

July 11, 2022

Hon. Michelle L. Phillips  
Secretary to the Commission  
New York State Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, NY 12223-1350

***CASE 20-E-0197 – Petition of Consolidated Edison Company of New York, Inc. for Approval to Recover Costs of Brooklyn Clean Energy Hub***

Dear Secretary Phillips:

The Long Island Power Authority (“LIPA”) hereby submits the following comments in response to the Public Service Commission’s (“Commission” or “PSC”) May 13, 2022 Notice Soliciting Comments on the Petition of Consolidated Edison Company of New York, Inc. (“Consolidated Edison”) for Approval to Recover Costs of Brooklyn Clean Energy Hub<sup>1</sup>.

***1. Need for a Careful Approach***

LIPA appreciates the efforts of Consolidated Edison to identify an innovative electric infrastructure solution to integrating large amounts of offshore wind generation into New York’s power grid. Nevertheless, given the billion-dollar cost estimate stated in the Petition, LIPA recommends that the PSC evaluate the extent to which the costs of the Brooklyn Clean Energy Hub are appropriate for statewide cost allocation and whether Consolidated Edison’s justifications are in conformance with the Commission’s orders in this proceeding.

In its January 2022 Order related to offshore wind recommendations from the Initial Power Grid Study, the PSC specified that, “With respect to alternatives, Con Edison should provide specific information regarding why its existing substations cannot accommodate future offshore wind projects.”<sup>2</sup> Consolidated Edison’s discussion in its Petition, however, was limited and does not appear fully to address that Commission directive. As one example, the offshore wind base case in the Power Grid Study<sup>3</sup> considered interconnection of 1250 MW at the Mott Haven and 1200 MW at the West 49<sup>th</sup> substations, respectively. The Petition, however, did not discuss feasibility or costs associated with interconnection at either of these locations. The Petition discussed and rejected a few alternative points of interconnection (Gowanus and Staten Island) but did not provide a comprehensive review of alternative points of interconnection with associated cost estimates. Although the petition discussed the addition of a feeder and ring bus costs as

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<sup>1</sup> Case 20-E-0197, *Petition of Consolidated Edison Company of New York, Inc. for Approval to Recover Costs of Brooklyn Clean Energy Hub* (April 15, 2022) “Petition”.

<sup>2</sup> Cases 20-E-0197, 18-E-0071, and 15-E0302, *Order on Power Grid Study Recommendations* (January 20, 2022) “Offshore Wind Order” at 23.

<sup>3</sup> Case 20-E-0197, *Initial Report on the New York Power Grid Study* (filed January 19, 2021) (“Power Grid Study”), Appendix D.

being time- and cost-prohibitive elements associated with transmission interconnection at Gowanus, it provided few details associated with this analysis.<sup>4</sup>

The Petition also identifies the site of the Hudson Avenue Gas Turbines (units #3, #4 and #5) for location of its proposed Brooklyn Energy Hub. While LIPA supports the repurposing of fossil-fueled generation infrastructure for integrating offshore wind, Con Edison has not provided any comparative costs for using other in-City interconnection points (“POI”) that could be vacated by existing merchant steam plants at Astoria and Ravenswood, upon their future retirement. Consequently, the PSC’s decision would benefit from additional analysis as to whether alternative sites can be economically repurposed to interconnect offshore wind.

Furthermore, the NYISO’s Long Island OSW Export PPTN process is ongoing. It is not clear at this time whether the NYISO will select a solution that itself creates interconnection headroom, possibly reducing the need for the Brooklyn Clean Energy Hub. The Commission, therefore, should consider deferring its approval of costs of this magnitude until a PPTN proposal is selected.

## ***2. Consideration for Reliability and Resiliency***

The January 2022 Offshore Wind Order directed Consolidated Edison to address resiliency challenges associated with the location of the proposed Hub, as well as the proposal to interconnect a substantial amount of offshore wind at a single substation located on the New York City waterfront and directly adjacent to another large substation. While the Petition discussed storm hardening features that could mitigate the risk of storm damage, it did not discuss the potential creation of a new largest single contingency or common mode failure contingency and associated reserve requirements or costs. LIPA believes that the PSC should consider requiring further examination to assess the reliability and planning implications of interconnecting up to 4,500 MW of OSW to just one waterfront substation and an additional 1,500 MW at an adjacent substation. Combined, this represents two-thirds of the total offshore wind planned for New York State concentrated in one geographic location.

## ***3. Cost Recovery Issues***

LIPA supports statewide cost allocation for transmission projects that facilitate cost-effective interconnection of offshore wind resources. While the Petition seeks to demonstrate that the Brooklyn Clean Energy Hub is such a transmission project, it also highlights what appear to be benefits to Con Edison’s load-serving ability. For example, the Petition seeks funding to reconfigure feeder connections, permitting large load areas to be served by multiple feeders. The Petition states “the project’s feeder relocation and load transfer components provide for greater resiliency and reliability to the local transmission and distribution network to mitigate the impacts of extreme weather events on our infrastructure and, correspondingly, our customers.”<sup>5</sup> The Petition also states that “Overall, the Brooklyn Clean Energy Hub would be a highly integrated, central part of Con Edison’s local transmission system that could be depended on to support load and maintain local system reliability.”<sup>6</sup> For example, the Petition

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<sup>4</sup> Petition, at 24-25.

<sup>5</sup> Petition, at 15.

<sup>6</sup> Petition, at 15-16.

notes that the Brooklyn Clean Energy Hub is designed to accommodate load associated with increased electricity demand in New York City resulting from electrification. Moreover, the Petition notes that the Brooklyn Clean Energy Hub will provide supply to the planned Gateway area substation in 2028. Presumably, such supply avoids the need for more expensive connections to other 345 kV substations in New York City. Given the extensive discussion of local benefits in the Petition, it is not clear whether these benefits are ancillary to the project or if the project is incurring additional costs to obtain local benefits.

LIPA also encourages the Commission to consider the risk of potential cost overruns. In the initial Power Grid Study, Consolidated Edison described the Hub as “a conceptual project that will require detailed engineering studies<sup>7</sup>.” Accordingly, the PSC’s January 2022 Offshore Wind Order called for “(a)n engineering cost estimate associated with the Con Edison Hub proposal.<sup>8</sup>” The Petition notes that “engineering for this project has begun<sup>9</sup>” but provided no detail about the studies behind or confidence level in the one-billion-dollar cost estimate.

Furthermore, the Petitioner seeks cost recovery in accordance with the CSRA filed in January 2022, which, if approved, would allow Transmission Owners to recover a return on equity and sources of capital. The Commission should, therefore, request a full examination of the revenue requirement and potential rate impact associated with the project.

### ***Conclusion***

LIPA appreciates the opportunity to provide comments on the Petition. LIPA supports the Commission and Consolidated Edison in exploring reliable and cost-effective solutions that will help achieve New York’s clean energy goals.

Respectfully submitted,



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<sup>7</sup> Power Grid Study, at 112.

<sup>8</sup> Offshore Wind Order, at 23.

<sup>9</sup> Petition, at A-4.