



# Updated Straw Proposal to Address Upgrades in the Public Policy Transmission Planning Process

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# Agenda

- **Straw Proposal as Presented April 12<sup>th</sup>**
- **Summary of Comments**
- **Definition of Bulk Facilities**
- **Order No. 1000 and History of Section 31.6.4**
- **Definition of Upgrade**
- **Next Steps**

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# Background

Date	Working Group	Discussion points and links to materials
2018-12-19	ESPWG/TPAS	Necessary Local Upgrades for Public Policy Transmission Need projects by Indicted Transmission Owners (Central Hudson Gas & Electric, ConEd, National Grid, NYSEG, O&R, and RG&E)
2019-04-12	ESPWG/TPAS	Straw Proposal to Address Non-BPTF Upgrades in the Public Policy Transmission Planning Process and Establish a Procedure to Administer Section 31.6.4 of Attachment Y by the NYISO
2019-05-21	ESPWG/TPAS	Updated Straw Proposal to Address Upgrades in the Public Policy Transmission Planning Process by the NYISO

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# Straw Proposal as Presented on April 12<sup>th</sup>

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# **Proposal No. 1: Evaluation of Upgrades in the Public Policy Transmission Planning Process**

- NYISO will perform sensitivities, as appropriate, to account for the Public Policy Transmission Need case when performing the required analyses
- Revise the scope of the feasibility/constructability analyses in the optional Feasibility Study and System Impact Study under Attachment P for upgrades proposed or related to Public Policy Transmission Projects to study the feasibility/constructability of not only where the upgrade proposes to interconnect but also the upgrade itself as it relates to the local transmission system
- Similar to the way NYISO treats elective System Upgrade Facilities under the Large Facility Interconnection Procedures (Attachment X)

# **Proposal No. 1: Evaluation of Upgrades in the Public Policy Transmission Planning Process**

- **Revise the SIS study to make it into two distinct parts for Public Policy Transmission Projects and use one part of the SIS as an input into the NYISO's evaluation and selection**
  - Part 1 of the SIS will include the identification of potential feasibility/constructability concerns and necessary Network Upgrade Facilities to reliably interconnect the project
    - Part 1 will be used as an input into NYISO's evaluation and selection in the Public Policy Transmission Planning Process
    - NYISO's consultant will prepare independent costs estimate for the identified Network Upgrade Facilities and any risks identified with the feasibility/constructability of an upgrade
  - Part 2 of the SIS will include the good faith cost estimate for the identified NUFs and be included in the final SIS report
    - NYISO's evaluation and selection in the Public Policy Transmission Planning Process would proceed in parallel, thereby reducing the potential for delay

# Proposal No. 2: Assignment Process for Upgrades

- As a first element, NYISO proposes to clarify the various types of components in a Public Policy Transmission Project through revisions to the project submittal in the Public Policy Transmission Planning Process Manual, as follows:
  - The “Project” would include:
    - New transmission facilities to achieve the Public Policy Transmission Need
    - Improvements to, additions to, or replacement of a part of an existing transmission facility that a Developer proposes to achieve the Public Policy Transmission Need, but not for the purpose of interconnecting the facility to the New York State Transmission System
      - Includes upgrades directed by the New York State Public Service Commission (“PSC”) for a Public Policy Transmission Need
  - Potential Network Upgrade Facilities (“NUFs”):
    - Those facilities that a Developer believes are necessary to reliability interconnect the proposed project to the New York State Transmission System
    - Developer will identify potential NUFs in its proposal to create a complete facility that interconnects to the New York State Transmission System, but the potential NUFs are subject to change
    - Potential NUFs are not considered to be a part of the “project” and, therefore, can be modified by NYISO based upon the NYISO-conducted interconnection studies

# **Proposal No. 2: Assignment Process for Upgrades**

- As a second element, NYISO proposes to establish a process by which NYISO will consider the facility characterizations provided in a Developers' proposal and identify in the draft report the various components of the selected project as a new facility or upgrade
- The new facilities will be designated to the Developer of the selected project, while upgrades will be first assigned to the Transmission Owner that owns the facility to be upgraded
- Transmission Owner will have a specified period of time to accept the assignment
  - If accepted, the Transmission Owner will be the responsible Developer for that component of the project, which includes:
    - Entering into a Public Policy Transmission Planning Process Development Agreement,
    - Participating in the Facilities Study as a "Transmission Developer," and
    - Having an opportunity to recover the costs under Rate Schedule 10, as well as a reasonable rate of return.
  - If rejected, the Selected Developer will be the responsible Developer for that component of the project



## **Proposal No. 2: Assignment Process for Upgrades**

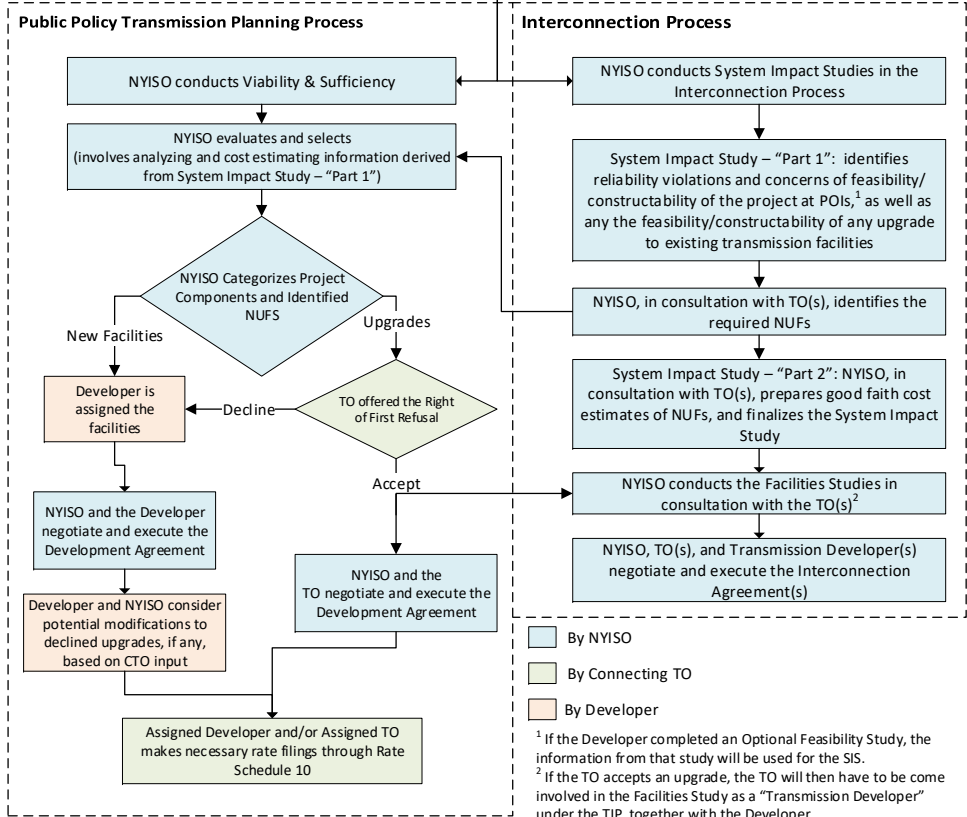
- Order No. 1000 and current Attachment Y define “upgrade” as:

An improvement to, addition to, or replacement of a part of an existing transmission facility and shall not refer to an entirely new transmission facility.

- Currently, the Public Policy Transmission Planning Process is silent as to how a Transmission Owner would exercise its right as it relates to upgrades under Section 31.6.4 of Attachment Y
- By including an assignment process, Developers, Transmission Owners, and stakeholders will have greater clarity to help aid them in the various steps of the Public Policy Transmission Planning Process

Developers could propose projects consisting of new facilities and upgrades on the existing facilities, but should understand that upgrades to the existing facilities would be assigned to the TO first, unless TO declines

NYISO reviews the project proposal for (1) consistency of applications between the interconnection and PPTPP, (2) characterization of project elements (new vs. upgrades), and (3) identify the TO(s) owning affected facilities



- By NYISO
- By Connecting TO
- By Developer

<sup>1</sup> If the Developer completed an Optional Feasibility Study, the information from that study will be used for the SIS.  
<sup>2</sup> If the TO accepts an upgrade, the TO will then have to be come involved in the Facilities Study as a "Transmission Developer" under the TIP, together with the Developer.

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# Summary of Comments for Proposal No. 1

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# Comments on Straw Proposal

## Proposal No. 1: Evaluation of upgrades in the SIS

- **Comments requested a requirement that employees and contractors of Connecting Transmission Owners that perform the constructability/feasibility evaluation sign a non-disclosure agreement**
  - Interested parties expressed support for this requirement
  - The NYISO will incorporate this requirement in the straw proposal
- **Comments reinforced the need for the information derived from the constructability/feasibility portion performed by the Connecting Transmission Owners to be independently evaluated and cost estimated in the NYISO's Public Policy Process evaluation**
  - The independent evaluation and cost estimation in the Public Policy Process evaluation is already included in the proposal, and the intent is to allow the NYISO and independent consultant to exercise engineering judgment using Good Utility Practice in determining the risks and the costs

# Comments on Straw Proposal

## Proposal No. 1: Evaluation of upgrades in the SIS

- **Comments noted that additional information related to system constraints should be issued prior to a competitive transmission solicitation**
  - Consistent with the revisions to the Public Policy Transmission Planning Process made at the end of 2018, such information would be one of the topics included in for the technical conferences prior to issuing the solicitation
- **Comments suggested specifying facilities that fall within BPTF and non-BPTF**
  - The NYISO provided materials in this presentation to provide the definition of BPTF and non-BPTF, as well how the list can be accessed

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# Comments on Straw Proposal

## Proposal No. 1: Evaluation of upgrades in the SIS

- **Several comments supported the proposed structure of evaluating constructability/feasibility portion as a part of the SIS, while other comments suggested performing the constructability/feasibility evaluation during the viability and sufficiency analysis**
  - The NYISO analyzed both options as it was structuring Proposal No. 1, and the current proposal to expand the SIS scope provided greater benefits
    - The constructability/feasibility assessment of a proposed Transmission Project at its Points of Interconnection is an integral and mandatory part of the Interconnection Process as it exists today and the proposal only slightly expands it
    - Conducting the assessment also in the Public Policy Transmission Planning Process could result in the Developer paying twice for portions of the same study
    - Additionally, any information derived from the constructability/feasibility assessment will be independently reviewed by the NYISO and/or its independent consultant, limiting the potential for the Connecting Transmission Owner to affect the competitive evaluation

# Summary of Comments for Proposal No. 2

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# Comments on Straw Proposal

## Proposal No. 2: Assignment Process for Upgrades to Existing Transmission Facilities

- **Effect of Section 31.6.4 of Attachment Y**
  - Several comments noted that Section 31.6.4 of Attachment Y does not give Transmission Owners the right to build, own and recover the cost of upgrades that are proposed by another Developer.
  - Comments stated that allowing Transmission Owners to have a right of first refusal over upgrades is against the intent of the Section 31.6.4 and will stifle competition in New York
  - Comments stated that the current structure of Section 31.4 and Rate Schedule 10 does not contemplate an entity other than the proposing Developer to recover the costs of elements of a proposal under Rate Schedule 10, and all costs should pass through the proposing Developer
  - Certain Transmission Owners assert that they have a right of first refusal over upgrades regardless of whether it was selected in the NYISO's regional transmission plan for purposes of cost allocation
- **Based on the foregoing comments, additional details on Order No. 1000 and the history of Section 31.6.4 are provided herein**

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# Comments on Straw Proposal

## Proposal No. 2: Assignment Process for Upgrades to Existing Transmission Facilities

- **Comments support clarification of the types of facilities associated with a Public Policy Transmission Project**
  - Proposal No. 2 provided guidelines, and the NYISO intends to continuing discussing with stakeholders.
- **Comments noted that Network Upgrade Facilities should not be subject to an assignment procedure and the Developer that proposed the facility should fund those facilities and receive the rate of return**
  - The NYISO seeks to clarify that only Network Upgrade Facilities that meet the definition of “upgrade” in Section 31.6.4 would be potentially assignable to the applicable Transmission Owner, and if so assigned, the Transmission Owner would have the right to fund and receive a rate of return
- **Comments support adding greater specificity in the definition of “upgrade”**
  - Interested parties expressed interest in investigating adding greater specificity to the definition of “upgrade”
  - The NYISO intends to begin the discussion with the materials provided herein

# Summary of Other Comments

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# Comments on Cost Containment Measures

- **Commenter suggested that if a developer proposes an upgrade for which it agrees to accept cost containment, the Transmission Owner that is assigned the upgrade should be bound to the same cost containment for the upgrade as was contained in the developer's proposal**
  - FERC precedent on cost containment measures have been voluntary.
  - The current cost containment measures proposed by the NYISO will continue to be voluntary
  - Further discussion on cost containment will occur in upcoming ESPWG meetings

# Comments on the Risks borne by the Developer, Incumbent TOs, and Rate Payers

- Some comments noted that Developers invest tremendous time, efforts and sums of money seeking a solution
- Transmission Owners highlight that they have the responsibility to serve load and plan for their local system reliability, and their local system should not be adversely affected by a Developer's proposal
- Some comments noted that the rate payers are the ultimate customers, and deserve the most cost effective solutions

# Other Comments

- **Comments suggest that the NYISO needs to re-evaluate the role of the NYPSC and the necessity of Public Policy Transmission Planning Process**
  - A re-evaluation of the role of the NYPSC is not included as a part of this straw proposal
- **Comments requested equitable treatment among generation and transmission interconnection**
  - This effort would extend the scope beyond the discussion of upgrades in the context of the Public Policy Transmission Planning Process

# Definition of Bulk Facilities

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# Bulk Facilities

- **Bulk Electric System (BES)**
  - NERC Glossary
- **Bulk Power System (BPS)**
  - NPCC Glossary
  - NYSRC Reliability Rules
- **Bulk Power Transmission Facilities (BPTF)**
  - Defined in Attachment Y, as “The facilities identified as the New York State Bulk Power Transmission Facilities in the annual Area Transmission Review submitted to NPCC by the NYISO pursuant to NPCC requirements”
  - List of BPTF is available through a CEII request

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## Facilities of each Bulk Group

- **BES: 100 kV and above, with exclusions**
- **BPS: determined by NPCC A-10 test**
- **BPTF: BPS elements + approximately 90 other elements**
  - All 230 kV and above
  - Additional 115/138 kV elements mostly in NYC and Long Island
    - All Long Island 138 kV system
    - Ginna 115 kV path to 345 kV and Plattsburg 115 kV path to 230 kV



# Terms Applicable to PPTPP

- **Public Policy Transmission Need**: A transmission need identified by the NYPSC that is driven by a Public Policy Requirement pursuant to Sections 31.4.2.1 through 31.4.2.3.
- **Public Policy Requirement**: A federal or New York State statute or regulation, including a NYPSC order adopting a rule or regulation subject to and in accordance with the State Administrative Procedure Act, any successor statute, or any duly enacted law or regulation passed by a local governmental entity in New York State, that may relate to transmission planning on the BPTFs.
- **Public Policy Transmission Project**: A transmission project or a portfolio of transmission projects proposed by Developer(s) to satisfy an identified Public Policy Transmission Need and for which the Developer(s) seek to be selected by the ISO for purposes of allocating and recovering the project's costs under the ISO OATT.

# Order No. 1000 and History of Section 31.6.4

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# Order No. 1000 – Rights of First Refusal

- Order No. 1000 focused on transmission facilities that are evaluated at the regional level and selected in the regional transmission plan for purposes of cost allocation
  - The Commission determined that there should not be “a federally established monopoly over the development of an entirely new transmission facility that is selected in a regional transmission plan for purposes of cost allocation to others” (Order No. 1000-A at P 426)
- As a result, the Commission required the removal of all federal rights of first refusal from Commission-jurisdictional tariffs and agreements

# Order No. 1000 – Rights of First Refusal

- The Commission, however, identified certain “exceptions to the requirement to eliminate rights of first refusal”
  - (1) The right to “build, own and recover costs for upgrades to its own transmission facilities . . . , regardless of whether or not an upgrade has been selected in the regional transmission plan for purposes of cost allocation”
  - (2) The right to retain, modify, or transfer rights-of-way subject to relevant law or regulation granting such rights-of-way
  - (3) Retain the right to “build local transmission facilities that are solely within the local distribution service territory or footprint of the Transmission Owner and the facility is not regionally cost allocated”

# Order No. 1000 – Rights of First Refusal

- Focusing on the right to build, own and recover costs for upgrades (*i.e.*, “upgrade exception”), Commission explained that
  - “an incumbent transmission provider would be permitted to maintain a federal right of first refusal for upgrades to its own transmission facilities” (Order No. 1000 at P 319)
  - it did not intend to eliminate “the right of an owner of a transmission facility to improve its own existing transmission facility by allowing a third-party transmission developer to, for example, propose to replace towers or conductors of a transmission line owned by another entity” (Order no. 1000-A at P 426)

# History of Section 31.6.4 of Attachment Y

- In its Order No. 1000 compliance filings, the NYISO noted that its tariff did not have a right of first refusal but added Section 31.6.4, which contained near verbatim language to the upgrade exception in Order No. 1000
  - Original formulation was “right to build, own and recover the cost of upgrades to transmission owner facilities, regardless of whether or not an upgrade has been selected in the regional transmission plan for purposes of cost allocation”
  - The original filing noted that “[t]he Filing Parties, therefore, proposed to modify Attachment Y to explicitly provide that incumbent TOs have the right to make upgrades to their own facilities or use existing ROWs to meet their local needs.”
  - In subsequent filings, the Filing Parties noted that “the Commission has ruled that an incumbent transmission owner has the right to build, own, and recover costs for upgrades to the transmission facilities that it owns, regardless of whether the upgrade has been selected in the regional transmission plan for purposes of cost allocation, and the Filing Parties’ proposed addition to section 31.6.4 clarifies that point and tracks the language expressly approved by the Commission with regard to the meaning of the term ‘upgrades.’”
- In its Orders on NYISO’s compliance, the Commission characterized the rights enumerated in Section 31.6.4 to be “exceptions to the requirement to eliminate federal rights of first refusal”
  - 143 FERC ¶ 61,059 at P 169
  - 148 FERC ¶ 61,044 at PP 150–53

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## History of Section 31.6.4 of Attachment Y

- In the 2018 Order on Compliance in NYISO's Order No. 1000 docket:
  - The Commission directed the NYISO to revise the language “regardless of whether the upgrade has been selected in the regional transmission plan for purposes of cost allocation” to be:

*except if the upgrade has been selected in the regional transmission plan for purposes of cost allocation, in which case the regional cost allocation method set forth in Attachment Y of the OATT applies, unless the Transmission Owner has declined to pursue regional cost allocation*

# Practices in Other Regions

- **Most of the other regions have employed various procedures to implement the upgrade exception to the requirement to eliminate federal rights of first refusal**
  - PJM employs a designation process for upgrades (termed, “Transmission Owner Upgrades”) where the applicable Transmission Owners would be designated a Transmission Owner Upgrade
  - Florida designates portions of projects that requires upgrades to Transmission Provider’s existing facilities to the applicable Transmission Provider
  - ISO-NE recognizes the upgrade exception by not finding a proposal feasible if a Developer did not own or have the rights to work on an existing transmission facility
  - MISO, as a bid-based planning process, will designate a Transmission Owner of the facility as the Developer for facilities qualifying as an upgrade without going through a competitive solicitation process
  - CAISO, as a bid-based planning process, will not subject an identified upgrade to existing facilities to the competitive solicitation process



# Straw Proposal's Assignment Process

- There is no express provision currently in the NYISO tariff that provides a process whereby another developer's project, or a portion of a project, would be assigned to a Transmission Owner if it qualifies as an upgrade under Section 31.6.4.
- However, based on the history of Section 31.6.4, the language contained therein, the Commission's characterization of those rights, and the manner in which other regions have addressed these rights, the proposed assignment process would be consistent with Order No. 1000 as it relates to upgrades.

# Definition of “Upgrade”

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# History of “Upgrade” in the NYISO

- The NYISO originally proposed a definition of upgrades as “[f]or purposes of Section 31.6.4, the term “upgrade” shall refer to an improvement to, addition to, or replacement of an existing transmission facility or any part thereof and shall not refer to an entirely new transmission facility.”
- However, in the Second Order on Compliance, the Commission determined that the definition partially complied with Order No. 1000 and directed the parties to “modify the definition of upgrades so that only the replacement of a part of an existing transmission facility can be considered an upgrade”
- The Commission also rejected requests for rehearing related to the definition of upgrade, reiterating that an upgrade cannot constitute “the replacement of an entire transmission facility”
  - In that order, the Commission referenced MISO’s treatment of upgrades and noted that it “is properly limited to the ‘expansion, replacement or modification, for any purposes, made to existing transmission line facilities’ and ‘[a]s such, a new transmission facility cannot be read to be classified as an upgrade . . . even if it did result in improved performance of an existing transmission facility’” (151 FERC ¶ 61,040, at P 95)
  - The Commission went on to further note that an upgrade cannot include the replacement of an entire transmission facility (151 FERC ¶ 61,040, at P 96)

# Definition of Upgrade in Other Regions

- Following ISOs/RTOs, among others, have the same or similar definition as the NYISO:
  - PJM
  - CAISO
  - ISO-NE
  - Florida
  - SPP
- MISO adds a greater level of specificity in defining “upgrades”

# Definition of “Upgrade” in MISO

- Certain Transmission Owners referenced MISO’s definition of “upgrade” as an example.
- MISO’s definition includes, as an upgrade, “any expansion, replacement or modification, for any purpose, made to existing transmission line facilities . . . for reasons, including but not limited to:”
  - Increasing load capability of transmission line or circuit
  - Increasing nominal operating voltage of transmission line or associated circuit
  - Installing additional plant on an existing transmission facility, such as:
    - Plant associated with an additional circuit installed on spare positions
    - Additional structures to increase sag limit or for other purposes
    - Sectionalizing switch installed on an existing transmission line circuit
    - Any other plant additions to existing transmission line
  - Relocation of an existing transmission line facilities to accommodate the project, where construction of the project requires use of the incumbent transmission owner's right-of-way (“ROW”) and requires or requests transfer of the existing transmission facilities to alternative ROW or an alternative position

# Definition of “Upgrade” in MISO

- MISO’s definition includes, as an upgrade, “any expansion, replacement or modification, for any purpose, made to existing transmission line facilities . . . for reasons, including but not limited to:” (continued)
  - Functionally equivalent capital replacement of any portion of an existing transmission line due to aging, deterioration, damage, poor performance, aesthetics, high operating and maintenance costs, or other similar reasons
  - Replacing one or more existing components of any existing transmission line facility
    - Replacing existing conductors with higher capacity or better performing conductors
    - Replacing existing structures
    - Replacing insulators
    - Replacing aging or defective components associated with the existing transmission line
  - Converting an existing overhead transmission line to an underground line on the same right-of-way or vice versa

# Definition of “Upgrade” in MISO

- MISO’s definition includes, as an upgrade, “any expansion, replacement or modification, for any purpose, made to existing transmission line facilities . . . for reasons, including but not limited to:” (continued)
  - Special Rules for Co-Location with Existing Transmission Circuits
    - When the existing transmission line structures have spare positions to accommodate additional transmission circuit, the new transmission circuit is an upgrade
    - When the existing transmission line structures can be expanded to accommodate additional transmission circuit, the expansion of the structures and new transmission circuit are upgrades
    - When the existing transmission line structures cannot support or be expanded to accommodate an additional transmission line, the acquisition of additional ROW, removal of the existing transmission plant, construction of new transmission line structures, and transfer or replacement of existing transmission line conductors, insulators, and shield wires are considered upgrades
      - NOTE: MISO’s tariff requires the parties to develop, negotiate and execute a joint-use agreement for these facilities to cover responsibilities for permitting, engineering, construction, operations, maintenance, restoration, and facility access.

# Definition of “Upgrade” in MISO

- MISO’s definition includes, as an upgrade, “any expansion, replacement or modification, for any purpose, made to existing transmission line facilities . . . for reasons, including but not limited to:” (continued)
  - Expansions, replacements or modifications made, in part or in whole, to any existing substation or portion thereof, which includes:
    - replacing facilities and/or equipment within an existing substation
    - modifying facilities and/or equipment within an existing substation footprint
    - installing additional plant within an existing substation footprint
    - expanding an existing substation footprint within the existing substation site boundaries and installing additional plant within the expanded area
    - acquiring additional land adjacent to the existing substation in conjunction with installation of additional plant within the boundaries of this additional land (including facilities to interconnect such plant to the existing substation plant)



# Definition of “Upgrade” in MISO

- MISO’s definition includes, as an upgrade, “any expansion, replacement or modification, for any purpose, made to existing transmission line facilities . . . for reasons, including but not limited to:” (continued)
  - Expansions, replacements or modifications made, in part or in whole, to any existing substation or portion thereof, which includes:
    - developing an additional footprint near the existing substation when:
      - the second footprint is developed near the existing footprint and the two substation footprints will function electrically as a single substation and will be interconnected by bus extensions or connectors (*i.e.*, landlocked substation by a public roadway)
      - there is a relocation of existing substation that is not related to implementation of a regionally cost shared transmission project – an existing substation that is retired (*i.e.*, lack of room for future expansion, physical conditions, regulatory/public necessity/economic reasons, and other similar factors) and a new substation is developed nearby on a different site and all transmission circuits into the existing substation could be rerouted to the new site

# Application of MISO Tariff to Examples

	Example of a Project Proposal	Possible MISO Designation	Note
1	Increase the rating of a 345 kV line by replacing an existing wavetrap	Upgrade	Increase in load capability
2	Replace an existing 115 kV line with a 345 kV line on the existing structures with identical terminal substations	Upgrade	Increasing nominal operating voltage of transmission line or associated circuit
3	Replace an existing 115 kV line and rebuild a 345 kV line on new structures, new insulators, etc.	Unclear	Language of MISO tariff and FERC Orders appear inconsistent
4	Build a new 345 kV line in an existing ROW and relocate an existing 115 kV line	New Facility = 345 kV line Upgrade = Relocated 115 kV line	Relocation of an existing transmission line facilities to accommodate the project
5	Build a new 115 kV line and new structures in an existing ROW	New Facility	The line is a new facility; the Developer has to demonstrate evidence of permission or a plan to obtain permission to use of ROW.
6	Use the existing structure to install a second 345 kV on the same tower that has spare arms to accommodate new line	Upgrade	Existing transmission line structures have spare positions to accommodate additional transmission circuit

# Application of MISO Tariff to Examples

	Example of a Project Proposal	Possible MISO Designation	Note
7	Installing a new 345 kV multi-circuit line to replace an existing 345 kV single-circuit line but the towers cannot be expanded to accommodate the additional new circuit.	New Facility = New 345 kV line & insulators Upgrade = Existing 345 kV line, new structures, additional ROW, new insulators	MISO provision for existing transmission line structures that cannot support or be expanded to accommodate an additional transmission line.
8	Relocate an existing substation by building a new 345 kV substation nearby an existing and routing all transmission circuits from the existing substation into the new substation	Upgrade	MISO provision for developing an additional footprint near existing substation
9	Build a new 345 kV substation near an existing substation and connect to it, but they function electrically as a single substation	Upgrade	MISO provision for developing an additional footprint near existing substation

# SPP's Designation Practice

- SPP, as a bid-based planning model, has a unique rule to designate transmission projects that include both a new transmission facility and an upgrade to existing transmission facilities:
  - If project is 80% or more of the total cost is related to an upgrade to an existing facility, the Transmission Owner is designated.
  - Otherwise, the project will be segmented based upon whether it is a new facility or an upgrade to existing facilities
- FERC accepted this because it struck “a reasonable balance between expanding competition in transmission development and promoting administrative, regulatory and economic efficiency by excluding from competitive bidding process transmission projects that, while they include some new transmission facilities, are primarily upgrades to existing transmission facilities.” (149 FERC ¶ 61,048 at P 159)

# Next Steps

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## Next Steps

- The NYISO plans on returning to the ESPWG/TPAS in June for further discussion
- Please submit any questions or comments to [PublicPolicyPlanningMailBox@nyiso.com](mailto:PublicPolicyPlanningMailBox@nyiso.com)

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# Questions?

We are here to help. Let us know if we can add anything.

## The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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