STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Joint Petition of National Grid and KeySpan Corp. for Approval of Stock Acquisition and Other Regulatory Authorizations	Case 06-M-0878

REPORT OF NATIONAL GRID GENERATION LLC, NATIONAL GRID GLENWOOD ENERGY CENTER LLC, AND NATIONAL GRID PORT JEFFERSON ENERGY CENTER LLC

National Grid Generation LLC (Genco), National Grid Glenwood Energy Center LLC (NGGEC), and National Grid Port Jefferson Energy Center LLC (NGPJEC, and collectively with Genco and NGGEC, the NG Entities) submit this report pursuant to requirements in the New York State Public Service Commission's (Commission) Order Authorizing Acquisition Subject to Conditions and Making Some Revenue Requirement Determinations for KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island (Acquisition Order), which was issued in this Case 06-M-0878 on September 17, 2007.

The NG Entities submit this report to inform the Commission that: (1) NGGEC's power purchase agreement (PPA) whereby NGGEC sells the capacity, energy, and ancillary services generated by the Glenwood Energy Center to the Long Island Power Authority (LIPA) will expire on June 1, 2027; and (2) the PPA whereby NGPJEC sells the capacity, energy, and ancillary services generated by the Port Jefferson Energy Center to LIPA will expire on July 1, 2027.

BACKGROUND

Genco is a direct, wholly owned subsidiary of National Grid USA, which is in turn an indirect, wholly owned subsidiary of National Grid plc. NGGEC and NGPJEC are both direct, wholly owned subsidiaries of Genco.

Genco and its wholly owned subsidiaries currently own and operate 50 electric generating units with approximately 3,800 megawatts (MW) of electric generating capacity on Long Island, including the Glenwood Energy Center and the Port Jefferson Energy Center.

In the Acquisition Order, the Commission approved the acquisition of KeySpan Corporation and its affiliates by National Grid plc pursuant to the terms of a Merger & Gas Requirement Joint Proposal (JP) that the Commission adopted with certain modifications. Section VIII(2)(c) of the JP stated, in pertinent part, as follows:

> If at any time it appears that any generation facilities currently under long term contract to NYPA or LIPA will no longer be under long term contract to NYPA or LIPA due to contract expiration or otherwise, National Grid will prepare and file with the Commission an analysis demonstrating how its continued ownership of such generation facilities conforms or does not conform with the Commission's vertical market power guidelines, and if necessary, identifying conditions under which such ownership could conform.

The Commission accepted that provision "subject to the condition that the analysis to be filed with [the Commission pursuant to its Vertical Market Power Policy Statement] would be due one-year prior to the expiration of any of the existing long-term contracts" (Acquisition Order at 142; *see* Case 96-E-0900, *Orange & Rockland Utilities, Inc.*, Statement of Policy Regarding Vertical Market Power [issued July 17, 1998] [VMP Policy Statement]).

On November 21, 2025, Genco filed a petition for rehearing/clarification (Rehearing Petition) of the Commission's Order Directing Filings and Marking Other Findings, which was issued on October 22, 2025, in Case 25-E-0194, *Petition of National Grid Generation, LLC for a Declaratory Ruling Regarding the Ownership and Operation of the West Babylon Generation Station* (West Babylon Order). Among other things, Genco's Rehearing Petition requested clarification regarding the timing of submission of a vertical market power analysis with respect to the potential expiration of any long-term PPAs:

> Lastly, to the extent an analysis demonstrating compliance with the VMP Policy Statement is required pursuant to the [West Babylon] Order, notice and submission of an analysis one year in advance of when a contract expires or is to be renewed is impractical. The negotiation of power supply agreements is complex with parties seeking to base agreements on the most current market conditions. Unfortunately, the one-year notice requirement would necessitate an extension to be negotiated and executed one year prior to expiration. This is unrealistic from a timing perspective and will unintentionally result in an agreement based on stale information in order to meet the one-year notice requirement. Accordingly, in order to avoid this unintended consequence, the Commission should clarify that any required analysis should be submitted not less than 60 days prior to the expiration of an existing agreement.

Rehearing Petition at 3. Furthermore, submission of a vertical market power analysis one year before the potential expiration of a long-term PPA would require the NG Entities to incur the expense to prepare that analysis, and the Commission/Department of Public Service staff to expend time and resources evaluating that analysis, notwithstanding the substantial possibility that such analysis will ultimately be moot and unnecessary upon execution of a PPA extension closer to the ostensible expiration date.

Genco's Rehearing Petition remains pending before the Commission.

INFORMATIONAL REPORT

1. Glenwood Energy Center

The Glenwood Energy Center is a dual-fuel electric generating facility, with natural gas as its primary fuel, located in Glenwood Landing (Town of Oyster Bay) in Nassau County, New York. The Glenwood Energy Center includes two active units with a combined nameplate capacity of 106 MW.

NGGEC sells the capacity, energy, and ancillary services produced by the Glenwood Energy Center to LIPA pursuant to a PPA between NGGEC and LIPA that was first entered into on December 31, 2001 (Glenwood PPA). The Glenwood PPA has cost of service-based pricing terms. The Glenwood PPA's term is set to expire on June 1, 2027. NGGEC and LIPA are currently negotiating a potential extension of the Glenwood PPA beyond June 1, 2027.

NGGEC will provide the Commission with an update on the status of its negotiations with LIPA with respect to extending the Glenwood PPA on or before December 1, 2026. If the Glenwood PPA has not been extended by that date, NGGEC's update will include an analysis demonstrating that its continued ownership and operation of the Glenwood Energy Center complies with the VMP Policy (VMP Analysis). NGGEC will file the VMP Analysis before December 1, 2026, if it becomes clear prior to that date that either (1) the Glenwood PPA will not be extended, or (2) the Glenwood PPA will be extended under market-based pricing (as opposed to cost of service-based pricing). However, for the reasons set forth above, it would be premature for NGGEC to submit such an analysis now.

2. Port Jefferson Energy Center

The Port Jefferson Energy Center is a dual-fuel electric generating facility, with natural gas as its primary fuel, located in Port Jefferson (Town of Brookhaven) in Suffolk County, New York. The Port Jefferson Energy Center includes two active units with a combined nameplate capacity of 106 MW. Adjacent to the Port Jefferson Energy Center, Genco operates additional generating assets; however, these units are under separate contractual arrangements and are not subjects of this filing.

NGPJEC sells the capacity, energy, and ancillary services produced by the Port Jefferson Energy Center to LIPA pursuant to a PPA between NGPJEC and LIPA that was first entered into on January 28, 2002 (Port Jefferson PPA). The Port Jefferson PPA has cost of service-based pricing terms. The Port Jefferson PPA's term is set to expire on July 1, 2027. NGPJEC and LIPA are currently negotiating a potential extension of the Glenwood PPA beyond July 1, 2027.

NGPJEC will provide the Commission with an update on the status of its negotiations with LIPA with respect to extending the Port Jefferson PPA on or before January 1, 2027. If the Port Jefferson PPA has not been extended by that date, NGPJEC's update will include a VMP Analysis. NGPJEC will file the VMP Analysis before January 1, 2027, if it becomes clear prior to that date that either (1) the Port Jefferson PPA will not be extended, or (2) the Port Jefferson PPA will be extended under market-based pricing (as opposed to cost of service-based pricing). However, for the reasons set forth above, it would be premature for NGPJEC to submit such an analysis now.

CONCLUSION

For the foregoing reasons, the NG Entities respectfully submit that a vertical market power analysis with respect to the Glenwood Energy Center and the Port Jefferson Energy Center is not ripe for review at this time.

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