STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act

Case No. 20-E-0197

Petition Requesting Designation of Certain Transmission Investments in Western New York as a Priority Transmission Project Or in the Alternative Requesting the Public Service Commission to Direct the Construction of the Project Components by the Affected Utilities

New York Power Authority

Dated: July 13, 2020

BEFORE THE

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Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act (the "Act"),[1] the New York Power Authority ("NYPA") requests that the Public Service Commission ("Commission") designate the "Western New York Energy Link Project" ("WNYEL Project," as defined herein) as a group of transmission investments that are "needed expeditiously" within the meaning of Sections 7(4) and 7(5) of the Act (a "Priority Project"). In Part I of this Petition, NYPA describes the WNYEL Project and explains that at a very reasonable cost, the project will create approximately 600 megawatts ("MW") of transfer capability on, and enhance the reliability and operational flexibility of, the transmission system in Western New York, all of which is needed to accommodate the significant growth of renewable generation that is expected in the region. The WNYEL Project meets criteria previously proposed by Department of Public Service ("DPS") Staff for identification of Priority Projects, and accordingly, the Commission should designate the WNYEL Project as a Priority Project. In Part II of this Petition, NYPA proposes that in the event that the Commission does not designate the WNYEL Project as a Priority Project, the Commission should exercise its authority under the Public Service Law ("PSL")[2] to direct the incumbent utilities possessing the rights of way on which the WNYEL Project would be developed – Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), and New York State Electric & Gas Corporation ("NYSEG") – to undertake the necessary construction and improvements in coordination with NYPA to develop the WNYEL Project.

[1] L. 2020, ch. 58, Part JJJ.

[2] PSL § 66 (5), (2).

Background

The Climate Leadership and Community Protection Act ("CLCPA")[3] requires the Department of Environmental Conservation to establish a program to achieve a 40% reduction in greenhouse gas emissions from 1990 levels by 2030 and an 85% reduction by 2050, and requires the Commission to adopt programs to achieve a renewable electric generation target of 70% by 2030 (the "70 x 30 Target"); a 100% emissions-free electric demand system by 2040; and the procurement of at least 9 gigawatts ("GW") of offshore wind by 2035, 6 GW of photovoltaic solar generation by 2025, and 3 GW of energy storage resources by 2030 (these mandates referred to herein collectively as the "CLCPA Targets").[4]

The Act, signed into law by Governor Cuomo on April 3, 2020, provides for the "timely and cost effective construction of new, expanded and upgraded distribution and transmission infrastructure as may be needed to access and deliver renewable energy resources" to achieve ambitious clean energy and environmental targets established in the CLCPA.[5] Section 7(4) of the Act directs the Commission to identify projects for which "there is a need to proceed expeditiously to promote the [S]tate's public policy goals," including the CLCPA Targets, and Section 7(5) of the Act identifies NYPA, by itself or in collaboration with other parties as appropriate, as the entity "to develop those bulk transmission investments found by the [C]ommission to be needed expeditiously."[6]

On July 2, 2020, NYPA and DPS Staff filed a petition in which (i) DPS Staff requested that the Commission adopt certain criteria to determine which bulk transmission investments qualify as Priority Projects under Section 7 of the Act, and (ii) NYPA requested that the Commission designate a set of bulk transmission investments in Northern New York as a Priority Project subject to development under Section 7(5) of the Act ("July 2 Petition").[7]

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3 L. 2019, ch. 106.

4 Act, §§ 2(1) and 7(a); Energy Conservation Law § 75–0107(1); PSL § 66-p(2), (5).

5 Act, § 2(2)(b).

6 Act, § 7(4) and (5).

7 Case No. 20-E-0197, NYPA and DPS Petition Requesting Adoption of Criteria for Guiding Evaluation of Whether a Bulk Transmission Investment Should Be Designated as a Priority Transmission Project, and for Designation of Certain Transmission Investments in Northern New York as a Priority Transmission Project (July 2, 2020).

In the July 2 Petition, DPS proposed seven criteria for the Commission to consider in evaluating whether a Project should be identified as a Priority Project subject to development by NYPA under Section 7(5) of the Act:

1. The transmission investment's potential for unbottling existing renewable generation for delivery to load centers in the State;

2. The transmission investment's potential for avoiding future congestion that could impede delivery of expected renewable energy to load centers in the State;

3. The transmission investment's potential for increasing the deliverability of existing and anticipated baseload renewable or low carbon generation in the State, thereby reducing the amount of new generation that must be constructed to meet demand and/or the CLCPA Targets;

4. Whether an early in-service date for the transmission investment would: (a) increase the likelihood that the State will meet the CLCPA Targets; and/or (b) enhance the value of recent, ongoing or anticipated distribution, local transmission, and/or bulk transmission investments, and/or help the State realize benefits from such investments;

5. The ability of the transmission investment to progress expeditiously based on such factors as the planning and design status of the transmission investment, and the transmission investment's eligibility for expedited review under Article VII and its implementing regulations;

6. The ability of NYPA (alone or with other participants) to expedite development, considering such factors as:
   - Availability of NYPA rights of way;
   - Availability of other rights of way and transmission assets;
   - Access to other property for siting of the transmission investment, including State-owned or controlled property;
   - NYPA's financial resources and access to capital; and
   - Other potential benefits flowing from NYPA's participation; and

7. Whether designating the transmission investment as a Priority Project will advance other State policy goals, including those expressed in the Act and the CLCPA.[8]

This proposal is pending before the Commission.

[8] In addition, DPS invited the Commission to adopt any other criteria deemed by the Commission to be in the public interest. July 2 Petition at 5–6.

Part I—Request to Designate the WNYEL Project As a Priority Transmission Project

NYPA respectfully requests that the Commission determine that the WNYEL Project is a Priority Project subject to development under Section 7(5) of the Act. Significant existing renewable energy resources are located in the Western part of the State, and increased deliverability of these renewable resources is needed to achieve the CLCPA Targets. The already rapid growth of renewable energy in the State is projected to further accelerate as a result of the Act, with a large slate of major renewable energy facilities likely to be approved as early as 2022, and Western New York is expected to be the site of significant renewable energy development.

The New York Independent System Operator ("NYISO") has recently identified regions in the State—referred to as "renewable generation pockets"— where projected renewable generation is not expected to be fully deliverable due to existing or anticipated transmission constraints.[9] NYISO stated that without transmission expansion, it expects renewable generation pockets to occur in Western New York.[10] As discussed below, failure to timely resolve transmission constraints in Western New York, including the shared tower configuration of the existing system south of NYPA's hydroelectric generating facility in Lewiston, New York ("Niagara Power Project"), will impede the deliverability of critical existing renewable resources, and renewable resources planned for development in the area and discourage their development. This, in turn, would increase the difficulty of meeting the CLCPA Targets.

As explained below, the Project will address renewable generation pockets that have been identified in Western New York by adding an approximate 600 MW of transmission capability in Western New York.

The WNYEL Project squarely fits the Act's objectives and meets the criteria proposed by DPS in the July 2 Petition for designation as a Priority Project, and should be designated as a Priority Project subject to development under Section 7(5) of the Act.

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[9] *See* NYISO Power Trends 2020 at 48–49, *available at* https://www.nyiso.com/documents/20142/2223020/2020-Power-Trends-Report.pdf/dd91ce25-11fe-a14f-52c8-f1a9bd9085c2.

[10] *Id*.

A. The Existing Western New York Transmission System

The 230 kilovolt ("kV") transmission circuits leaving the Niagara Power Project suffer from a design that incorporates a significant number of critical transmission circuit miles where two circuits are built on a single structure. The design results in a double-circuit contingency – i.e., the requirement that the transmission system be secured and operated based on the potential for simultaneous loss of both circuits due to loss of the single structure. These double-circuit contingencies limit transmission capability on that part of the system, and could pose both reliability and deliverability issues for the addition of renewable generating capacity to the system in and around that area. These low transfer capability limits result in binding constraints in the NYISO's Security-Constrained Unit Commitment software, which is used to determine the most economic dispatch in the NYISO while addressing all transmission constraints. The double-circuit contingencies thus force inefficient dispatch of generation in the NYISO Day-Ahead Market, which results in increased costs to consumers. If left as-is, the double circuit contingencies will remain a system constraint.

B. Description of the Proposed WNYEL Project

The WNYEL Project consists of several discrete elements that will upgrade assets currently owned by National Grid, NYSEG and NYPA that are required to reduce or eliminate existing curtailment of renewable and carbon emission-free generation, facilitate the siting of new renewable generation in the Western region of New York State, and reinforce the bulk transmission system to accommodate the transfer of approximately an additional 600 MW of renewable resources across the Western region of the State to load centers.

Specifically, the WNYEL Project consists of the following project components:

1. **Rebuild Packard-Huntley-Gardenville:** Reconductoring two 42-mile Packard-Huntley-Gardenville 230 kV circuits owned by National Grid, and converting the existing double-circuit-common-tower structures to single-circuit-single-tower structures.
2. **61&64 Line Separation**: Tower separation of National Grid's Line #61 between Niagara and Packard and NYSEG's Line #64 between Niagara and Robinson Road (both at 230 kV) to be undertaken in a joint NYPA/National Grid right of way. Double-circuit-

common-tower structures will be converted into two separate single-circuit-single-tower structures.

3. **62&76 Line Separation**: Tower separation of (i) National Grid's Line #62 between Niagara and Packard and (ii) National Grid's Line #76 between Packard and Beck (both at 230 kV), to be undertaken in a joint NYPA/National Grid right of way. Double-circuit-common-tower structures will be converted into two separate single-circuit-single-tower structures.
4. **South Ripley PAR:** Installation of a new Phase Angle Regulator ("PAR") at National Grid's South Ripley substation to control the flow from PJM to the New York Control Area ("NYCA") through the Erie-South Ripley 230 kV circuit.
5. **Ancillary System/Network Improvements.** Additional affected substation improvements are anticipated at the Niagara, Packard, Huntley, Gardenville substations, as well as other affected local substations to be identified during the WNYEL Project's facilities study. Anticipated ancillary upgrades and improvements include but are not limited to protection and control facilities at interconnecting substations, terminal and equipment upgrades, and other affected system improvements as anticipated with the proposed transmission investments.

Collectively, these components of the WNYEL Project will resolve limitations due to double circuit contingencies on the 230 kV transmission circuits leaving the Niagara Power Project that limit transmission capability on that part of the system and pose reliability issues for the addition of renewable generating capacity to the system in that area. The separation of the double circuit segments onto different structures will allow the NYISO to eliminate double circuit contingency operational restrictions and operate these transmission facilities more efficiently and at higher transfer ratings. Importantly, these benefits accrue for all hours of operation – during both peak and off-peak hours. The double circuit contingency restrictions are based on the Northeast Power Coordinating Council Reliability Reference Directory #1, Sections 5.4.1 b and 5.5.1 b guidance, which states that more than five double circuit towers in the switchyard exit area is a risk that requires that NYISO plan for the simultaneous loss of both circuits. National Grid is actively pursuing tower separation and reconductoring of its 115 kV circuits from Niagara to Packard, and the WNYEL Project would completely resolve all other

double circuit contingency issues in the area and create approximately 600 MW of additional transfer capability, which could be used for renewable power injections in the area.[11]

Additionally, the addition of the South Ripley PAR would enable greater control of power flow between the PJM and New York control areas and allow flows over the PJM-NYCA interface to be optimized. It is well known that Western New York has long been plagued by inefficient loading of area transmission resources with flows from PJM that circulate around Lake Erie, known as loop flows. The PAR, with its ability to control power flow, can be used to address these inadvertent and costly loop flows, and would reduce the need for costlier control actions such as generation re-dispatch and/or transmission loading relief actions following contingencies. By enhancing the controllable exchange of power between the two regions, the South Ripley PAR will increase import capabilities from Ontario into New York, and enable increased flows of renewable power from Western New York eastward. Historically, the NYISO has closely monitored loop flows around Lake Erie as an operational indicator. The PAR will provide the NYISO an additional tool for correcting these loop flows, which impose unnecessary and inefficient congestion costs on New York consumers. Furthermore, under certain operating conditions, the PAR will enhance the usable range of a new PAR that will be installed at the Dysinger substation as part of a Public Policy Transmission Need ("PPTN") project, NextEra Energy Transmission New York, Inc.'s Empire State Line Project, which was selected in response to the Commission's designation of a public policy transmission need in Western New York.

Figures 1.A, 1.B, and 1.C below shows the location of each of the elements comprising the WNYEL Project within the NYCA.

[11] National Grid is actively pursuing reconfiguration and reconductoring to its 115 kV circuits, as reflected in its Local Transmission Plan. *See* 2019 National Grid NY Local Transmission Plan at 10-11 (Nov. 18, 2019), *available at* https://www.nyiso.com/documents/20142/10361025/National-Grid-2019-LTP.pdf/9cbfda18-e920-d09c-6fd8-cea87617ae0a.

Figure 1.A: South Ripley PAR

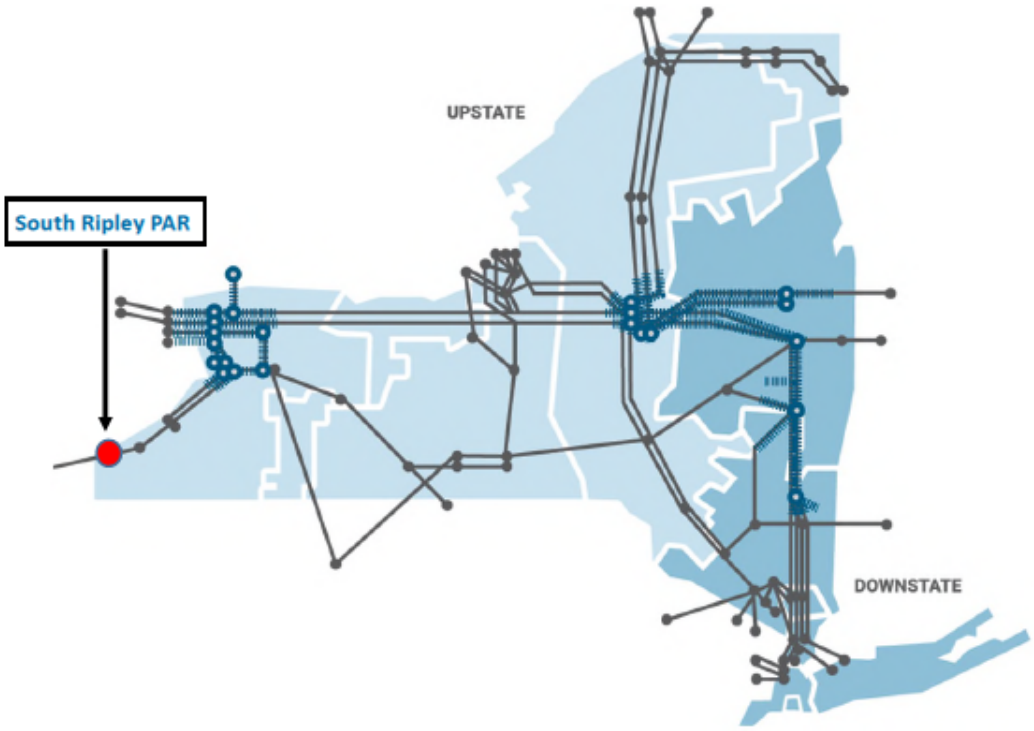

Figure 1.B: Rebuild Packard-Huntley-Gardenville

Figure 1.C: 61&64 Line Separation, 62&76 Line Separation

C. Preliminary Project Cost Estimate

Utilizing good utility practice, including knowledge of similar projects, current cost/mile averages for overhead transmission, and material unit costs, NYPA calculates project costs per segment based on an order of magnitude estimate (class 5 with a variance of -50% to +100%) as follows:

1. Packard – Huntley – Gardenville Reconductoring and Circuit Separation - $315M
2. Niagara Tower Separation (61/64) – $7.5M
3. Niagara Tower Separation (62/76) – $7.5M

4. South Ripley PAR – $25M

5. Ancillary System Improvements – $25M

These cost estimates result in a total estimated WNYEL Project cost of $380M. These estimates include costs of surveys, materials, labor, engineering and inspection, fees for legal services and other services, contingency costs, administrative overhead, potential land acquisition for substation expansions, and interest during construction. The capital cost estimate for the WNYEL Project is provided in year 2019 U.S. dollars. Any applicable sales tax has not been included.

D. Projected Project Benefits

NYPA is proposing the WNYEL Project for designation as a Priority Project because it is necessary to timely achieve State compliance with the CLCPA Targets, can be completed for a reasonable cost, and will provide substantial benefits.

The WNYEL Project will relieve existing and projected transmission constraints impeding the deliverability of renewable power generated in Western New York. The WNYEL Project can be expected to add approximately 600 MW of transfer capability to alleviate projected bottlenecks in this area at a reasonable cost, and enable renewable generation in Western New York and clean energy imports from Canada to be directed to load centers east and south of the Niagara Power Project.

In addition, the WNYEL Project will enhance operational flexibility and reliability, by improving the availability of the Niagara Power Project's valuable ancillary services capabilities, such as reactive power (voltage) control and frequency regulation. Historically, the Niagara Power Project has offered these ancillary services capabilities in spite of inefficient restrictions on its total output, and increasingly frequent displacement of power injections between the 230 kV and 115 kV buses that cause significant additional wear and tear on the Niagara generating units. The WNYEL Project will address these circumstances and allow the Niagara Power Project to more efficiently provide ancillary services to the NYCA, and provide cost savings to ratepayers.

The WNYEL Project will also accelerate future changes to the Western New York transmission system that will be necessary to achieve the CLCPA Targets. Resolution of the double-circuit contingencies south of the Niagara Power Project is a significant contribution to resolving broader regional constraints, and will be needed to accommodate future growth of

renewables under many, if not all, scenarios under which the State will pursue the CLCPA Targets.

E. The WNYEL Project is Consistent with the Proposed Criteria for Designation as a Priority Project.

The WNYEL Project is consistent with the criteria proposed in the July 2 Petition for designation of Priority Projects and therefore should be designated as a Priority Project. The WNYEL Project will unbottle existing and future renewable and carbon-free generators located in Western New York, in furtherance of the CLCPA Targets. The WNYEL Project will enhance and create a more reliable 230 kV path in the vicinity of the Niagara Power Project that greatly expands the deliverability of renewable generation in Western New York supply centers to load centers across the State.

1. *The transmission investment's potential for unbottling existing renewable generation for delivery to load centers in the State*.

Existing renewable generation in the western part of New York will be increasingly vulnerable to transmission constraints and curtailments as renewable resources are added to that part of the system. The Commission has previously identified a Western New York Public Policy Transmission Need in connection with constraints in the same area, but even with that need addressed, the WNYEL Project is needed to ensure that existing and planned renewable resources in Zone A of the NYCA do not face bottlenecking that impedes their use in meeting the CLCPA Targets.

In its order identifying the Western New York Public Policy Transmission Need, the Commission emphasized the need for access to increased output from the Niagara Power Project and additional imports of renewable energy from Ontario, finding that "significant environmental, economic, and reliability benefits could be achieved by relieving the transmission congestion identified in Western New York."[12] As the solution to that PPTN, the NYISO

[12] *In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration*, Order Addressing Public Policy Requirements for Transmission Planning Purposes, Case No. 14-E-0454 at 27 (July 20, 2015). *See also* Case No. 14-E-0454, Comments of the New York Independent System Operator, Inc. at 6 (Aug. 8, 2016) (it is "imperative to improve the bulk power transmission system's ability to move power from the Niagara Power Project and other renewable and low- or zero-emission resources located in Ontario and Western New York to Central and Eastern New York.").

selected, and the Commission authorized construction of, the Empire State Line.[13] This project addressed the State's then-existing Clean Energy Standard goals, which, at the time, mandated that 50% of electricity consumed in New York be generated from renewable sources by 2030.[14] To achieve the more stringent 70 x 30 Target established by the CLCPA, additional transmission development will be needed to accommodate even more renewable generation in Western New York.

Following the selection and authorization of the Empire State Line to address the Western New York PPTN, the Commission has continued to recognize the need for additional transfer capability in Western New York to meet State policy goals. In a 2018 proceeding to identify additional transmission needs to meet public policy requirements in the State, the Commission recognized the continued need for increased transmission in Western New York to unbottle existing renewable resources.[15] In its comments in the 2018 proceeding, NYISO noted that "[e]ven with the Western New York Transmission Need and AC Transmission Needs initiatives already underway, additional transmission capability is needed to deliver energy from renewable resources to New York consumers in order to achieve New York's environmental and energy policies."[16] NYISO also pointed to its Renewable Generation Pockets Study ("Pockets Study") as a basis for transmission expansion to "unbottle existing renewable generation in upstate New York."[17]

The Pockets Study, which NYISO conducted in 2018 at DPS's request, highlights the pressing need for the WNYEL Project with respect to the potential curtailment of existing renewable resources. NYISO's graphical depiction of the renewable generation pockets is

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[13] NYISO, Western New York Public Policy Transmission Planning Report (Oct. 17, 2017), *available at* https://www.nyiso.com/documents/20142/1396391/Western%20New%20York%20Public%20Policy%20Transmission%20Planning%20Report.pdf/42762c1d-cabc-866e-2cac-4f291c10d39a.

[14] *See* Case No. 14-E-0454, Order Addressing Public Policy Transmission Need for Western New York at 9–10 (Oct. 13, 2016).

[15] Case No. 16-E-0558, Order Addressing Public Policy Requirements for Transmission Planning Purposes (Mar. 16, 2018).

[16] Case No. 18-E-0623, *Comments of the New York Independent System Operator, Inc.* at 5 (Jan. 22, 2019) ("NYISO Jan. 22, 2019 Comments") (citing previous comments in Case No. 14-E-0454, et al, *Matter of New York Indep. Sys. Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration*; and Case No. 16-E-0588, *In the Matter of New York Indep. Sys. Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration for 2016*).

[17] *Id.* at 7.

included as Figure 2, and the WNYEL Project would squarely address the generation pocket labeled "W." The assumptions set out in the Pockets Study assume the construction of the NextEra Empire State Line to address the Commission's previously identified PPNT in Western New York, along with the construction of the AC Transmission Needs Project and other planned system upgrades.[18] The Study also assumed increased net imports from Ontario of 454 MW to satisfy the State's 50% by 2030 Clean Energy Standard, and the addition of 1,645 MW of land-based wind and 213 MW of increased solar generation in Zone A – more than in any other upstate NYCA Zone.[19] On the basis of this study, NYISO found that "[h]eavy loop flows through PJM from Zone A to Zone C were observed," and found significant curtailments in Western New York, including more than 600 MW of curtailed renewable generation during peak load conditions – more than in any other zone except for Zone D.[20]

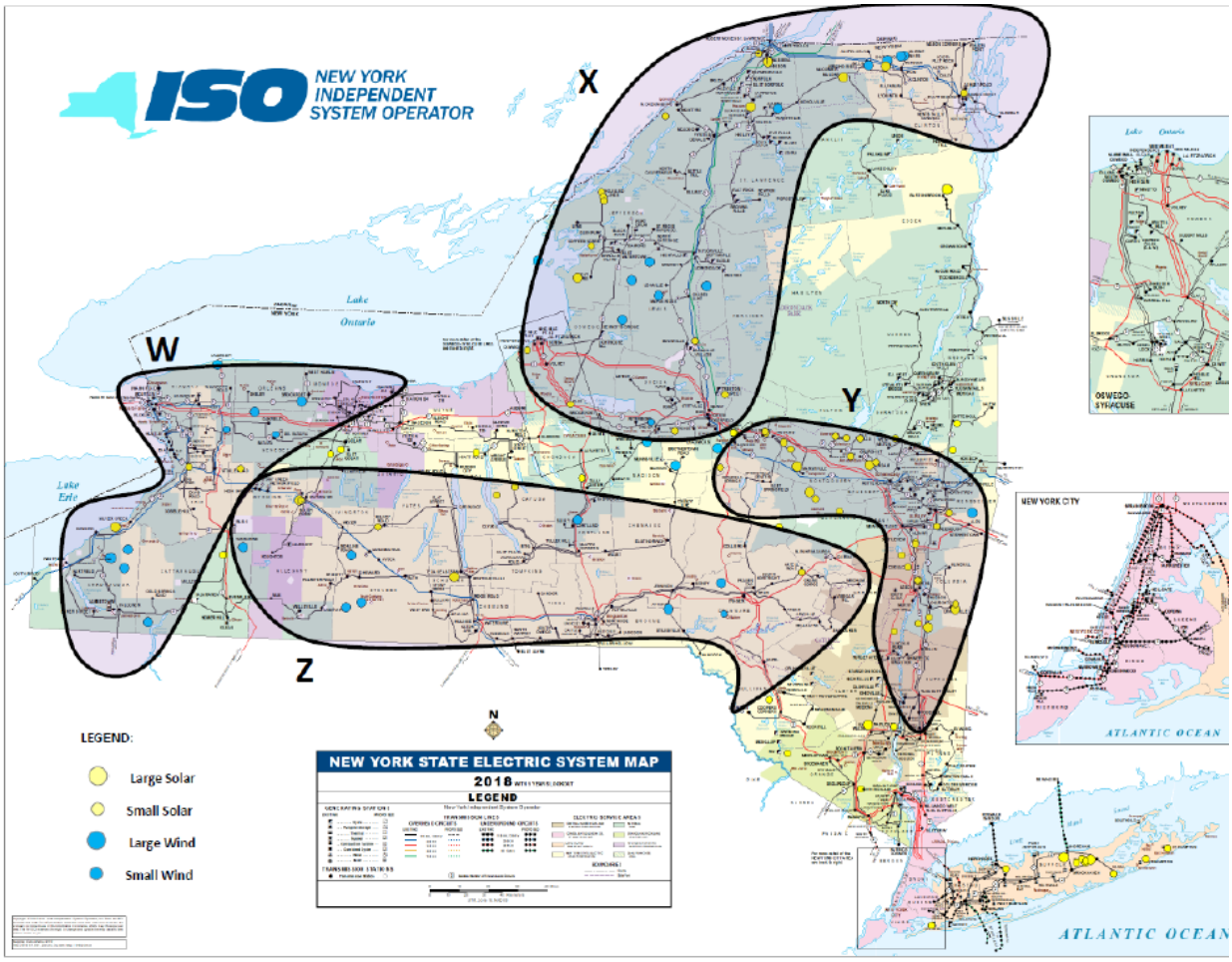
As noted above, the WNYEL Project will address loop flows and relieve reliability and deliverability issues caused by double-circuit contingencies on the 230 kV transmission circuits extending from the Niagara Power Project. In so doing, the WNYEL Project will add operational flexibility across the Western part of the State, thereby relieving existing and potential congestion, and facilitating deliverability in load centers across the State.

[18] Pockets Study at 8.

[19] *Id.* at 8–9.

[20] *Id.* at 24–28.

Figure 2 - Renewable Generation Pockets - NYISO Jan. 22, 2019 Comments



2. *The transmission investment's potential for avoiding future congestion that could impede delivery of expected renewable energy to load centers in the State.*

As noted above, generation pockets are projected to continue to exist in Western New York, notwithstanding the placement into service of the Empire State Line in June 2022. In its Pockets Study, NYISO found that increased transmission capability would be needed to relieve generation pockets located across Western New York, in Pocket "W."[21] The Study found that in Pocket W, 25-125 MW of increased transmission capability would be needed to relieve bottling

[21] NYISO Jan. 22, 2019 Comments, at 6, 10.

of renewable resources.[22] NYISO stated that "the study results support the need for additional transmission capability to transmit the full output of renewable resources in the identified generation pockets to New York load areas."[23]

Enactment of the CLCPA, requiring the Commission to adopt programs to meet the 70 x 30 Target, occurred ***after*** these constraints in Western New York had already been projected. Given that the siting of additional renewables in Western New York will be essential to meeting the CLCPA Targets, additional transfer capability will be required in Zone A to facilitate the deliverability of these additional renewables and enable compliance with the CLCPA Targets.

The NYISO's 2019 Congestion Assessment Resource Integration Study ("CARIS"), issued in June 2020, further supports the need for additional transfer capability near the Niagara Power Project. The CARIS modeled buildouts of renewable energy facilities meant to meet the 70 x 30 Target with a goal of identifying opportunities for transmission investment to unbottle renewable energy to enable the State's renewable energy production goals.[24] NYISO identified the renewable generation pockets with transmission constraints resulting from these renewable generation injections, as well as expected levels of renewable curtailments. NYISO grouped the binding constraints into pockets to identify the transmission constrained renewable generation, which are indicative potential transmission bottlenecks.

In the CARIS Report, the NYISO continues to project congestion in Pocket W, even considering the Empire State Line's planned entrance into service in June 2022. In the 70 x 30 scenario, NYISO modeled approximately 4,000 MW of utility and behind-the-meter photovoltaic solar, and 1,640 MW of Land Based Wind (LBW) in Western New York.[25] Collectively, NYISO projected that Zone A will be the site of more wind and solar generation than any other

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22 *Id.* at 10.

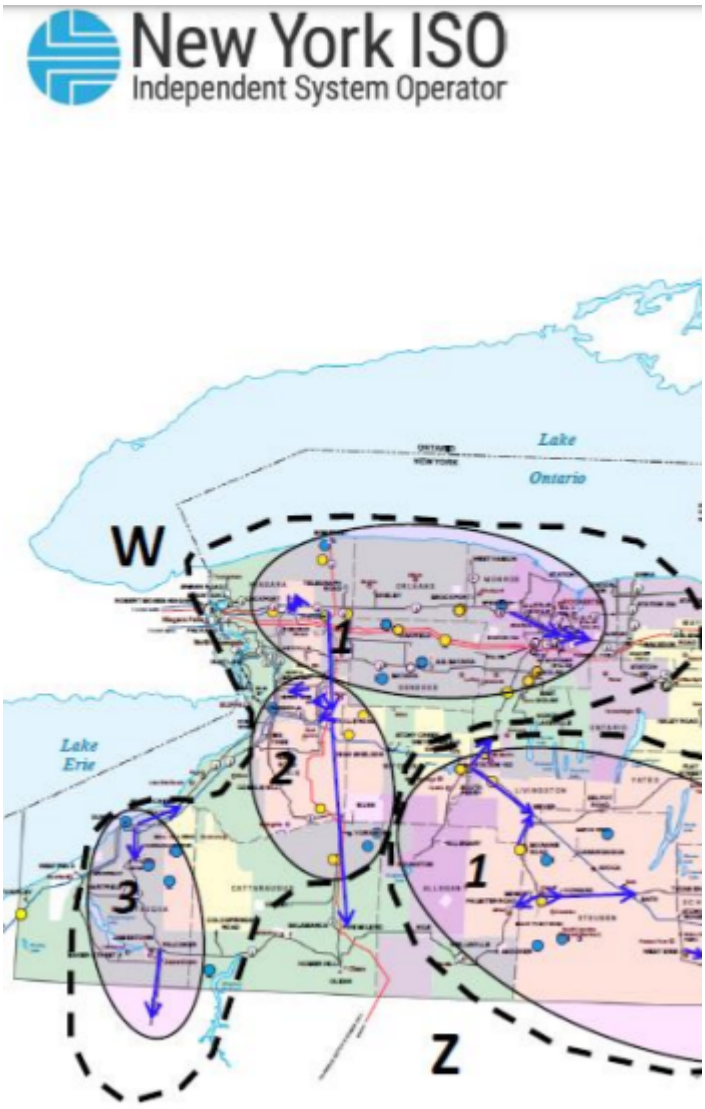
23 *Id.* at 8–9.

24 NYISO, 20 19 CARIS Report: Congestion Assessment and Resource Integration Study (June 24, 2020), *available at* https://www.nyiso.com/documents/20142/13246341/2019_CARIS_Report_v20200617.pdf/fa44a341-786d-2b83-0c00-22951bb112a0 ("2019 CARIS Report"). *See also* NYISO, 2019 CARIS 70x30 Scenario: Preliminary Base Load Constraint Modeling, Nuclear Sensitivity and Additional Results (Apr. 6, 2020), *available at* https://www.nyiso.com/documents/20142/11738080/11_2019CARIS1_70x30Scenario_ESPWG_2020-04-06.pdf/92a00565-b8cf-23c2-481f-530d0b3e72d8

25 2019 CARIS Report at 79, Figure 68.

Zone except for Zone J. NYISO found three potential areas of transmission bottlenecks, identified as pockets W1, W2, and W3, which are shown below in Figure 3. NYISO projected curtailments of solar generation between 20% to 30%, and curtailments of LBW resources between 5% to 8%.[26] Referring to Pocket W1, the CARIS Report stated that "the transmission facilities in this pocket could experience frequent congested hours."[27]

Figure 3 – 2019 CARIS Renewable Generation Pockets



[26] *Id*. at 91-93.

[27] *Id*. at 91.

The WNYEL Project would help unbottle renewable generation and address projected curtailment issues in Western New York in Pockets W1, W2, and W3. The WNYEL Project will also facilitate increased imports of clean generation from Ontario. Specifically, the WNYEL Project will eliminate identified double-circuit contingencies in Western New York that restrict the ability to add renewable generation in the area. As these benefits accrue during both peak and off-peak conditions, the WNYEL Project is particularly suited to incentivize the development of intermittent generation sources. Accordingly, the WNYEL Project will provide general operational flexibility that will allow transportation of clean generation to load centers in the Eastern and Southern areas of New York.

3. *The transmission investment's potential for increasing the deliverability of existing and anticipated baseload renewable or low carbon generation in the State, thereby reducing the amount of new generation that must be constructed to meet demand and/or the CLCPA Targets.*

As noted above, the WNYEL Project would increase the deliverability of existing renewable generators in Western New York and facilitate efficient compliance with the CLCPA Targets. If the WNYEL Project is not built, existing renewable generators in Western New York will face increasing curtailments, and there will be a need to construct excess renewable generation to meet the CLCPA Targets. Development of the WNYEL Project will result in reduced curtailment of existing renewable generation, which can be used for compliance with the CLCPA Targets, including carbon-free hydropower resources, further lessening the need for the construction of new generation.

4. *Whether an early in-service date for the transmission investment would: (a) increase the likelihood that the State will meet the CLCPA Targets; and/or (b) enhance the value of recent, ongoing or anticipated distribution, local transmission, and/or bulk transmission investments, and/or help the State realize benefits from such investments*.

An early in-service date for the WNYEL Project would increase the likelihood that the State meets the CLCPA Targets. The unavailability of transmission in Western New York could put the financial viability of some proposed renewable generation projects in the area at risk, which could make compliance with the CLCPA Targets more difficult. Given the ambitious nature of the near-term 70 x 30 Target, it is imperative that the Commission encourage the construction of *all* Western New York renewable generating projects currently proposed in the

NYISO interconnection queue and facilitate the addition of even more proposed projects to the queue. This will only be possible if renewable developers perceive there will be sufficient transmission available to ensure reliable delivery to load and avoid curtailment.

Given that there is no actively pending proceeding before the NYISO to address the need for additional transmission for Western New York to meet the CLCPA Targets, expedited action by the Commission is appropriate.[28] Significant additional renewable generation must be brought online in Western New York to meet the 70 x 30 Target, and given the short amount of time remaining to meet this goal, an earlier in-service date for the WNYEL Project will increase the likelihood the State meets the CLCPA Targets. Timely development of the WNYEL Project will enable New York's transmission grid to be expanded in time to facilitate the addition of sufficient renewable generators in Western New York, and the reliable imports of renewable generation from outside the NYCA, to meet the CLCPA Targets.

The addition of the WNYEL Project will also enhance the utilization of the Empire State Line currently under construction and other transmission facilities anticipated to be constructed to facilitate compliance with the CLCPA Targets in the Southern Tier. The WNYEL Project will also facilitate additional use of the NYPA/LS Power AC Transmission Project, thereby increasing efficiencies across projects. Together, the WNYEL Project, the Empire State Line, and future investments in the Southern Tier will create an upgraded bulk transmission backbone path that will greatly expand the deliverability of renewable generation in Western New York supply centers to load centers in and beyond Western New York.

5. *The ability of the transmission investment to progress expeditiously based on such factors as the planning and design status of the transmission investment, and the transmission investment's eligibility for expedited review under Article VII and its implementing regulations.*

The WNYEL Project would be sited completely within existing rights of way and/or would have minimal if any environmental impacts, which would allow expedited review under

[28] Such Commission action is expressly called for in Section 4(2) of the Siting Act, which notes that a public policy purpose would be served by "expediting the regulatory review of . . . transmission infrastructure necessary to meet the CLCPA [T]argets." There may be circumstances in which it is appropriate for the Commission to expedite a project initially designated as a public policy transmission need in order to meet the CLCPA Targets. *See* Act, § 7(4)(providing that the Commission "shall periodically review and update the state bulk transmission investment plan, and its designation of projects in that plan which shall be completed expeditiously."). In the case of the WNYEL Project, however, there is no prospect of NYISO action on the near horizon, which makes the need for prompt Commission action compelling and clear.

Article VII. To the extent the WNYEL Project would make use existing rights of way of National Grid and NYSEG in addition to NYPA's rights of way, NYPA expects that it would be able to work cooperatively with these entities to expeditiously develop the Project.

6. *The ability of NYPA (alone or with other participants) to expedite development.*

As the owner of approximately one-third of the State's bulk transmission facilities, NYPA has expertise that will allow it to develop and construct the WNYEL Project expeditiously. The Legislature recognized in passing the Act that NYPA "has the financial stability, access to capital, technical expertise and experience to effectuate expeditious development of bulk transmission investments."[29] In recent years, NYPA has constructed substantial new transmission projects, and has developed the ability to leverage longstanding relationships with suppliers and contractors to quickly bring projects to market. NYPA has an important role to facilitate the cooperative development of these transmission investments because the focus of the project is on its anticipated Statewide benefits: the project's components collectively provide widespread statewide benefits that extend well beyond Zone A and are critical to the State's achievement of the CLCPA Targets.

7. *Whether designating the transmission investment as a Priority Project will advance other State policy goals, including those expressed in the Act and the CLCPA.*

In addition to relieving existing and projected constraints on transmission of renewable power from Western New York, the WNYEL Project will help resolve operational issues that impair the reliability and flexibility of the region's transmission system, and serve as a significant contributor to further transmission development necessary to achieve the CLCPA Targets. Future transmission projects—which themselves will unbottle renewable generation—will receive benefits of added reliability, stability, and flexibility provided by the WNYEL Project. These operational synergies will help advance broadly the goal of expeditious development of transmission projects in Western New York needed to carry renewable generation to load centers.

[29] Act at § 7(5).

The WNYEL Project would also produce other positive impacts that advance State public policy goals. For example, through the construction of the WNYEL Project and additional renewable generation it would support, the WNYEL Project is likely to facilitate economic development and growth of "green jobs" in the State.

Part II—Alternative Request for Commission Action

The Commission should designate the WNYEL Project as a Priority Project for the reasons discussed in Part I. As stated, the WNYEL Project can be expected to add approximately 600 MW of transfer capability in Western New York that is essential to facilitating the interconnection of additional renewable generation at a reasonable cost, to improve the operational flexibility of the transmission system, and to facilitate the more efficient provision of essential ancillary services from the Niagara Power Project. The WNYEL Project's ability to facilitate development of renewables, including clean energy imports, and its capability to be constructed expeditiously, support its designation as a Priority Project.

If the Commission is not inclined to designate the WNYEL Project as a Priority Project, then NYPA respectfully requests that the Commission exercise its authority under the PSL to direct National Grid and NYSEG, which own many of the assets that comprise the WNYEL Project, to undertake the necessary construction and improvements to develop the WNYEL Project in coordination with NYPA. In the event the Commission takes this alternative action, NYPA commits to work diligently and cooperatively with National Grid and NYSEG to complete portions of the project involving its assets and rights of way.

The PSL authorizes the Commission to take such action. The PSL authorizes the Commission to order the development and construction of transmission upgrades to maintain a reliable electrical system consistent with environmental legislative mandates like the CLCPA Targets. Section 5(2) of the PSL authorizes the Commission to "encourage all persons and corporations subject to its jurisdiction to formulate and carry out long-range programs, individually or cooperatively, for the performance of their public service responsibilities with economy, efficiency, and care for the public safety, the Preservation of environmental values and the conservation of natural resources."[30] Additionally, PSL § 66(5) authorizes the Commission

[30] PSL § 5(2).

to address reliability concerns by prescribing the "safe, efficient and adequate property, equipment and appliances thereafter to be used," whenever the Commission determines that the utility's existing equipment is "unsafe, inefficient or inadequate."[31] The Commission may also "order reasonable improvements and extensions of the works, wires, poles, lines, conduits, ducts and other reasonable devices, apparatus and property of . . . electric corporations and municipalities."[32] Other provisions of the PSL provide the Commission with jurisdiction over transmission planning and siting.[33]

If the WNYEL Project is not designated as a Priority Project under Section 7(5) of the Act, directing National Grid and NYSEG to undertake the necessary improvements to develop the project in coordination with NYPA would result in completion of the Project in the most expeditious manner possible, in furtherance of the CLCPA Targets. If the Commission opts to exercise its authority under the PSL to direct construction of the WNYEL Project, the Commission should order National Grid and NYSEG to obtain the necessary regulatory approvals for their respective Project components as soon as practicable. As explained above, the WNYEL Project will increase transfer capability in the region, and will facilitate a more resilient and robust transmission system in Western New York that will be better able to bear the addition of significant renewable generation, and the retirement of existing fossil-based generation, to meet the CLCPA Targets. Because of the WNYEL Project's far-reaching benefits to resolving regional constraints and enabling increased delivery of renewable generation to load centers across the State, the Commission should also take steps necessary to ensure widespread recovery of the cost of investments that comprise the WNYEL Project.

Timely action by the Commission to ensure the development of the WNYEL Project is appropriate and necessary in this instance, to encourage renewable development in the region and keep the State on track to meet the CLCPA Targets.

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[31] *Id.* § 66(5). "Electric corporations" are required to provide "such service, instrumentalities and facilities as shall be safe and adequate." *Id*. §65(1).

[32] *Id.* §66(2). The Commission has continuing jurisdiction over the "construction, operation and maintenance of all utility transmission lines." *See*, *Matter of Stannard v. Axelrod*, 100 Misc.2d 702 (Sup. Ct. Broome Co. 1979) (dismissing petition challenging the NYPSC's Order approving a 345 kV transmission line).

[33] *See* PSL §126(1)(providing that before the Commission may site a major electric utility transmission facility, the Commission must find and determine, in relevant part, the basis of the need for the facility, that such facility "will serve the interests of electric system economy and reliability," and that the facility will serve the "public interest, convenience, and necessity").

Conclusion

For the reasons set forth above, NYPA requests that the Commission determine that the WNYEL Project is a Priority Project subject to development under Section 7(5) of the Act. In the alternative, if the Commission is does not designate the WNYEL Project as a Priority Project, NYPA requests that the Commission direct National Grid and NYSEG to undertake the necessary construction and improvements to their assets to develop the WNYEL Project in cooperation with NYPA, and take the necessary steps to ensure widespread recovery of the cost of such investments given the widespread benefits the project will provide.

Respectfully submitted,

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