



119 Washington Avenue, Suite 1G
Albany, NY 12210
518.482.1405
info@aceny.org | www.aceny.org

Via E-Mail to interconnectionsupport@nyiso.com , tnguyen@nyiso.com, skeegan@nyiso.com

Dear Mr. Nguyen and Ms. Keegan:

On behalf of the New York Offshore Wind Alliance (NYOWA)¹, I am submitting the following comments on the New York Independent System Operator (NYISO) Draft Class Year Study Efficiencies proposal.

These comments focus on Item II.D “Revise & Clarify Regulatory Milestone Requirements and Treatment of Deposits” of the slide deck presented at the August 20, 2019 meeting of the Transmission Planning Advisory Subcommittee (slides 59-68). Specifically, NYOWA comments address the slide deck sections “Alternative milestones in lieu of regulatory milestone deposit” (page 61) and “Clarify regulatory milestone requirement for offshore wind” (page 63). Where necessary, these comments refer to corresponding sections of the proposed tariff language.

NYOWA appreciates NYISO’s effort to improve and streamline the class year process, to engage impacted stakeholders and to clarify class year requirements as they apply to offshore wind projects.

First, regarding Section D, Revise and Clarify Regulatory Milestone Requirements and treatments of Deposits (Page 61), NYOWA agrees with the proposed “alternative milestones in lieu of regulatory milestone deposit” and agrees with the tariff language (page 13) that clarifies that ANY of the alternatives listed would satisfy the requirements to enter a Class Year Study. The proposed tariff language for this material, Section 25.6.2.3.1, accomplishes this by the use of the word “or” between each listed alternative. The inclusion of the NYSERDA REC contract and power purchase agreement options are particularly important and relevant to offshore wind projects.

Second, Section D, Details (Page 63) seeks to clarify the acceptable regulatory permitting milestone requirement for offshore wind and includes three options:

- Construction and Operations Plan (COP) deemed complete by BOEM,
- Notice of Availability of a Draft Environmental Impact Statement or
- Final Finding of No Significant Impact (FONSI).

These three options are included in the tariff language in sections 25.6.2.3.1.1.5 and 25.6.2.3.1.1.6 (page 15) and section 25.6.2.3.1.1.8 (page 16), but it is unclear from the language

¹ The New York Offshore Wind Alliance is a project of the Alliance for Clean Energy New York (ACE NY) and consists of a broad and diverse coalition of organizations whose collective mission is to promote policies that will lead to the responsible development of offshore wind in the Atlantic Ocean off the coast of New York State.

in section 25.6.2.3.1.2 (page 15) that a COP deemed complete by BOEM would satisfy the regulatory milestone for facilities located outside New York State.

None of these three options is the appropriate regulatory equivalent to an Article 10 application that has been deemed complete. NYOWA respectfully suggests that NYISO use other alternatives that would achieve the result that the NYISO is seeking, i.e. a regulatory permitting milestone for an offshore wind project that would achieve rough equivalency with the milestone that must be met for a land-based wind, solar, or other proposed generation project, which is an Article 10 application that is deemed complete by the Siting Board.

Although an Article 10 application completion notice is a significant permitting milestone for a generation project, a Construction and Operation Plan (COP) for an offshore project is far more elaborate and represents a deeper commitment on the part of an offshore wind developer. Similarly, the availability of a Draft EIS is much further along in the permitting process for an offshore wind project. Lastly, a FONSI is unlikely to ever be issued for an offshore wind project, given its magnitude and complexity, and is also too far along in the permitting process.

Before applying for an offshore REC contract from NYSERDA, a developer is required to obtain a lease from the Bureau of Offshore Energy Management (BOEM) for any project proposed in federal waters². BOEM typically holds auctions for lease areas and recently held an auction for three lease areas off of the Massachusetts coastline and netted more than \$400 million in the process. Only after a federal lease is secured is an offshore wind developer eligible to bid into a NYSERDA offshore wind solicitation for a REC contract³.

An offshore wind developer is then required to go through a two-step process with BOEM to develop an offshore wind project. It must first submit and receive approval for a Site Assessment Plan (SAP), which describes how the site will be characterized and how baseline environmental collection studies (e.g., geotechnical investigations, geophysical surveys, hazard surveys, biological studies, and archaeological surveys) will be undertaken to support the design and siting of an offshore wind farm. The activities proposed in a SAP may include the installation of meteorological and oceanographic measurement equipment, such as metocean buoys or meteorological towers, or the testing of new technological devices used for site assessment. Once approved, implementation of the SAP can take up to 2 years to complete.

Based on information obtained from implementation of the SAP, the developer then prepares and submits to BOEM a detailed, multi-volume Construction and Operations Plan (COP) for review and approval. If BOEM determines that the information provided in the COP is sufficient, it issues a Notice of Intent (NOI) to prepare a draft environmental impact statement.

² Due to concerns about visibility and environmental impacts, it is unlikely that any offshore wind projects will be proposed in state waters (within 3 miles of the NY coastline).

³ NYSERDA held the State's first offshore wind solicitation in the fall of 2018 and announced two awards in July 2019.

With this extended and comprehensive process in mind, NYOWA respectfully suggests that NYISO establish two permitting milestones for maintaining an offshore wind project's place in the interconnection queue: (1) BOEM's issuance of a Notice Of Intent to prepare a draft EIS on the basis of a sufficient COP; and (2) A Notice of Complete Application issued by the Public Service Commission for an Article 7 transmission line connecting the offshore wind project to an onshore interconnection point. Both of these events are publicly noticed in the federal⁴ and state registers, respectively, and represent significant permitting milestones. Once either of these milestones is met, the offshore wind project is in an advanced stage of development and the developer has invested heavily (in recent examples, in excess of \$100 million) in project leasing, design and permitting. Consequently, we urge NYISO to substitute these two permitting milestones, as options, to remain in the interconnection queue following the issuance of an interconnection agreement.

We appreciate NYISO's consideration of our comments and look forward to working with you to refine and improve the state's interconnection process.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Martens". The signature is fluid and cursive, with a large initial "J" and "M".

Joe Martens
Director
New York Offshore Wind Alliance
119 Washington Ave. Suite 1G
Albany, NY 122210

⁴ BOEM does not issue a formal completion notice for a COP. The Notice of Intent to Prepare an EIS is a formal acknowledgement that it considers the COP sufficient.