Attachment A
Scope of Work to the
Professional Services Agreement
Between Dr. Gidon Eshel and Scenic Hudson, Inc.,
on Behalf of the Hudson Valley Smart Energy Coalition (“HVSEC”)

Case 13-E-0488 – In the Matter of Alternating Current Transmission Upgrades – Comparative Proceeding Before the NY Public Service Commission

General

This Scope of Services is established by mutual agreement between Dr. Gidon Eshel (“Consultant”) and Scenic Hudson, Inc. on behalf of the Hudson Valley Smart Energy Coalition (HVSEC) (“Client”), and will be conducted under the provisions of the above-referenced Professional Services Agreement ("Agreement").

The intended purpose of this Scope of Services is for the Consultant to provide consulting and expert witness services to the Client to assist with the Client’s intervention in Case 13-E-0488 – In the Matter of Alternating Current Transmission Upgrades – Comparative Proceeding, currently pending before the NY Public Service Commission (PSC) and known as the “Comparative Proceeding.”

The stated purpose of the Comparative Proceeding is to consider whether to address the persistent transmission congestion that exists at the Central East and Upstate New York/Southeast New York (UPNY/SENY) interfaces. The Comparative Proceeding is a competitive selection of proposed electric transmission projects in two (2) phases, with Part A consisting of a comparative evaluation of proposals in order to identify the project or group of projects that best meet the purpose of the Comparative Proceeding and therefore should continue towards certification in Part B. Four (4) separate applicants have proposed various different projects and alternatives for consideration in the Comparative Proceeding. Part A submissions must include, among other things, an explanation of need for the proposed facility.

The “basis of need” for any particular project depends on the circumstances of the case and is a required finding in the certification review conducted under Article VII of the Public Service Law. The required regulatory finding of the “basis of need” would not occur until Part B of the Comparative Proceeding, however. Client, through intervenor parties to the Comparative Proceeding, raised the question of whether the proposed transmission projects are in fact needed for purposes of reliability and to meet future peak load demand in Zones G-K in lower New York State. In response to such comments, on December 16, 2014, the Commission issued an Order Establishing Modified Procedures for Comparative Evaluation, which procedures include: submission of complete Part A applications by the applicants; a round of comments and reply comments; preparation of a DPS Staff Report and Motion addressing the issue of need and recommending which project(s) should go forward; a technical conference on the issue of need; and a round of comments and reply comments on Staff’s Report and Motion. Client anticipates an interim determination of “need” by the PSC will follow.
Dr. Eshel’s work in the Comparative Proceeding has been focused on the development of a model to forecast the change in electric demand and usage in the downstate area of New York. In August, 2014 he prepared an independent report entitled “Hudson Valley Transmission Line Plan: Assessing Need and Alternatives,” which contained a disclaimer stating that the views and analyses contained therein were solely those of Dr. Eshel, and provided that it was copyrighted August 2014 by Gidon Eshel. The report concludes that additional transmission capacity is not needed in New York’s downstate region. The work has been presented publicly on Saturday, October 18, 2014 in the Churchtown Firehouse, in Claverack and again on November 1, 2014 at Bard College in Annandale-on-Hudson. Dr. Eshel’s Report and an accompanying “Summary of a Report on Hudson Valley Proposed Powerline Expansion,” also dated and copyrighted August 2014, were submitted to the docket in the Comparative Proceeding by the Town of Milan on November 18, 2014.

On December 29, 2014, the New York Independent System Operator filed comments ("December 29, 2014 NYSIO Comments") taking issue with certain aspects of Dr. Eshel’s work. Since the Technical Conference scheduled for mid-June 2015 is devoted primarily to addressing the threshold issue of whether or not there is any need for additional AC transmission in the Hudson Valley, Dr. Eshel intends to respond fully and comprehensively to the NYISO comments so the PSC will have a complete record on this crucial issue. The Client has entered into the Professional Services Agreement with Consultant so that such response is submitted on its behalf with regard to the issue of need in the Comparative Proceeding.

In order to support Client in its intervention, the following Scope of Work is envisioned.

**Scope of Work:**

To add to Dr. Eshel’s previously conducted and submitted work assessing the need for new long distance transmission across the UPNY/SENY interface as contemplated by the Comparative Proceeding, and to respond to the NYISO comments of December 29, 2014, Consultant will provide the following services:

1. Review the relevant portions of the December 29, 2014 NYISO Comments, and obtain and review updated information and data for application of the previously developed model.
2. On behalf of Client and for submission by Client in the Comparative Proceeding, at its sole discretion, prepare and provide an updated report on the need for new transmission to address reasonably expected future downstate peak power loads using updated information and data, and responding to the December 29, 2014 NYISO Comments.
3. If required and applicable, develop written testimony to be filed with the PSC for the technical conference.
4. Review the DPS Staff Motion and Report on need, as relevant to the updated report, and in preparation for the technical conference.
5. Attend technical conference to present updated report and, if applicable, for direct and cross-examination.

**Schedule for Completion:**
The Parties will mutually agree upon the Schedule for Completion of each activity included in this Scope of Work. The initial schedule is: preparation of an initial updated report and rebuttal to NYISO on or around May 15, 2015 and preparation of draft of testimony on or around May 31, 2015; and review of the Staff Motion and Report and preparation of a final updated report and testimony, as required, by June 17, 2015.

**Compensation:**
Fee for Services: Services under this Scope of Work are to be provided on a time and materials basis. Compensation for services performed will be billed based on actual time worked at the following hourly rate:
Gidon Eshel: $250.00

The charges will be based on the total effort, but a breakout of the hours is estimated as follows:

<table>
<thead>
<tr>
<th>Hours</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Careful review of NYISO December 29, 2014 comments and Brattle Group Appendix:</td>
</tr>
<tr>
<td>80</td>
<td>Update forecast model for more recent data:</td>
</tr>
<tr>
<td>2</td>
<td>Update NYISO Queue for most recent project data:</td>
</tr>
<tr>
<td>40</td>
<td>Update November 18, 2014 Report and Summary:</td>
</tr>
<tr>
<td>16</td>
<td>Prepare Direct Testimony</td>
</tr>
<tr>
<td>16</td>
<td>Review other presentations on need and prepare Rebuttal Testimony</td>
</tr>
<tr>
<td>8</td>
<td>Attend Technical Conference</td>
</tr>
<tr>
<td></td>
<td>Total Hours 168</td>
</tr>
</tbody>
</table>

Fees for services provided under this Scope of Work will not exceed a budget of $42,000 (including out-of-pocket expenses) until such time as written authorization to increase funding is received from the Client.

**Out-of-Pocket Expenses**

The Client shall reimburse Consultant for all out-of-pocket expenses incurred by the Consultant during the prosecution of this Scope of Work in an amount equal to the actual cost thereof.

**CLIENT POINT OF CONTACT**
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