



March 24, 2020

## Comments of The New York Power Authority, Central Hudson Gas and Electric Corporation and the Long Island Power Authority

### **Re: NYISO's Cost Containment Filing and Updated Straw Proposal on Upgrades in the Public Policy Transmission Planning Process**

On December 17, 2019 the New York Independent System Operator (NYISO), filed OATT tariff revisions with the Federal Energy Regulatory Commission (the Commission or FERC) regarding Cost Containment in the Public Policy Transmission Planning Process (PPTP) (the Filing) (Docket No. ER20-617). The New York Power Authority, Central Hudson Gas and Electric Corporation and the Long Island Power Authority (together, the “Companies”) respectfully submit these comments in support of the cost containment framework described in the Filing and seek to further discuss the applicability to the PPTP. The Companies encourage, when appropriate, resumption of stakeholder discussions on the respective rights of Transmission Owners (TO) and non-incumbent Developers related to upgrades proposed by non-incumbent Developers to existing transmission facilities owned and operated by TOs. Further, we seek clarity on the definition of “Upgrades” and “New Facilities,” and support the immediate implementation of procedures to accommodate transparency and accountability throughout the PPTP. The Companies submit these comments in support of the filing and the NYISO “Updated Straw Proposal to Address Upgrades in the Public Policy Transmission Planning Process” (the Proposal) as presented at the August 20, 2019 Electric System Planning Working Group (ESPWG).

#### **Rights of Transmission Owners and Developers**

In the Filing NYISO states “...the NYISO held stakeholder meetings on the respective rights of Transmission Owners and non-incumbent Developers related to upgrades proposed by non-incumbent Developers to Transmissions Owners’ existing transmission facilities.” It continued, “The NYISO proposed to focus on establishing the framework of cost containment in this Section 205 filing, and to consider the cost containment treatment for such upgrades in future stakeholder discussions.”

When appropriate, the Companies would like to resume NYISO stakeholder discussions on the respective rights of Transmission Owners and non-incumbent Developers related to upgrades proposed by non-incumbent Developers to existing transmission facilities. Such discussion should include the potential application of cost containment provisions and the treatment of those provisions in the evaluation and selection process framework for upgrades elected to be developed by the TO owning the existing transmission facilities. The Companies would also like to explore how the respective rights and interests of TOs and non-incumbent Developers can be best aligned, given the Companies’ position that cost containment is voluntary and TOs should decide the form of cost containment, if any, applicable to upgrades they elect to build on their own existing facilities.

#### **Definitions of “Upgrades” and “New Facilities”**

The Companies support directionally the “Conceptual Definition” of “Upgrades” in the Proposal. The NYISO has indicated their willingness to continue to work with stakeholders to develop and approve a definition of

“Upgrades” that will include expanded detail for transmission facilities and substations. The definition of “Upgrades” should continue to allow appropriate competitive and innovative PPTP project proposals and foster project relationships between developers and incumbent TOs.

To reinforce a clear definition of “Upgrades,” NYPA also seeks an equally clear conceptual definition of “New Facilities.” Together these definitions would: 1) provide additional precision for the NYISO process; 2) eliminate potential delays caused by the lack of such clarity, and 3) make clear, for all parties, the components of a proposed project eligible for development by a TO. The Companies look forward to contributing toward a consensus definition that incents the competitiveness of the PPTP process and innovation of projects proposed.

### **Development of Procedures**

Currently, the OATT and PPTP manual do not provide adequate processes for developers and incumbent TOs to transparently exchange system information regarding proposed PPTP projects. This lack of proscribed process hinders the identification of optimally efficient and cost-effective projects. The Companies strongly support building on the ideas described in the Proposal to establish procedures that methodically and transparently discerns “Upgrades” from “New Facilities” for each proposed project; provides opportunity for the election of a TO to build, own and get a return on upgrades to their system, and how this all would proceed in the PPTP Evaluation and Selection process.

### **Conclusion**

The New York Power Authority, Central Hudson Gas and Electric Corporation and the Long Island Power Authority strongly support the accountability and transparency to consumers that the Filing and Proposal bring to the PPTP. Our position is based upon our firm belief that the PPTP process benefits from project innovation, competition, certainty, and transparency. Therefore, we would like to resume, when appropriate, stakeholder discussions on the respective rights of Transmission Owners (TO) and non-incumbent Developers, clarification to the definition of “Upgrades,” and the potential applicability of cost containment, and the development of procedures to efficiently implement these issues in the PPTP.