYC PPTN Order, a Developer should provide any finalized contracts consistent with its proposed plan as soon as possible following the Viability and Sufficiency Assessment.

6. Do proposed Public Policy Transmission Projects need to demonstrate that they have the necessary real property rights to accommodate the physical expandability of an existing substation that a proposed Public Policy Transmission to address the NYC PPTN will interconnect into?

**Answer:** If a Developer proposes, as a part of the "project" to address the NYC PPTN, to expand an existing substation, that Developer is required, in its project submittal, to demonstrate that it has the real property rights or to provide a plan to obtain the real property rights to accommodate the expansion. This requirement applies even if the Developer believes that the proposed expansion of the existing substation meets the definition of Public Policy Transmission Upgrade under Attachment Y to the OATT and may be designated to a Transmission Owner pursuant to Section 31.4.11 of the OATT.

A Developer may also demonstrate that it has the real property rights or provide a plan to obtain the real property rights to accommodate the expansion of an existing substation to interconnect a facility voluntarily identified as potential Network Upgrade Facilities in its Public Policy Transmission Project proposal. In such case, the Developer should be aware that the potential Network Upgrade Facilities

identified in its proposal are subject to review, identification, and finalization in the TIP process.

7. Should land acquisition costs be included in the cost estimate of each proposed Public Policy Transmission Project? How will property costs be considered for proposed Public Policy Transmission Projects that already have demonstrated that it has the real property rights?

**Answer:** Yes, land acquisition costs should be included in the cost estimate of each proposed Public Policy Transmission Project that will be considered as a part of the evaluation phase cost metric. Developers should be mindful that Section 31.4 of the OATT permits a Developer to voluntarily submit a Cost Cap for its proposed Public Policy Transmission Project that covers its Included Capital Costs but not its Excluded Capital Costs. Section 31.4.5.1.8.1 of the OATT provides that real estate and land rights are a capital cost that must be included in the Developer's Included Capital Costs. Section 31.4.5.1.8.1 further provides that "[a]t its option, a Developer may choose to include as Included Capital Costs real estate costs for existing rights-of-way that are part of the proposed Public Policy Transmission Project, but are not owned by the Developer (*e.g.*, existing utility rights-of-way)."

While the real estate and land rights costs for certain existing real property rights may be excluded from a Developer's Included Capital Costs for its Cost Cap, those costs will still be evaluated in the overall cost of the proposed Public Policy Transmission Project under the metrics specified in Section 31.4.8 of the OATT. The NYISO's independent consultant will also determine a cost for a proposed Public Policy Transmission Project's land acquisition, which will be considered, as applicable, under the metrics specified in Section 31.4.8 of the OATT.

8. Can a single project solution/proposal include routing and offshore point of interconnection alternatives?

**Answer:** The only permitted alternatives within a proposed Public Policy Transmission Project are routing alternatives as provided in Section 31.4.5.1.3 of the OATT. Routing alternatives include the routing of the transmission lines or cables but do not change the location of substations or various points of connection of the proposed project. Changes to project features, such as electrical characteristics or Cost Cap of a project, are indicative of a separate Public Policy Transmission Projects and will not be considered as a routing alternative. Alternative designs that are beyond a routing alternative must be submitted as a separate Public Policy Transmission Project proposal.

9. Does the NYISO's process require proposed Public Policy Transmission Projects to demonstrate that it has the necessary real property rights for the location of an offshore substation or substations? If yes, what are examples of demonstrating that the Developer has the necessary real property rights for the location of an offshore substation(s)?

**Answer:** As discussed in Question No. 7, above, each proposed Public Policy Transmission Project must contain a transmission and substation routing study or studies, as well as a demonstration that it already possesses the rights of way (*i.e.*, real property) necessary to implement the project *or* has a detailed plan or approach and schedule for acquiring property rights. This includes a demonstration that the Developer has detailed a plan to obtain the rights to use real property for the location of substations. This requirement applies equally for proposed substations whether built on land or offshore. The precise nature of how a Developer can demonstrate that it has the real property rights to use the Developer-identified location will depend on the entity or agency that has authority to alienate, convey, or lease the property.

10. How do Developers site offshore platform locations if they do not own the lease areas?

**Answer:** Given the sponsorship nature of the NYISO's Public Policy Transmission Planning Process and the requirements of the Order, the responsibility for deciding on the location of the offshore platform is a decision made by a Developer in proposing a solution to the NYC PPTN. Developers should familiarize themselves with the applicable siting and permitting processes or agencies that have jurisdiction over the location in which the Developer proposes to install its offshore platform location(s). Developers should also consider and detail how it will obtain the property rights for the location it elects to use for a proposed offshore platform, which may differ depending on the location and the jurisdiction or entity that has the authority to alienate, convey, or lease the property.

11. Will a list of Developers qualified to proposed transmission solutions in the NYISO's Comprehensive System Planning Process be made publicly available by a date certain?

**Answer:** The NYISO maintains a list of entities that are qualified to propose transmission solutions under Attachment Y to the OATT. The list is available on the NYISO's public website and can be accessed [here](#). That list is updated based on new entities being qualified or currently qualified entities having a change to their status.

## Viability & Sufficiency Assessment

12. What loading should be maintained on PARs?

**Answer:** For the purposes of the Viability and Sufficiency Assessment, PAR loading can be assumed to be up to 100% of the PAR's applicable rating under pre-contingency and post-contingency conditions. Proposed Public Policy Transmission Projects that provide greater operability benefits, such as maintaining pre-contingency (N-0, N-1-0) PAR loading up to 75% of the PAR's pre-contingency rating, will be valued in the evaluation.

13. What is the applicable rating of facilities under post-contingency condition?

**Answer:** Facilities are allowed to be loaded up to their Long-Term Emergency (LTE) rating post-contingency. However, as per the New York State Reliability Council reliability rules (NYSRC Reliability Rules & Compliance Manual Planning Design Criteria: Table B-2), underground cable circuits may be loaded to their Short-Term Emergency (STE) rating post-contingency under the following conditions:

- a. Loss of generation – ten-minute operating reserve and/or phase angle regulation is available to reduce the loading to its LTE rating and not cause any other facility to be loaded beyond its LTE rating; or
- b. Loss of transmission – phase angle regulation is available to reduce the loading to its LTE rating and not cause any other facility to be loaded beyond its LTE rating.

A Public Policy Transmission Project’s ability to inject offshore wind energy while maintaining loading on the facilities to its LTE rating post-contingency will be valued in the evaluation.

## Evaluation and Selection

14. For the NYC PPTN, Developers believe that a major part of each project will require installation of facilities offshore with unknown soil conditions. How should Developers classify unforeseeable environmental remediation and environmental mitigation costs?

**Answer:** The provisions of the OATT detailing how a Developer may propose a Cost Cap are universal regardless of the nature of a specific Public Policy Transmission Need. If a Developer elects to propose a *voluntary* Cost Cap with its proposed Public Policy Transmission Project, it must include, as “Included Capital Costs,” the cost of contract work, labor, materials and supplies, transportation, special machine services, shop services, protection, injuries and damages, privileges and permits, engineering services, reasonably expected environmental site remediation and environmental mitigation costs as described in Section 31.4.5.1.8.1.1, general administration services, legal services, real estate and land rights, rents, studies, training, asset retirement, and taxes.

Certain environmental remediation and environmental mitigations may be classified as “Excluded Capital Costs” if they amount to “unforeseeable environmental remediation and environmental mitigation costs” as described in Section 31.4.5.1.8.2.1 of the OATT. Specifically, they include “any costs relating to environmental remediation and environmental mitigation that are not anticipated by the Developer or are otherwise indeterminable based upon information reasonably available to the Developer at the time of submission, including any environmental remediation or mitigation costs that cannot be estimated by the Developer without performing an environmental site assessment or investigation.”



Importantly, the tariff provides that the cost of conducting environmental site assessment or investigation is an Included Capital Cost. Developers will need to apply the provisions of the OATT to the specifics of a proposal in submitting a voluntary Cost Cap and identifying what costs are “Included Capital Costs” and “Excluded Capital Costs.”

15. Is there a provision in Attachment Y to the OATT that allows adjustments to a voluntarily submitted Cost Cap for a Public Policy Transmission Project for circumstances that are not within the control of Developer (*e.g.*, cost escalation of materials or labor or changes in the commercial availability of physical components required for construction)?

**Answer:** Section 31.4.5.1.8 of Attachment Y to the OATT provides Developers the option to submit a *voluntary* Cost Cap for their proposed Public Policy Transmission Projects. If a Developer proposes a Cost Cap for its Public Policy Transmission Project and that project is selected as the more efficient or cost-effective solution by the NYISO Board of Directors, the sponsoring Developer (which may become a Designated Entity) may not seek to recover through its transmission rates or through any other means Included Capital Costs above its agreed-upon Cost Cap, except as permitted for excusing conditions enumerated in Section 6.10.6.2 of the OATT. Section 6.10.6.2 of the OATT contains the enumerated excusing conditions that could allow a Designated Entity to recover Included Capital Costs above its proposed Cost Cap.

16. How can a Developer recover the project submittal preparation costs under the NYISO OATT?

**Answer:** Section 31.4.3.2 of Attachment Y to the OATT provides that the PSC may request a Developer(s) to propose a Public Policy Transmission Project to ensure that there will be a response to a Public Policy Transmission Need. The provision further provides that the cost incurred by a Developer in preparing a proposed transmission solution in response to a request by the PSC will be recoverable under the NYISO Tariffs. For the NYC PPTN, the PSC did not direct any specific Developer to propose a Public Policy Transmission Project. Unless selected as the more efficient or cost-effective solution, Developers are, therefore, not eligible recover their project submittal preparation costs under the OATT. If the Developer’s project is selected as the more efficient or cost-effective transmission solution, the Developer will be eligible for full recovery of all reasonably incurred costs in the manner set forth in Sections 31.4 and 31.5 of the OATT for the selected Public Policy Transmission Project.

17. If a Developer believes that its proposed Public Policy Transmission Project or Other Public Policy Project is eligible to receive tax credits under the Inflation Reduction Act, can the Developer include that information as a part of its submission?

**Answer:** If a Developer believes that its proposed Public Policy Transmission Project or Other Public Policy Project is eligible to receive tax credits that may offset its costs, the Developer may include in its submission supporting evidence, such as a

revenue letter or advice from a tax counsel, detailing that the proposed project is entitled to a specific tax credit. For a Public Policy Transmission Project, the NYISO will consider the information during the evaluation as appropriate. In answering this question, the NYISO is not suggesting or opining, in any way, that any proposed solution to the NYC PPTN is or is not eligible for any tax credit under the Inflation Reduction Act.

18. How does the NYISO intend to address the reliability impact of proposed Public Policy Transmission Projects at the non-BPTF level?

**Answer:** The Viability and Sufficiency Assessment and evaluation will look at the reliability impact of proposed Public Policy Transmission Projects on the 100 kV and above transmission system. A proposed Public Policy Transmission Project's impact on the reliability of the local system at the point(s) of interconnection, which may include facilities below 100 kV, will be studied in the System Impact Study.