

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on January 18, 2024

COMMISSIONERS PRESENT:

Rory M. Christian, Chair  
Diane X. Burman, dissenting  
James S. Alesi  
John B. Howard  
David J. Valesky  
John B. Maggiore

CASE 22-E-0064 - Proceeding on Motion of the Commission as to  
the Rates, Charges, Rules and Regulations of  
Consolidated Edison Company of New York, Inc.  
for Electric Service.

ORDER ADDRESSING COST RECOVERY OF  
IDLEWILD PROJECT

(Issued and Effective January 19, 2024)

BY THE COMMISSION:

INTRODUCTION

On July 20, 2023, the Commission adopted the Joint Proposal filed in this proceeding and established electric and gas rate plans for Consolidated Edison Company of New York, Inc. (Con Edison or the Company).<sup>1</sup> As the Commission noted in the 2023 Rate Order, Con Edison's load forecast, updated in late 2022, indicated a need for load relief in the Jamaica Network, located in Eastern Queens, as early as 2026. Further, the 2023

---

<sup>1</sup> The Joint Proposal in this proceeding was filed on February 16, 2023, in Case 22-E-0064. See Case 22-E-0064, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023) (2023 Rate Order).

Rate Order explained that Con Edison forecasted the project to address the needed load relief would cost over \$1 billion.<sup>2</sup> Because the Company raised the need for the load relief at the end of the rate case process, the Joint Proposal adopted by the 2023 Rate Order allowed Con Edison to file a petition regarding the approval and recovery of the project within 30 days of issuance of the 2023 Rate Order.

On August 22, 2023, Con Edison filed a petition seeking project approval and recovery through a surcharge for the depreciation expense, operating and maintenance expense, and return on investment for plant placed into service and until such costs are included in base electric rates by the Commission (Petition). According to the Company, to address the forecasted need for load relief, Con Edison plans to split the Jamaica Network into two separate networks. One network will be a smaller Jamaica Network and a new network would also be built, the Springfield Network. The Company would also construct the new Eastern Queens 138 kilovolt (kV) Transmission Substation and a 27 kV Idlewild Distribution Area Substation to supply the Springfield Network and transfer 170 megawatts (MW) of load from the Jamaica Network Distribution Substation to the Idlewild Distribution Area Substation (the Idlewild Project or Project).

By this Order and for the reasons stated, the Commission grants Con Edison's request to recover through a surcharge the depreciation expense, operating and maintenance expense, and return on investment for plant placed into service and until the Commission addresses the Company's next major electric base rate proceeding. However, specific "approval" of the Idlewild Project is not warranted or necessary.

---

<sup>2</sup> 2023 Rate Order, at 43.

BACKGROUND

In its petition, the Company describes the Jamaica Network as its largest network electrically and its highest peak demand network. This network serves over 162,000 customers, including large, critical facility customers such as JFK International Airport (JFK Airport), Long Island Railroad's Jamaica Station, as well as Metropolitan Transportation Authority (MTA) bus depots.<sup>3</sup> Con Edison states that it forecasts that by 2026, electric load growth resulting from electrification and other growing demand in the area served by the Jamaica Network, will result in the peak demand exceeding design conditions for the Jamaica Network. Con Edison's November 2022 load forecast, combined with distribution area substation planning design criteria, shows that the peak demand at design conditions is projected to exceed its design capability of 492 MW as early as 2026.<sup>4</sup> According to Con Edison, without the Idlewild Project, it projects that by 2028, it may be required to shed load during peak load conditions.

The Company states that it considered different options to address the projected exceedance in the Jamaica Network including non-wires alternatives (NWA), as well as potential load transfers to existing distribution area substations. The Company notes that it is pursuing NWAs for

---

<sup>3</sup> According to the petition, JFK Airport is the sixth busiest airport in the United States, annually serving over 26 million passengers. The Jamaica Station is the country's third busiest train station. MTA has four major bus depots served by the Jamaica Network, with 700 buses that MTA plans to switch out for electric powered versions.

<sup>4</sup> Con Edison describes its peak demand forecasts as 10-year outlooks of the net customer demand growth of specific electric demand areas. The forecasts consider factors that affect summer peak hour demand at design weather criteria for the individual electric demand areas.

2026-27.<sup>5</sup> However, the Company concludes that such non-traditional means to address load growth will not be a long-term solution to the demand growth on the Jamaica Network it needs to address, much of it resulting from electrified transportation, such as MTA busses.

Con Edison also considered whether it could transfer some of the load to existing distribution area substations and determined that this option is not available. According to the Company, the adjacent Corona and Brownsville Distribution Area Substations are at capacity, so it must build the proposed new Idlewild Distribution Area Substation to supply the forecasted load. In addition, the existing Jamaica Transmission Substation cannot be expanded to allow for additional points of interconnection. Thus, Con Edison has determined that the new Eastern Queens Transmission Substation will need to be constructed to supply power to the new Idlewild Distribution Area Substation.

According to the Company, the lack of alternative solutions to ensure the reliability of the Jamaica Network has led Con Edison to propose the construction of the Idlewild Distribution Area Substation. This new substation will be an indoor 27kV distribution substation, arranged in a double synchronous bus configuration. It will include four 93 MVA, 138 kV/27 kV transformers, with provisions for an additional transformer in the future. The substation will include fifty feeder positions, including seventeen new feeders to supply the new Springfield Network. The in-service date for the Idlewild

---

<sup>5</sup> The Company states that its NWA portfolio is designed to replace the traditional solution of bus upgrades at the Jamaica 27 kilovolt Distribution Area Substation. The Company has already issued a request for proposals, committed funding for the NWAs and on March 16, 2023, filed notification of the NWA portfolio in Case 19-E-0065.

Distribution Area Substation is May 2028,<sup>6</sup> with an estimated cost of \$380 million.<sup>7</sup>

Due to the lack of nearby transmission substations to supply the Idlewild Distribution Area Substation, the Company also proposes the construction of the Eastern Queens Transmission Substation. This transmission substation will be an indoor 138 kV gas insulated switchgear substation, arranged in a double ring bus configuration with provisions for future points of interconnection of renewable generation. It will include circuit breakers and four 138 kV connections, expandable to five, to supply the Idlewild Distribution Area Substation. The in-service date for the Eastern Queens Substation is April 2028,<sup>8</sup> with an estimated cost of \$592 million.<sup>9</sup> Both substations will be co-located on a vacant parcel of land owned by the Company in Jamaica, Queens.

In addition to the construction of the new substations, the Company proposes to split the Jamaica Network into a smaller Jamaica Network and a new Springfield Network. The Company will transfer 170 MW of load from the Jamaica Distribution Area Substation to the Idlewild Distribution Area Substation, which will supply the Springfield Network. To achieve this, the Company estimates the creation of the Springfield Network will require approximately 131,000 feet of new duct, 425 manholes, 680 sections of primary cable, and 17

---

<sup>6</sup> Petition, at 7. While the in-service date is 2028, the Company must order equipment which will take some time to manufacture (long-lead times) and Con Edison plans on using NWAs from 2024 to 2026 to address forecasted exceedances.

<sup>7</sup> Petition, Idlewild Project Whitepaper (Whitepaper), at 7.

<sup>8</sup> Petition, at 6-7.

<sup>9</sup> Whitepaper, at 7.

switches<sup>10</sup> at a cost of \$242 million.<sup>11</sup> This includes the installation of the 17 new feeders from the Idlewild Distribution Area Substation to 17 4 kV unit substations that comprise the Jamaica 4 kV grid load pocket.<sup>12</sup>

The Company states that the Idlewild Project will not only address forecasted exceedance in the Jamaica Network, but it will also facilitate achievement of the State's Climate Leadership and Protection Act (CLCPA) greenhouse gas (GHG) emissions reductions by facilitating electrification. The Idlewild Project will enable 170 MW of future growth in customer demand on the Jamaica Network and 176 MW of future growth in the Springfield Network. This will allow for growth in customer demand for electric vehicle charging, electrification of appliances such as hot water heaters, clothes dryers, and ovens, and ensuring they can be used during peak load conditions. The additional capacity will allow for electrification of heating, as it becomes more mainstream. It will also address new business demands on these networks. The new Eastern Queens Transmission Substation will provide interconnection points for energy storage, advancing the State's and City's electrification policies. This will facilitate large load clean energy providers interconnection with the Company's system.

In addition to CLCPA benefits, the Idlewild Project will also result in improved network reliability index ratings for the new Jamaica and Springfield Networks, compared to the existing Jamaica Network. This is because fewer megawatts will be transmitted over shorter feeder distances, fewer feeder components or possible points of failure and less stress on

---

<sup>10</sup> Id., at 2.

<sup>11</sup> Id., at 7.

<sup>12</sup> Petition, at 7.

those components. Service to JFK Airport will be improved by the Project as the Company will be able to construct feeders such that JFK Airport will be the majority of the load, which Con Edison claims will avoid outages as well as afford future expansion of the JFK Airport load with minimal load relief.

Finally, Con Edison forecasts that in 2039 and 2040, the Corona Distribution Area Substations (Corona I and II) in the Rego Park and Flushing Networks will exceed their design capabilities. The Idlewild Project's new Eastern Queens Transmission Substation will enable load relief to address this forecasted exceedance as well as reduce the limited adjacent network support condition that currently exists in the Jamaica Network.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on September 20, 2023 [SAPA No. 22-E-0064SP2]. The time for submission of comments pursuant to the Notice expired on November 20, 2023. Comments were received from the City of New York (City), New York Battery and Energy Storage Technology Consortium, Inc. (NY-BEST), the MTA and NineDot Energy (NineDot). Pursuant to a Notice Establishing Reply Comment Deadline, Advanced Energy United (United) and Alliance for Clean Energy New York (ACE NY) filed joint reply comments and Con Edison filed reply comments on December 12, 2023.<sup>13</sup>

---

<sup>13</sup> Case 22-E-0064, Notice Establishing Reply Comment Deadline (issued November 28, 2023).

COMMENTSNY-BEST and NineDot

NY-BEST and NineDot separately filed substantially similar comments stating that the Commission should postpone approval of the Idlewild Project as they believe that the Company has not fully explored non-traditional solutions, such as battery storage and NWA's, and that a deeper, more comprehensive analysis into alternatives is necessary. Both commenters believe that the Commission should direct the Company to employ a Brooklyn/Queens Demand Management Program (BQDM)<sup>14</sup> "style" solution to address the forecasted exceedances before embarking on a large capital project. NY-BEST and NineDot argue that the Idlewild Project reliability need is similar to the need in the BQDM case, and that the Commission should encourage Con Edison to pursue third-party solutions in tandem with traditional infrastructure work. They take issue with Con Edison's determination that NWA's cannot address the long-term need in the Jamaica Network and are concerned that the Company has rejected the use of NWA's for the Idlewild Project. NY-BEST also argues that the Commission established the Value of Distributed Energy Resources (VDER), or the Value Stack, a mechanism to compensate energy created by distributed energy resources (DER), but that Con Edison has not designated the Jamaica Network area as one where it offers Locational System Relief Value (LSRV). NY-BEST notes that the LSRV designation results in higher compensation, which would be an immediate signal to DER developers, and it is not clear why Con Edison has not allocated LSRV to the Jamaica Network.

---

<sup>14</sup> Case 14-E-0302, Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn/Queens Demand Management Program, Order Establishing Brooklyn/Queens Demand Management Program (issued December 12, 2014) (BQDM Order).

Noting that while NWAs might not fully address all needs in the area, NY-BEST and NineDot assert that NWAs could drive cost savings and contribute to meeting system reliability and capacity needs. NY-BEST and NineDot propose that the Commission require the Company to use a request for information (RFI) approach so to obtain industry input regarding the viability and cost competitiveness of a third-party portfolio to meet the needs of the Jamaica Network. They believe NWAs, which can be scaled over time as needed, are suitable for addressing Electric Vehicle (EV) charging and building electrification. Noting that there are currently 16 energy storage projects with 52 MW in the queue in the Jamaica Network, if the Jamaica NWA solicitation was reopened, or open a new one, there is a "solid pipeline" of potential projects from market participants who could quickly assess the viability of their projects in addressing the Jamaica Network exceedance. Finally, both commenters state that the Commission should consider establishing utility compensation to incent non-transitional solutions, as it did in the BQDM Order.

MTA

The MTA supports the Idlewild Project as it is critical to its efforts to electrify its fleet of busses. According to MTA, it has begun large-scale efforts to electrify its bus fleet and plans to transition its entire 5,800 bus fleet to zero-emission busses by 2040, with 560 new EV busses by 2025-2026. This is the first phase of MTA's 2023 MTA Zero-Emission Transition Plan (Transition Plan). Under the Transition Plan, MTA plans on an additional 1,000 EV busses by 2029, an additional 1,955 by 2034 and an additional 2,385 by 2039. The Transition Plan projects that a total of 262 MW will be required at MTA's bus depots to enable bus charging.

While MTA supports the Idlewild Project, it has concerns about interconnection issues facing customers, such as itself. Most notably, the issues are long interconnection timelines and inefficient, piecemeal load upgrades that result in customers opting for more costly low-tension service that takes approximately two years to complete compared to less expensive high-tension service that takes up to six years. MTA recognizes that each load request is unique, and a one-size-fits-all solution is not workable, but there will be higher costs if many customers end up opting for multiple banks of low-tension service over time compared to a high-tension interconnection.

City of New York

In its comments, the City raises seven issues regarding the need for the Idlewild Project. The City notes it supports projects that help to maintain system reliability, resiliency, and achieve the climate goals of the state and the City of New York. It further notes that for the past 10 years it has been pressing Con Edison to address the electric system's capacity in the outer boroughs, particularly Queens, with its limited transmission infrastructure. However, the City questions Con Edison's proposed Project as it claims that the proposal is a piecemeal one, and will only address the immediate need, not expected future needs. The City questions the Company's claim that the Idlewild Project will enable 346 MW of load growth, noting that only 160 MW can be accommodated without further expansion of the transmission system, and that the Idlewild Project's proposed transmission substation would likely not be a part of this expansion as it is not designed as a 345 kV substation. Thus, the City proposes that the Commission direct the Company to proceed with the capacity expansion and not simply the proposed substation work.

In its second point, the City states that Con Edison was provided funding in the 2023 Rate Order to reduce the load at the Brownsville Substation by constructing a new Gateway Park Area Substation (Gateway), and will transfer 117 MW of load from the Crown Heights Network to Gateway, thus reducing load at the Brownsville Substation. Additional work, including transfer of 60 MW of load from Brownsville No. 1 Substation to the Glendale Substation and installation of capacitor banks. This work, according to the City, will provide five to six MW of additional load relief, thus the Brownsville Substation will have more than sufficient capacity to handle projected 2026 and 2027 load deficiencies at the Jamaica Substation. The City criticizes the Company for not providing any analysis as to why the Gateway Substation is not an acceptable alternative to the Idlewild Project and this analysis should be performed before the Company is allowed to move forward.

In its third point, the City raises concern that Con Edison's petition does not address whether any innovative or advanced technologies were considered or could be used to increase the efficiency of the electric facilities to be constructed. The City notes that the Commission requires that electric utilities utilize "well-established" advanced technologies in the near term. If a project fails to use such technology, the Commission requires explanation as to why it determined that such technology could not be utilized.<sup>15</sup> Since Con Edison's petition is silent on the use of innovative and advanced technology, the City proposes that the Commission direct the Company to provide this information as required.

---

<sup>15</sup> Case 20-E-0197, Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community benefit Act, Order on Phase I Local Transmission and Distribution Project Proposals (issued February 11, 2021), at 18-19.

Fourth among the City's concerns is that the Company has not addressed the requirements of Section 7(3) of the CLCPA, which mandates that the Commission avoid disproportionately burdening disadvantaged communities in any of its actions. The City notes that the Idlewild Project involves the construction of two new substations (and one in the future) with about 24 miles of new ducts and cables, in addition to new transmission lines, and that there is no question that construction of these facilities will impact the residents of eastern Queens. Portions of eastern Queens have been identified by the Climate Justice Working Group as disadvantaged communities. The City is concerned that the Commission has not been provided information in the petition that addresses the specific impacts nor the benefits to any disadvantaged communities, or alternatives that would reduce impacts on disadvantaged communities, other than a notation that the Idlewild Project is necessary for system reliability and that the facilities will be constructed on or under existing utility property.

However, while the substations may be constructed on Con Edison property, the majority of the transmission feeders, ducts and new distribution cables will be constructed within City streets and public rights-of-way (ROW). As such, the Project will not be entirely constructed on Con Edison's property and that construction impacts in the ROW result in significant impacts to a community's quality of life - which, states the City, is why the law requires that impacts must be assessed and mitigated, if possible. The City also rejects the Company's argument that the Commission summarily determined in National Grid NY and upstate Orders that any project needed for reliability automatically will not disproportionately burden disadvantaged communities, rather that it reviewed the evidence

in the record before it and made findings consistent with that evidence, such as reductions in emissions.<sup>16</sup>

Fifth, the City questions Con Edison's assertion that the Idlewild Project could accommodate up to 600 MW of energy storage, and asks the Commission to scrutinize this claim. It states that accommodating 600 MW of energy storage would require the system to be able to handle 600 MW of charging load, however, the petition notes the design capacity of the Jamaica substation as 492 MW, and the existing system can only handle 160 MW of additional load. So, it is not clear whether the system can handle the existing load plus expected load growth, plus 600 MW of energy storage related charging load, even off-peak. As such, the Commission should require that the Company make a fulsome showing that the Idlewild Project helps to achieve the goals of the CLCPA.

For its sixth point, the City raises concern with pre-approval of Con Edison's construction plans and the pre-approval of cost recovery. Citing PSL Section 65(1), the City points out that Con Edison, as well as other utilities regulated by the Commission, has a statutory obligation to provide its customers with safe and adequate service and that this obligation is not conditioned on pre-approval of its construction plans nor cost recovery. Rather, Con Edison is the entity charged under the Public Service Law to proceed as it deems appropriate. Once the Company has taken action to address the exceedance in the Jamaica Network and the capital work is used and useful, the

---

<sup>16</sup> Cases 19-G-0309, et al., The Brooklyn Union Gas Company d/b/a National Grid NY - Gas Rates, Order Approving Joint Proposal as Modified, and Imposing Additional Requirements (issued August 12, 2021), at 81-82; Cases 20-E-0380, et al., Niagara Mohawk Power Corporation d/b/a National Grid - Electric and Gas Rates, Order Adopting Terms of Joint Proposal, Establishing Rate Plans and Reporting Requirements (issued January 20, 2022), at 89-90.

Commission can determine whether the costs incurred are prudent and whether the Company should be allowed recovery.

The City notes that the Commission has historically denied utility requests for pre-approval of large expenses and Con Edison has offered no reason why the Commission should deviate from that precedent. Furthermore, the City states that the Company has no legal right to pre-approval of cost recovery, and it cannot disregard its statutory obligation to address the exceedance forecasted for the Jamaica Network if its request for pre-approval is not granted.<sup>17</sup> The City states that the Commission should reserve judgement on cost recovery until the actual and total costs are known and the Company provides a detailed justification for its decisions to proceed with the Idlewild Project, in light of the City's previous comments raising concerns about the need and timing of the Project. According to the City, if the Company is confident in its proposed project and the need for it to ensure the continued provision of safe and adequate service, it should proceed without pre-approval. As the City notes, the Commission has previously stated when denying such pre-approval that the utility has "little to fear" from a later prudence review if it is confident in its rationale for a project.<sup>18</sup>

---

<sup>17</sup> Citing, Case 90-E-0775, Con Edison, Long Island Lighting Company and Orange and Rockland Utilities, Inc. - Joint Petition for Approval of Long-Term Hydro Quebec Firm Power Purchase Contracts, Order Accepting Contracts for Filing and Denying Petition (issued December 10, 1990), at 6-9; and Cases 07-E-1507, et al., Proceeding on Motion of the Commission to Establish a Long-Range Electric Resource Plan and Infrastructure Planning Process, Order Initiation Electricity Reliability and Infrastructure Planning (issued December 24, 2007), at 26.

<sup>18</sup> Case 90-E-0775, supra, Order Accepting Contracts for Filing and Denying Petition (issued December 10, 1990), at 8.

The last point raised by the City in its comments is a concern that Con Edison's system planning activities are lacking. The City states that both the growth in population and per customer electric usage in the area served by the Jamaica Network have been known by the Company and the City for some time, yet Con Edison failed to be proactive in addressing the need to reinforce and expand the electric system. The City points out that according to the Company's response to City IR 5,<sup>19</sup> Con Edison's 2020 forecast projected that the Jamaica Network would exceed capability of the Jamaica Substation by 2030, while the 2021 forecast moved that date up by two years, to 2028. The Company filed its request for electric revenue requirement relief (rate case) in this proceeding on January 28, 2022.

In addition, the City states that Con Edison knew that the Clean Heat Program exceeded expectations, with customers electrifying their heating systems more quickly than Con Edison expected, resulting in increased load on the Jamaica Network. Despite these facts, this major project was not included in the Company's initial testimony in the rate case, in its update testimony filed on April 8, 2022, nor was it included in the Company's rebuttal testimony filed June 17, 2022.

According to the City, the Company knew during the rate case that the need date had moved to 2026, that the deficiency was projected to grow by about 850% from 2026 to 2032, and knew that the projected capital cost for the Idlewild Project would increase the 2024 and 2025 (Rate Years 2 and 3 under the 2023 Rate Order) capital budgets by approximately six percent and almost 12 percent, respectively. The City believes that Con Edison withheld this information from the Commission,

---

<sup>19</sup> Response to City IR 5. The IR responses referenced herein are provided in the Appendix to this Order.

parties to the rate case, and the public. The City expresses concern, as it is important that utilities present full and accurate information regarding their expected capital needs and investments, otherwise, this tends to limit the Commission's ability to balance these large capital projects against other, less pressing needs, so to mitigate rate impacts on customers. In sum, the City argues that the Commission should not condone attempts by a utility to evade the rate case process.

Therefore, the City requests that the Commission look into why the Company failed to raise this Project in its testimony in the rate case. If the review finds a need for greater diligence on the part of Con Edison or a change in procedures, the Commission should direct the Company to develop and submit a corrective action plan to be implemented prior to its next rate case.

Reply Comments of United and ACE NY

United and ACE NY filed joint reply comments on December 12, 2023, in which they support the comments filed by NY-BEST and NineDot. They share the concerns expressed in the comments of NY-BEST and NineDot that Con Edison has not explored non-traditional solutions to the projected exceedance in the Jamaica Network. They propose that the Commission require the Company to consider non-traditional solutions, such as the solutions used in the BQDM program. They also propose that the Commission adopt incentives to encourage Con Edison to contract for third-party services, reduce overall project costs, and allow industry input through a request for information (RFP). United and ACE NY agree with NY-BEST and NineDot that the Jamaica substation's low-load factor represents the ideal use case for peak shaving capability of battery energy storage systems and other demand response solutions.

Reply Comments of Con Edison

Con Edison filed reply comments on December 12, 2023, in which it addresses issues raised in the comments of the City, MTA, NY-BEST, NineDot, United, and ACE NY. First, in addressing the MTA comments regarding its frustration with interconnection issues, the Company states that these issues are currently being addressed by the Commission in Case 23-E-0070 and were also addressed in the 2023 Rate Order. Con Edison further notes that it continues to meet with MTA to discuss its specific interconnection needs and will continue to do so.

Regarding the comments of United and ACE NY, Con Edison states that it has fully considered and has already begun to implement NWAs. In March 2023, the Company sought energy storage solutions in an RFP. The Company points out that without NWAs, the projected load in the Jamaica Network would exceed the capacity of the Jamaica substation by 2026. According to Con Edison, it received nine proposals for 28 distinct projects.<sup>20</sup> According to the Company, four proposals have been selected as winners and are in the final administrative stage of the procurement.<sup>21</sup> According to Con Edison, it expects to use NWAs that are like the measures used under BQDM.

The Company states it plans to award contracts for NWAs to the extent possible, however, the Idlewild Project will still be necessary as NWAs alone cannot reliably meet the rapid load increases forecasted for the Jamaica Network. It is also for this reason that the Company rejects NineDot and NY-BEST request for another NWA solicitation, as it would take nine months to perform, the system need cannot wait the additional

---

<sup>20</sup> Reply Comments of Con Edison, at 12.

<sup>21</sup> Company response to DPS-15.

time, and it has already issued a RFP which resulted in BQDM-like solutions from many sophisticated vendors and expecting a different result in a new RFP is not realistic and exposes customers served by the Jamaica Network to reliability risks.

Con Edison also addresses NY-BEST's comment that Con Edison's September 2023 Standardized Interconnection Requirement (SIR) Inventory Report interconnection queue for the Jamaica Network has 16 energy storage projects with 52 MW of capacity. Of this, over 32 MWs as of September 2023 are related to projects with paid interconnection deposits. The Company notes in its comments that a position in the queue, with or without deposit, is not dispositive of feasibility or eligibility for inclusion in the NWA portfolio. Con Edison explains that proposed projects have very different maturities due to each project's need for engineering, costing, financing, siting, procuring, and management. The Company further explains that considerable analysis is required to review each project to determine the likely timeframe in which it will be installed, reliable capacity, discharge durations, and the coincidence of discharge with the network's peak demand.

The Company is also constrained by the need to balance competitively proposed storage with other NWAs for resource diversity and it claims that a delay based on the queue and its uncertain projects would be a gamble it believes is not worth the reliability risk. Finally, regarding NY-BEST's concern that the Company did not identify the Jamaica substation as an LSRV, the Company points out that LSRV is used prior to the deployment of NWAs or traditional solutions, but is terminated when an NWA or traditional solution is established. Since Con Edison has NWAs and traditional solutions for the Jamaica Network, the LSRV is terminated as designed.

Regarding the comments of the City, Con Edison states that it appreciates the City's point that there will be a need for additional transmission capacity to meet the forecasted demand on the Jamaica Network. The Company asserts that tapping existing transmission capacity in southeast Queens is the most cost-effective and efficient way to proceed. It also notes that there are ongoing Commission proceedings addressing transmission capacity issues. These include the Coordinated Grid Planning Process and the New York City Public Policy Transmission Need, to which the City and Con Edison are participating.<sup>22</sup>

In addition, as the need for these investments are projected to be 10 to 15 years out, the Company asserts it would not be cost-effective or efficient to make those transmission investments in southeast Queens. The possible interconnection of energy storage at the eastern Queens 138 kV Transmission Substation proposed in the Idlewild Project could delay the need even further. The Company describes the Idlewild Project as the first step in the overall expansion of the transmission capacity in southeast Queens and the Project is designed to afford expansion to install the 345 kV infrastructure in the future. As such, the Idlewild Project does not address the need for additional 345 kV transmission investments.

Regarding the City's proposal to transfer load from the Jamaica Distribution Area Substation to the Brownsville Substation after 2026, or in the alternative, to the new Gateway Park Substation in 2028, the Company states that this proposal is not feasible. This is because under the planned load transfers from Ridgewood to Maspeth and Crown Heights to the new Gateway Park Substation, Brownsville will not have the capacity

---

<sup>22</sup> Case 20-E-0197, supra; Case 22-E-0633, In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2022.

to accept the full load transfer from the Jamaica 4 kV grid, which as a mesh network must be moved in its entirety and there is not sufficient space for the needed feeders.

According to Con Edison, the City's proposal would also require the Company to transfer a portion of a secondary network located in the northern part of Jamaica. If this network were transferred to Brownsville or Gateway, it would require the extension of 25 feeders to the Jamaica Network to maintain the Company's N-2 design criteria. It would necessitate a new secondary network boundary that would require extensive work, including the installation of transformers and secondary conduits and cables along the new separation point.

In addition, the Company notes that there are physical boundaries that isolate the Jamaica Network, such as the elevated Long Island Railroad, Grand Central Parkway, the Van Wyck Expressway and MTA subway lines. As such, conventional trenching could not be employed to cross these boundaries, it would have to utilize horizontal directional drilling or attachment to bridges and overpasses. Extremely long feeders would be required, as well as nearly five times the number of cable sections and splices. This would result in a less reliable network and would reduce the reliability of the existing Brownsville Network which would have to accept the load.

Concerning the use of advanced technologies, the Company states that the City is incorrect that the Company did not incorporate advanced technologies in the Idlewild Project. Con Edison states that the Advanced Technologies Working Group in the Transmission Planning Proceeding prioritized the review of energy storage, dynamic line ratings, and power flow controllers as innovative and advanced technologies. The Company notes that it sought energy storage solutions in its RFP

because Con Edison deemed that to be an appropriate technology for a load growth project. Con Edison further notes that the Company does not limit or mandate any technology for the solutions provided by vendors. The Company indicates that there will be a significant use of battery storage. However, because dynamic line ratings and power flow controllers are transmission system alternatives and the Project is a distribution load relief project, these technologies are not applicable.

In its comments, the City raised concern that the Company failed to address the Project's impact on disadvantaged communities. In its reply comments, Con Edison states that its petition explained that the Idlewild Project will generally have a beneficial effect on emissions in the local communities of Queens, that most of the construction activities will be on Company-owned property, ROWs, and easements. Much of the work will involve the replacement of existing facilities with upgraded facilities located in the same space. The Idlewild Project will facilitate the reduction of GHG emissions as it will enable electrification, particularly the electrification of MTA's busses. Con Edison states that this will benefit not only disadvantaged communities, but all communities in the area served by the Jamaica Network.

Concerning the City's comment that the Project cannot accommodate and charge 600 MW of energy storage, Con Edison reaffirms that it can and provided a detailed analysis of this in Appendix A of its reply comments. Con Edison also refutes the City's claim that its planning process should be reviewed by the Commission because the Company failed to raise the Project in a timely manner. The Company claims that the Idlewild Project is driven by electrification and economic growth in the areas served by the Jamaica Network and that it believed at the time that the Jamaica Bus Uprates project it proposed in the

electric base rate case, Case 22-E-0064, would address the projected exceedances occurring in 2030. However, after reviewing the November 2022 forecast of load, the need for the Idlewild Project was moved up to 2026.

Finally, in addressing the City's legal and factual arguments that the Commission should not "pre-approve" the Idlewild Project, the Company claims it proposed the Idlewild Project in late in the rate case, and there was insufficient time for Department of Public Service staff (Staff) to review the Project. However, according to the Company, if it had been included in the Joint Proposal, it would have been "pre-approved" and Con Edison would have the necessary assurance of cost recovery.

#### LEGAL AUTHORITY

PSL §65(1) grants the Commission authority to ensure that "every electric corporation and every municipality shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and, in all respects, just and reasonable. Similarly, PSL §66(2) provides that the Commission shall "examine or investigate the methods employed by ... persons, corporations and municipalities in manufacturing, distributing and supplying ... electricity ... and have power to order such reasonable improvements as will best promote the public interest, preserve the public health and protect those using such ... electricity." Finally, PSL §66(12) provides the Commission with broad ratemaking powers, including the ability to provide a utility with authority to recover the costs associated with capital investments placed into plant-in-service, until such time the costs are included in base rates.

DISCUSSION AND CONCLUSION

Con Edison asks that the Commission approve the Idlewild Project and authorize recovery of the capital investments placed into plant-in-service and the associated costs related to the Idlewild Project, through a surcharge mechanism, until such time that the costs are reflected in base rates. By this Order, the requested surcharge is granted, and as explained below, the "approval" of the Idlewild Project is not warranted.

For traditional capital projects, such as the Idlewild Project, which is intended to address forecasted exceedances, a utility identifies a capital need, and then finances and constructs a solution, and if the project was not included in the capital forecast during the preceding rate case, begins to receive recovery of that investment when its base rates are next modified by the Commission. In addition, the Commission does not generally approve utilities' capital projects before they are commenced, since it is the Commission's role to regulate, rather than manage, utility activity. In the case of some multi-year rate plans, the Commission has authorized mechanisms that allow utilities to begin recovery of specifically identified capital projects once they are completed and placed into service. In such instances, the included projects are fully developed, and the resulting cost recovery does not begin until the costs have been confirmed by Staff.<sup>23</sup>

---

<sup>23</sup> Case 19-E-0065, Con Edison - Electric Rates, Order Regarding Transmission Investment Petition (issued April 15, 2021), at 12-13; Case 90-E-0775, supra, Order Accepting Contracts for Filing and Denying Petition (issued December 10, 1990); Cases 07-E-1507, et al., supra, Order Initiation Electricity Reliability and Infrastructure Planning (issued December 24, 2007).

The Company's claim in its reply comments that had the Project been included in the Joint Proposal in this proceeding that the Commission would have "pre-approved" is incorrect and the Company offers no citations to Commission orders that support Con Edison's assertion nor refutes the City's analysis of the law. In rate proceedings, the utility proposes capital projects, and Staff reviews the proposed projects and files testimony explaining which projects the Commission should or should not allow funding for. In that testimony, Staff explains the basis and need for the utility's proposed project and recommends a level of funding in the rate year. It is axiomatic that utility capital budgets are fungible, and often capital projects that a utility proposes in a rate proceeding are slipped in order to address more pressing capital work needs. This is because the Commission approves only funding in rate orders, not the individual projects. While such changes are subject to a prudence review, the Commission generally accepts the utility's reasonably supported decisions to slip or substitute projects.

However, as explained below, the Commission grants the Company's request for interim cost recovery, which will be subject to Staff review and Commission determination in the Company's next major electric base rate case, subject to refund should Staff recommend and the Commission direct adjustments or disallowances in the Company's next electric base rate case.

Need For the Idlewild Project

The Company's November 2022 load forecast projects that peak demand for the Jamaica Network will exceed the Jamaica distribution substation's design conditions in 2026. Specifically, the forecast projected the peak demand to exceed the substation's capacity by 6 MW in 2026, 30 MW in 2030, and 51

MW in 2032.<sup>24</sup> Based on this forecast, if projected load growth goes unaddressed, Con Edison may need to perform load shedding in the Jamaica Network during peak load conditions,<sup>25</sup> potentially leaving thousands of customers without power during some of the hottest days of the year. Additionally, load shedding could impact critical customers such as the JFK Airport, Long Island Railroad's Jamaica Station, and MTA bus depots, creating undue burden on commuters and tourists within New York City. Based on the load forecast and the potential impacts of no action, there is imminent need for Con Edison to address the capacity shortfall to avoid the potential of load shedding.

Con Edison did consider alternatives to address the capacity shortfall prior to submitting its petition. The Company identifies three alternatives that are NWAs, load transfers, and Jamaica substation bus uprates.<sup>26</sup> As stated above, the Company is pursuing NWAs for 2026-27, as it states NWAs are most appropriately suited as short-term solutions until the Eastern Queens and Idlewild substations can be built.<sup>27</sup>

The second alternative solution the Company considered was to transfer load from the Jamaica Distribution Area Substation to an adjacent Queens 27 kV distribution area substation. Con Edison identified Corona No. 1, Corona No. 2, and Brownsville No. 2 as the only distribution area substations geographically abutting the Jamaica Network. According to the Company, the Brownsville No. 2 Distribution Area Substation is constrained by the Farragut to Brownsville 138 kV sub-transmission feeders. The Gateway Park Distribution Area

---

<sup>24</sup> Whitepaper, at 4.

<sup>25</sup> Id., at 6.

<sup>26</sup> Id., at 5-6.

<sup>27</sup> Id., at 5.

Substation and the 345 kV Brooklyn Clean Energy Hub will provide relief for the Farragut to Brownsville 138 kV sub-transmission feeders.<sup>28</sup> Phase 1 of the Brooklyn Clean Energy Hub, which was approved by the Commission,<sup>29</sup> will be in service by the end of 2027.<sup>30</sup> The Gateway Park Distribution Area Substation, a project which was included in the capital budgets of the 2023 Rate Order, will be in service by the summer of 2028.<sup>31</sup> Since these projects will not be in service when the Jamaica Network exceeds its design capabilities in 2026, it is not feasible to transfer load to the Brownsville No. 2 Distribution Area Substation.

Regarding the Corona No. 1 Substation, the Company states that while it has the capacity of about 93 MW to accept some load from the Jamaica Network, the cost associated with the complexity of such a project makes a load transfer not feasible. To transfer load from the Jamaica substation to the Corona No. 1 Substation would require feeder work that would have to cross or bypass multiple natural and manmade barriers such as the North Grand Central Parkway, the Long Island Expressway, and multiple parks. The Company further notes that it would have to extend feeders from the Flushing Network, through the Rego Park Network, to reach the Jamaica Network and that these extensions would dramatically reduce the reliability of the Flushing Network and could result in overloading existing feeders.<sup>32</sup>

Con Edison states that the Corona No. 2 substation only has 14 MW of capacity available at the end of the Company's

---

<sup>28</sup> Id.

<sup>29</sup> Case 20-E-0197, supra, Order Approving Cost Recovery for Clean Energy Hub (issued April 20, 2023) (Clean Energy Hub Order).

<sup>30</sup> Id., at 9.

<sup>31</sup> Case 22-E-0064, Con Edison Electric Infrastructure and Operations Panel Testimony (filed January 28, 2022), at 102.

<sup>32</sup> Whitepaper, at 5.

10-year planning horizon. A load transfer to the Corona No. 2 substation would move it closer to exceeding its design capability and require the Company to accelerate the timing of the planned work for Corona No. 2 substation from the 20-year planning horizon to within the 10-year planning horizon.<sup>33</sup> While this alternative could provide the Company the opportunity to address the need for load relief within the Jamaica Network in 2026, it would not fully address the forecasted capacity shortfall that increases to 51 MW in 2032.

The final alternative identified by the Company is the bus uprates of the Jamaica substation. This alternative would replace the existing 27 kV bus with a higher capacity bus throughout a majority of the substation. The Company further explains that this would require sequential outages of each transformer and distribution bus section for approximately two months in duration each, with no way to recall the equipment to service should any additional station contingency or unforeseen weather event occur. This project was initially considered by the Company when its 2021 forecast projected a need in the Jamaica Network in 2028. Given that the 2022 forecast showed the reliability need in the Jamaica Network was in 2026, and the five-year schedule to complete the bus uprates work, the Company decided to pursue an NWA portfolio to provide load relief until the completion of the Idlewild Project.<sup>34</sup>

Con Edison's Planning Process

The City claims the Project, due to not including capacity expansion, will only resolve immediate needs and not expected future needs. The City questions the Company's claim of the Project enabling 346 MW of load growth in Queens due to

---

<sup>33</sup> Id., at 5.

<sup>34</sup> Id., at 5-6.

only 160 MW of capacity being available to support future load growth. Any further load growth must be done through capacity expansion, potentially through 345 kV transmission lines. This raises the concern whether the new transmission substation could be part of this future solution, or if another transmission substation will be needed, burdening customers with costs in excess of \$500 million.<sup>35</sup> In its reply comments, the Company states that the current plan of tapping existing available transmission capacity is the most cost-effective and efficient path. The Company projects that additional transmission capacity is not needed for the Southeast Queens area for the next ten to fifteen years, or more. The interconnection of energy storage systems could further delay this need for capacity expansion. The Project, however, still allows for future capacity expansion, where space is allotted at the Eastern Queens and Idlewild Substation sites to install 345 kV infrastructure.<sup>36</sup>

The City also believes that the Company did not properly consider less-costly alternative solutions. The Gateway Park Area Substation, for which the Company received funding in the 2023 Rate Order, will allow for the transfer of 117 MW of load from the Crown Heights Network to Gateway, reducing the load at the Brownsville Substation and creating capacity headroom. Because the load deficiency at the Jamaica Substation will be no greater than 51 MW by 2032, the City states that the Brownsville Substation will have sufficient headroom in 2028 to cover the deficiency.<sup>37</sup> The City also notes that the Company explained that, prior to 2028, 60 MW of load

---

<sup>35</sup> City Comments, at 3.

<sup>36</sup> Reply Comments of Con Edison, at 4.

<sup>37</sup> City Comments, at 5.

will be transferred from the Brownsville No. 1 Substation to the Glendale Substation, and an additional 5 to 6 MW of load relief will be achieved from the installation of new capacitor banks, which will provide the Brownsville Substation with sufficient capacity to handle the 2026 and 2027 Jamaica Substation deficiencies of 6 and 8 MW.<sup>38</sup> Separately, the Gateway Substation will be constructed with expansion capability and will feature four new feeders from the Brooklyn Clean Energy Hub.<sup>39</sup> Based on this, the City believes that the Company has not properly explained why the Jamaica Substation deficiency cannot be transferred to the Brownsville Substation in or after 2026, avoiding/delaying the need for the new 138 kV substations and their associated costs, or why the Gateway Substation cannot be redesigned to address needs in both southeastern Brooklyn and eastern Queens.

In its reply comments, the Company states that the alternatives proposed by the City are not feasible. Brownsville cannot accept the load transfer because the Jamaica 4 kV grid is a mesh network, meaning the network load must be moved as a whole. The Brownsville substations do not have available feeder cubicles to establish 17 new feeders for this transfer.<sup>40</sup> The transfer would also require the cutting of associated feeders of the Jamaica 27 kV network, creating radial feeders and reducing the reliability for affected customers from N-2 to N-0. To maintain N-2 design, the entire 4 kV grid must be transferred.<sup>41</sup> Additionally, a second network in northern Jamaica would require a new network boundary and the extension of approximately 25

---

<sup>38</sup> Id., at 5-6.

<sup>39</sup> Id., at 6.

<sup>40</sup> Reply Comments of Con Edison, at 5-6.

<sup>41</sup> Id., at 6.

feeders from the Jamaica Network to either Brownsville or Gateway in order to maintain N-2 design criteria. The new network would require longer feeders and be less reliable.<sup>42</sup> Regarding the Gateway Park 27 kV Distribution Area Substation, the feeder extensions from Gateway to Jamaica are approximately five times the distance of the proposed project site, increasing costs of the work by \$800 million to \$1 billion.<sup>43</sup>

In view of Con Edison's analysis, there do not appear to be any viable alternatives to the Idlewild Project proposed by the City to address the forecasted exceedance. In addition, the City's concern that the Idlewild Project will not address transmission issues in the Jamaica Network, the Company has indicated that such work will be necessary 10 to 15 years in the future, and there is no reason to burden customers with those costs at this time.

Concerns regarding energy storage were also raised by the City. The City questioned the Company's claim that the Project could accommodate up to 600 MW of energy storage.<sup>44</sup> The City notes that the NYISO assesses energy storage partially as a load and accommodating 600 MW of energy storage would require the system to handle an additional 600 MW of charging load. Because the design capability of the Jamaica substation is only 492 MW, and the existing system can only handle 160 MW of additional load, the City is unsure how the system could handle existing load, expected load growth, and 600 MW of energy storage-related charging load.<sup>45</sup> In its reply comments, the Company confirms its ability to charge 600 MW of energy storage

---

<sup>42</sup> Id.

<sup>43</sup> Id., at 7.

<sup>44</sup> Response to DPS-3, Question 8.

<sup>45</sup> City Comments, at 10-11.

during off-peak hours after completion of the Project.<sup>46</sup> The existing local transmission capacity supplying Jamaica 138 kV Transmission Load Area (TLA) could handle additional energy to charge 600 MW four-hour energy storage systems with no transmission reliability violation within the TLA. The Company states that the Jamaica TLA has potential megawatt-hour (MWh) charging capability from 2028 through 2033. With the MWh charging capability ranging from 5,501 MWh in 2028 to 3,815 MWh in 2033, and 600 MW four-hour energy storage needing about 2,400 MWh, there is ample system capability.<sup>47</sup>

The City also calls into question the Company's planning process. In light of the growth in customers and usage per customer in Queens, the City also requests that the Commission investigate why the Company took so long to bring forward its proposed Idlewild Project in the rate case or even in prior years' capital plans. The City's request is denied as Con Edison points out that it completes a new study each November based on summer month peak load data.<sup>48</sup> The June 2022 data was therefore based on the November 2021 forecast. The November 2022 forecast indicated a significant increase in load for the Jamaica Network, and Con Edison timely made parties to the rate case aware of the new forecast. According to the Company, the need for the Idlewild Project is driven by increased demand for electricity caused by the JFK redevelopment project, which will result in significant electrification - doubling its electric needs by 2032.<sup>49</sup> There is also economic growth increasing demand for electricity in the Jamaica Network

---

<sup>46</sup> Reply Comments of Con Edison, at 10.

<sup>47</sup> Id., Appendix, at 1-2.

<sup>48</sup> Id., at 11, footnote 9.

<sup>49</sup> Petition, at 4, footnote 8.

from new business, as well as increasing electrification of transportation. As noted in its comments discussed above, MTA has begun what it describes as large-scale efforts to electrify its bus fleet and plans to transition its entire 5,800 bus fleet to zero-emission busses by 2040, with 560 new EV busses by 2025-2026. Therefore, the City's concerns appear misplaced and its request for an investigation into the Company's planning process is rejected.<sup>50</sup>

Turning to the MTA's interconnection concerns, the MTA stresses that long interconnection timelines are one of the most significant barriers to electrification of its fleet.<sup>51</sup> The MTA proposes that the Commission should thoroughly analyze interconnection issues to ensure energy efficiency and economic feasibility, and also requests the Commission require the Company to make a tangible commitment to meet the interconnection deadlines of customers with concrete electrification commitments.<sup>52</sup> In its reply comments, the Company states that interconnection issues are addressed in the 2023 Rate Order as well as in a separate proceeding.<sup>53</sup> The Company also states that it continues to meet with the MTA to

---

<sup>50</sup> Furthermore, the Company's planning process was reviewed in the recent management audit and was found to be a rigorous process incorporating industry trends and reflecting the changes that prior management audits required. Case 21-M-0193, Con Edison and Orange and Rockland Utilities, Inc. - Management Audit, Order Approving Implementation Plan with Modification and Denying Deferral Authority (issued October 16, 2023), at 2 and Case 21-M-0193, supra, Management & Operations Audit - Final Report (filed February 16, 2023), at 1-3.

<sup>51</sup> MTA Comments, at 2.

<sup>52</sup> Id., at 5.

<sup>53</sup> Case 23-E-0070, Proceeding on Motion of the Commission to Address Barriers to Medium- and Heavy-Duty Electric Vehicle Charging Infrastructure.

discuss its specific service needs and will continue to do so.<sup>54</sup> Thus, since the Commission has a proceeding to address these medium and heavy-duty EV charging structure, no action will be taken here regarding these issues.

Disadvantaged Communities

To address whether a proposed project unduly burdens disadvantaged communities, the Commission considers the temporary and long-term effects on these communities. In its petition, the Company asserts that the Idlewild Project does not burden disadvantaged communities because the project is being built on existing utility property and is necessary for reliability. These circumstances alone are insufficient to determine whether the Project poses undue burden to disadvantaged communities. The Commission expects that proposals for infrastructure projects will include an assessment of emissions reductions associated with the project, identification of any alternative solutions to the project, and demonstration of outreach and awareness to inform communities affected by the construction of the Project.

In response to an information request by Staff, the Company provided further detail on the project,<sup>55</sup> including emissions reductions projections.<sup>56</sup> In the response, the Company explains how it expects the Project to provide for additional load growth, which will enable customers to transition from fossil-fuel combustion for transportation, space and water heating, and other appliances.

---

<sup>54</sup> Reply Comments of Con Edison, at 15.

<sup>55</sup> Company response to DPS-16.

<sup>56</sup> In the Company's response to the information request, the Company states that it is difficult to quantify with specificity, the emissions reductions associated with the Project.

The Company estimates that the Idlewild Project will, by 2040, support the charging of enough light, medium, and heavy-duty vehicles to help to avoid 415,000 tons of carbon dioxide equivalent (CO<sub>2</sub>e) that year, with a total avoided emissions of 2.2 million CO<sub>2</sub>e from the in-service date of the Project through 2040. This estimate includes electrification of the MTA bus fleet at four major depots located in the Jamaica Network, which will remove diesel buses serving the local community. Upon MTA's conversion of its entire fleet of buses, Con Edison estimates that by 2040, 500,000 metric tons of GHG emissions per year could be avoided. Similarly, the Company expects that customer conversions from oil- and gas-fired furnaces, water heaters, ovens, and clothes dryers will reduce the combustion of fossil fuels, removing GHG emissions from the Jamaica Network area.

Based on the discussion above regarding the Company's current load forecast and the lack of alternative solutions, in addition to the potential for the Idlewild Project to reduce long-term reliance on fossil fuels and reduce associated emissions, the Commission finds that the Project will provide positive outcomes for disadvantaged communities in the vicinity of the Project. In addition, the Company, in consultation with Staff, shall conduct outreach to the communities impacted by the construction of the Idlewild Project, including disadvantaged communities, to ensure that they are aware of the construction activities and the expected duration of construction.

#### Non-Traditional Solutions and Advanced Technology

While the commenters other than MTA expressed concerns that the Company had not investigated the use of non-traditional solutions for the proposed Project, and NY-BEST, NineDot, United, and ACE NY recommended that a BQDM-like project be substituted for Con Edison's proposal, the Company states that

the need in the Jamaica Network cannot be entirely addressed by non-traditional solutions. However, it has solicited and obtained battery solutions for the Idlewild Project. While battery solutions and demand-side management will help address the projected exceedance, the Commission finds no basis to reject the Project and replace it with a BQDM-like effort. Similarly, we do not agree with the City's comments regarding the lack of use of advanced technologies in the Project. As the Company states, it sought energy storage solutions in its RFP because it was deemed an appropriate technology for a load growth project, however, the other identified technologies are potentially applicable only to transmission projects.

Cost Recovery

Con Edison forecasts the total capital cost of the Idlewild Project to be approximately \$1.2 billion (approximately \$592 million for the Eastern Queens Transmission Substation, approximately \$380 million for the Idlewild Distribution Area Substation, and approximately \$242 million for electric facilities for the new Springfield Network). The Company requests authority to recover the costs associated with the capital investments placed into plant-in-service, until such time the costs are included in base rates. Specifically, the Company requests to recover the return on investment, depreciation expense, operation and maintenance (O&M) expense, and property taxes associated with the Idlewild Project.<sup>57</sup> Con Edison proposes to recover these costs through an existing surcharge mechanism (i.e., Monthly Adjustment Clause (MAC) of its P.S.C. No. 10 - Electricity tariff and the Additional Delivery Charges and Adjustments, Section H, Other Charges and Adjustments, of its P.S.C. No. 12 - Electricity tariff (PASNY

---

<sup>57</sup> Company response to DPS-4, question 2.

surcharge)).<sup>58</sup> The Company estimates the bill impact of its proposed surcharge mechanism, for a typical residential customer, to be 0.01 percent and 0.07 percent in fiscal years 2024 and 2025, respectively.<sup>59</sup>

The Commission typically utilizes a cost of service-based approach to regulation that allows utilities to recover costs necessary to provide safe and adequate service as well as a return on capital investments used to provide utility service. Since the Idlewild Project is necessary to maintain safe and adequate service to its customers, by addressing an impending reliability need, and some of the capital investments are forecasted to be placed into service prior to being included in base rates, it is reasonable to allow Con Edison to recover the costs associated with those investments, until the Commission addresses the capital investments in the Company's next major electric base rate proceeding. The financial impact of this surcharge would have a de minimis bill impact for current customers. Furthermore, allowing recovery of such costs via a surcharge mechanism is practical as it will avoid a deferral, along with carrying costs, from being recorded on the Company's books, which would ultimately be recovered from customers in a future base rate proceeding.

Con Edison is authorized to recover from its electric customers through the MAC and from the Power Authority of the State of New York through the PASNY surcharge, the depreciation expense, O&M expense, and return on investment associated with the capital investments placed into plant in service, until the Commission addresses the Company's next major electric base rate proceeding. The Company shall use the pre-tax rate of return

---

<sup>58</sup> Company response to DPS-4, question 7.

<sup>59</sup> Company response to DPS-4, question 4.

and book depreciation rates included in the 2023 Rate Order, the Joint Proposal, Appendix 7 and Appendix 14, respectively to calculate the return on investment and depreciation expense.<sup>60</sup>

Regarding property taxes, the Company forecasted incremental property taxes for fiscal years 2024 and 2025 related to the capital investments projected to be placed into plant in service in those years.<sup>61</sup> However, capital investments placed into plant in service are not generally included in the Company's property tax assessment roll until a future period. Furthermore, the Company's current rate plan includes a provision that allows for the Company to reconcile the difference between the actual property taxes incurred by the Company and the amount forecasted in base rates, subject to a sharing provision.<sup>62</sup> Therefore, if the Company were to incur incremental property taxes in fiscal years 2024 and 2025, most of those property taxes would be recovered through the Company's existing property tax reconciliation. For these reasons the Company shall not recover any property taxes associated with the capital investments related to the Idlewild Project through the surcharge mechanism. Rather, such costs shall be included in the Company's property tax reconciliation.

Con Edison shall file with the Secretary to the Commission the costs it proposes to recover through the MAC and the PASNY surcharges, at least 60 days prior to commencing cost recovery. The filing shall include the associated workpapers

---

<sup>60</sup> For fiscal years 2024 and 2025, the pretax rate of return is approximately 8.4% and the book depreciations rates range from 2.0% to 3.0% based on the transmission plant account.

<sup>61</sup> Company response to DPS-4, question 12, Attachment 2.

<sup>62</sup> Variations between the actual property taxes incurred by the Company and the amount forecasted in base rates are subject to a 90/10 sharing arrangement by which 90 percent of the variation is recovered from or credited to customers.

showing the calculation of the O&M expense, depreciation expense, and return on investment associated with the capital investments placed into service. In addition, Con Edison shall file annually with the Secretary to the Commission, within 60 days after the end of each calendar year, a report that includes the amount of costs by cost component (i.e., O&M expense, depreciation expense, and return on investment) recovered from customers in the previous year through the MAC and the PASNY surcharges, until such time the costs are included in base rates. The filing shall also include workpapers that show the calculation of the O&M expense, depreciation expense, and return on investment associated with the capital investments placed into plant in service.

#### Accounting Treatment

With respect to the accounting treatment associated with the proposed surcharge, the Company proposes to record the costs associated with the capital investments placed into plant-in-service in a regulatory asset account for future recovery from customers via the surcharge mechanism.<sup>63</sup> The proposed accounting entries are reasonable and consistent with the Uniform System of Accounts for electric utilities. Accordingly, the proposed accounting entries are approved.

#### Capital Expenditure Reporting

While the Petition does not address the reporting of capital expenditures for the Idlewild Project, Con Edison did include the Project in its quarterly capital expenditure reports filed in Case 22-E-0064. Due to the size of the capital investment and the need for the Commission and other stakeholders to monitor the development and expenditures of this project, Con Edison is directed to include the Idlewild Project

---

<sup>63</sup> Company supplemental response to DPS-4, question 6.

in any applicable capital reporting requirements pursuant to the 2023 Rate Order, Joint Proposal, Appendix 12.

The Commission orders:

1. Interim cost recovery is granted for the Idlewild Project identified in Consolidated Edison Company of New York, Inc.'s petition, subject to the terms and conditions in the body of this Order.

2. Consolidated Edison Company of New York, Inc. is directed to file within 30 days of the issuance of this Order compliance tariff revisions to its P.S.C. No. 10 - Electricity and P.S.C. No. 12 - Electricity tariffs to effectuate cost recovery of the Idlewild Project, as discussed in the body of this Order.

3. If any portion of the Idlewild Project goes into service prior to a new base rate plan for its electric business, Consolidated Edison Company of New York, Inc. shall file in this proceeding with the Secretary to the Commission the costs it proposes to recover through the surcharges established in this Order at least 60 days prior to commencing cost recovery. The filing shall include all associated workpapers detailing the costs for which recovery is sought.

4. As discussed in the body of this Order, Consolidated Edison Company of New York, Inc. shall include the Idlewild Project in any applicable capital reporting requirements established in the 2023 Rate Order, Joint Proposal, Appendix 12.

5. Consolidated Edison Company of New York, Inc. shall file in this proceeding an annual report with the Secretary to the Commission, within 60 days of the end of each calendar year, indicating the total amount of costs, by cost component, recovered through each of the surcharges for the calendar year,

until such time the costs are included in base rates. The filing shall include the associated workpapers showing the calculation of the costs recovered through the allowed surcharges for the previous calendar year.

6. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension shall be in writing, shall include a justification for the extension, and shall be filed at least three days prior to the affected deadline.

7. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Cases: 22-E-0064 & 22-G-0065

Response to City of New York Interrogatories – Set Jamaica Load Relief Petition-City-1  
Date of Response: September 07, 2023  
Responding Witness:

Question No. :5

(a) Prior to the November 2022 peak demand forecast, when did the Company project that demand would exceed the capability of the Jamaica substation?

(b)

Please provide the 10-year outlook diagrams for the Jamaica substation prepared in 2021 and 2020. If no diagrams exist, please provide the data for those 10-year outlooks.

(c)

Please identify and explain the drivers, other than the 2022 weather-adjusted peak demand, that changed or were newly identified in November 2022 that were the basis of the determination of a need commencing in 2026.

Response

(a) The Company projected that Jamaica Network demand would exceed the capability of the Jamaica Distribution Area Substation as follows:

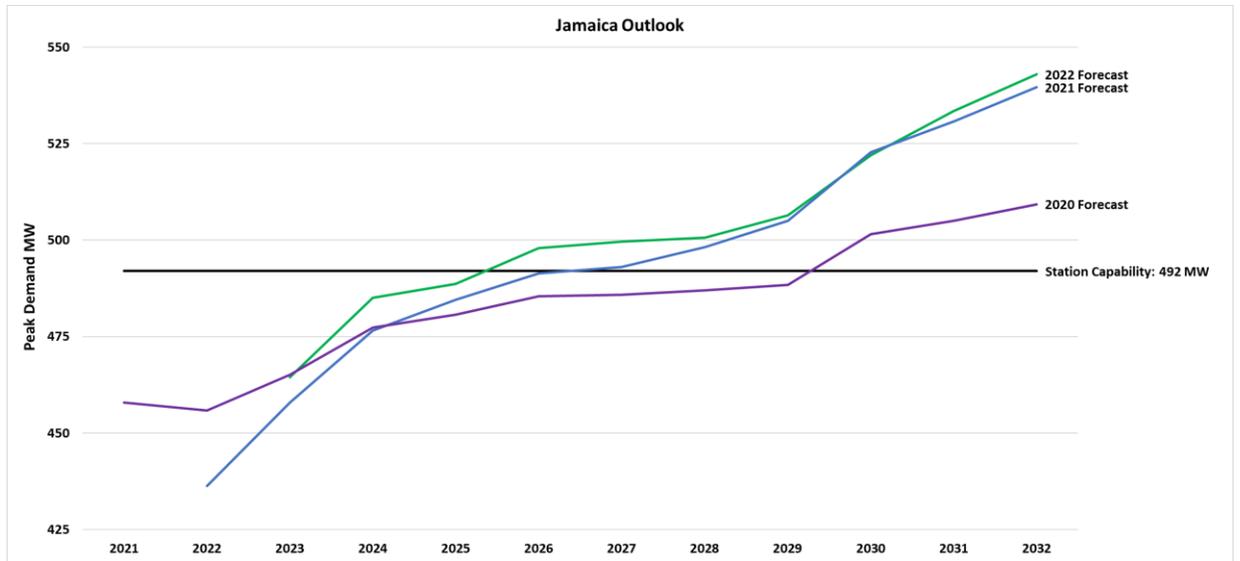
2020 Forecast: Jamaica Network would exceed capability by 2030

2021 Forecast: Jamaica Network would exceed capability by 2028

2022 Forecast: Jamaica Network would exceed capability by 2026

The advancement of the demand over the forecasts was due to increasing clarity related to electrification policy.

(b) The 10-year forecast/outlook diagrams for 2020-2022 are shown below:



- (c) The 14 MW increased difference in the weather-adjusted peak demand was the largest contributor to the advancement of the capability exceedance to 2026 (identified in the November 2022 forecast) from 2028 (October/November 2021 forecast). Other drivers were increased peaks due to EV and electrification of non-heating appliances, which were approximately 4 MW greater by 2026. Another driver is related to a small load transfer from the Brownsville 1&2 Load Pocket for JFK.

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Case: 22-E-XXXX, 22-G-XXXX

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS Set-5  
Date of Response: January 09, 2024  
Responding Witness: N/A

Question No. :15

**Subject:** Status of Non-Wires Solution Contracts Award

On Page 12 of the Company’s “Reply Comments of Consolidated Edison Company of New York, Inc.,” the Company states that it has sought non-wires solutions (NWS), under a March 2023 market solicitation, and has received 9 proposals covering 28 distinct projects for the Jamaica Network.

1. Have any of the 9 proposals for the Jamaica NWS Request-for-Proposal (RFP) been selected as winners? If yes, how many proposals have been selected?
2. What is the status of contract awards for selected RFP?

Response

1. Of the 9 proposals received for the Jamaica NWS Request-for-Proposal, 4 proposals have been selected as winners.
2. The 4 contract awards are in the final administrative stage of the procurement. The Company anticipates executed contracts by the end of February.

Company Name: Con Edison  
Case Description: 2019 Con Ed Electric & Gas Rate Filings  
Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition-DPS-3  
Date of Response: September 07, 2023  
Responding Witness:

Question No. :8

On page 10 the petition states that “the new Eastern Queens Transmission Substation will provide interconnection points for energy storage, which advances the State’s renewable energy goals included in the Climate Leadership and Community Protection Act.” How much energy storage will the substation be able to accommodate?

Response

Eastern Queens 138 kV Transmission Substation could accommodate up to 600 MW of energy storage.

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS-4  
Date of Response: September 18, 2023  
Responding Witness:

Question No. :4-2

Fully explain in detail the type of costs the Company is seeking to recover through its proposed surcharge mechanism (e.g., return on investment, depreciation expense, property taxes, O&M expenses).

Response

The Company is requesting to recover the revenue requirements for the associated return on investments, depreciation expense, property taxes, and O&M expenses through a surcharge mechanism.

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS-4  
Date of Response: September 18, 2023  
Responding Witness:

Question No. :4-7

Fully explain whether the Company is proposing to utilize an existing surcharge mechanism (e.g., MAC) or implement a new surcharge mechanism.

Response

The Company is proposing to use existing surcharge mechanisms. Such mechanisms would include the Monthly Adjustment Clause (MAC) and the Additional Delivery Charges and Adjustments, Section H, Other Charges and Adjustments, of the PASNY Tariff.

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS-4  
Date of Response: September 21, 2023  
Responding Witness:

Question No. :4-4

Provide an estimate of the bill impacts of the proposed surcharge mechanism on a typical customer bill.

Response

Please see the typical bill impacts provided in the table below.

<b>Monthly Bill Impacts - 2024</b>					
<b>Service Classification</b>	<b>Typical Usage (kWh)</b>	<b>Total Average Bill</b>	<b>Change in MAC<sup>(1)</sup></b>	<b>Total Average Bill</b>	<b>Bill Impact (%)</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=b+c</b>	<b>e=c/b</b>
<b>SC1</b>	280	\$94.00	\$0.01	\$94.01	0.01%
<b>SC9</b>	10,800	\$3,193.98	\$0.83	\$3,194.81	0.03%

<b>Monthly Bill Impacts - 2025</b>					
<b>Service Classification</b>	<b>Typical Usage (kWh)</b>	<b>Total Average Bill</b>	<b>Change in MAC<sup>(1)</sup></b>	<b>Total Average Bill</b>	<b>Bill Impact (%)</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=b+c</b>	<b>e=c/b</b>
<b>SC1</b>	280	\$95.62	\$0.07	\$95.69	0.07%
<b>SC9</b>	10,800	\$3,320.49	\$3.09	\$3,323.58	0.09%

(1) Estimated cost recovery through surcharges prior to base rate recovery. The above assumes base rate recovery would commence in 2026.

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS Set-4  
Date of Response: October 17, 2023  
Responding Witness:

Question No. :12

Subject: Follow-up to response to DPS-4, question 4 – Estimated Bill Impacts

Refer to Company’s response to DPS-4, question 4, Attachment Workpaper, in which the Company provides the supporting calculations for the estimated bill impacts of the proposed surcharge for fiscal years 2024 and 2025. Provide the supporting calculations for the estimated revenue requirement amounts shown on the tab entitled “MAC Rate by Year”.

Response

Please see DPS-12 Attachment 1 - Eastern Queens Idlewild revenue requirement.xls, which is the support for the initial estimated bill impacts of the proposed surcharge.

Please see DPS-12 Attachment 2 - Eastern Queens Idlewild revenue requirement update 10062023.xls, which is the updated revenue requirement calculation, that reflects the project amount indicated in the petition.

**Consolidated Edison Company of New York, Inc.**  
Revenue Requirement Calculation

(amounts in thousands)

**Revenue Requirement**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>Revenue Requirement (Yr. 1 - Yr. 10)</u>
<b>Eastern Queens Idlewild</b>												
Net Rate Base	\$ -	\$ 10,999	\$ 62,262	\$ 139,535	\$ 196,720	\$ 695,494	\$ 1,153,122	\$ 1,112,017	\$ 1,072,513	\$ 1,034,483	\$ 997,775	
ROR	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%	8.32%
Earnings Base	-	916	5,182	11,614	16,374	57,889	95,980	92,559	89,271	86,105	83,050	
Depreciation	-	233	1,329	3,016	4,334	15,064	25,299	25,299	25,299	25,299	25,299	
O&M	-	-	-	-	-	-	-	-	-	-	-	
Property Tax	-	1,120	5,260	9,215	11,590	60,717	60,717	60,717	60,717	60,717	60,717	
Gross up	-	68	353	715	969	4,010	5,460	5,357	5,259	5,164	5,072	
Revenue Requirement	\$ -	\$ 2,337	\$ 12,125	\$ 24,560	\$ 33,267	\$ 137,680	\$ 187,455	\$ 183,931	\$ 180,544	\$ 177,284	\$ 174,137	\$ 1,113,321

**Key Assumptions for Estimate:**

Plant in Service (\$000)	2024	2025	2026	2027	2028
	\$22,400	\$82,800	\$79,100	\$47,500	\$982,532
Revenue Requirement (Years 2024-2033)	\$1,113,321				
Revenue Requirement (Full Asset Life)	\$7,131,413				
Regulated Return on Equity	9.25%				
Pre-Tax WACC for rev req	8.32%				
Property Tax Rate	5%				
Transmission Substation Cost Removal Rate	25%				
Transmission Substation Depreciation Service Life	60 years				
Tax Depreciation Life	20 years				

Company Name: Con Edison  
 Case Description: 2022 Con Ed Electric & Gas Rate Cases  
 Cases: 22-E-0064 & 22-G-0065

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS-4  
 Date of Response: October 16, 2023  
 Responding Witness: N/A

Question No. :4-6-Supp1

Provide the proposed journal entries the Company intends to record to effectuate the surcharge mechanism.

Response

The journal entries applicable to this surcharge would be:
Debit: Regulatory Asset
Credit: Other Operating Revenues
<i>To record deferral of carrying charges</i>
Debit: Customer Accounts Receivable
Credit: Billed Revenues
<i>To record surcharge billings to customers (via billing system)</i>
Debit: Other Operating Revenues
Credit: Regulatory Asset
<i>To record the collection of the surcharge to draw down Regulatory Asset (manually JE to reverse the net income effect)</i>

Company Name: Con Edison  
Case Description: 2022 Con Ed Electric & Gas Rate Cases  
Case: 22-E-XXXX, 22-G-XXXX

Response to DPS Interrogatories – Set Jamaica Load Relief Petition DPS Set-5  
Date of Response: January 10, 2024  
Responding Witness:

Question No. :16

**Subject:** GHG and Pollution Emissions Reduction Related to Disadvantaged Communities

On Page 8 of the Company’s “Reply Comments of Consolidated Edison Company of New York, Inc.,” it states that the project does not cause a disproportionate burden to any Disadvantaged Communities and that the Company has provided necessary detail to demonstrate that the project will have a “generally beneficial” impact on emissions in local communities. Staff have not received any analyses or forecasts on GHG or pollution emissions associated with this project.

1. Has the Company conducted any projections of GHG or other pollution emission reductions associated with the project? Provide any projections and/or analysis.
2. Provide any additional analysis or information that demonstrates that the Idlewild Pproject will have a generally beneficial effect on emissions in local communities.

Response

1. The Reliable Clean City – Idlewild Project is a load-relief project required to address the deficiency forecasted for the Jamaica Network in 2026. The Project provides the capacity for additional load growth, which will enable customers to adopt electrification clean energy technologies and reduce the use of fossil fuels. Specifically, the adoption of electric vehicles will lower GHG or other pollution (discussed below) which can provide beneficial impacts on emissions in the network. As explained in the Company’s Reply Comments, (at p. 9), the forecast of emission reductions from these measures is challenging, because the underlying adoptions are not within the Company’s control. Nonetheless, the Company has attempted to provide high level estimates for EV adoption in the Jamaica and Springfield Networks. The Company has not provided an estimate for the other adoption measures (e.g. heat electrification).
2. As noted on page 2 of the Company’s Petition, the Project will have a generally beneficial impact in local communities because the project immediately enables customer growth of 160MW and up to 346MW of future customer load growth with additional transmission expansion. This additional load growth will permit customers in the Jamaica and Springfield networks to adopt clean energy technologies that will provide a direct benefit to the communities where they are located. For example, the additional load growth will enable the following:

- Adoption of electric vehicles and installation of electric vehicle chargers, thereby reducing fossil fuel vehicles in the local communities. In response to this Information Request, the Company is providing an estimate of carbon reductions that could occur based on projected adoption of EVs following completion of the Project. By 2040, the Project will support charging of enough light-, medium- and heavy-duty vehicles to avoid 415 thousand tons of carbon dioxide equivalent (CO<sub>2</sub>e) that year, with a total avoided emissions of 2.2 million CO<sub>2</sub>e from the in-service date through 2040.

The Company's estimate is based on the number of light-, medium- and heavy-duty vehicles which the Company estimates for the Jamaica Network through 2040. The Company then multiplied the vehicle count by conversion factors for the annual carbon reduced by light-, medium-, heavy-duty vehicles and buses. The light-duty vehicle conversion factor was developed for the Light-Duty Vehicle Emissions EAM in the Con Edison 2023 Rate Plan,<sup>1</sup> and the Medium- and Heavy-Duty and bus conversion factors were developed for the Beneficial Electrification EAM in the 2020 Rate Plan.<sup>2</sup> The Company used these Conversion Factors because these numbers were reviewed and approved as part of the Company's rate plans.

This estimate includes electrification of the MTA bus fleet at 4 major depots in the network, which will remove diesel powered buses from the streets serving local communities. Notably, the conversion of the entire MTA fleet of 5,800 buses to electric by 2040 would avoid 500,000 metric tons of GHG emissions every year;

- Conversion from oil and gas furnaces to electric heating, thereby eliminating the burning of fossil fuels in the local communities;
- Conversion to electrification of hot water heaters, stovetops, ovens, and clothes dryers from gas supply, thereby eliminating the burning of fossil fuels in the local communities, and;
- Electrification of all facilities at JFK and upgrades to the airport's electric transformers.

Finally, the new Eastern Queens Transmission Substation provides points of interconnection (POI) for energy storage which supports the State's renewable energy goals included in the CLCPA. Any energy storage provider taking advantage of the new POIs could assist with renewable energy in this area by addressing the intermittent nature of renewables and smoothing any load issues. In the long term, these battery storage providers can be part of the State's efforts to reduce reliance on fossil fuels.

---

<sup>1</sup> 22-E-0064, Joint Proposal, Appendix 22.

<sup>2</sup> 19-E-0065, Joint Proposal, Appendix 23.