

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

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

Case 20-E-0197

**COMMENTS OF
MULTIPLE INTERVENORS ON
RESEARCH AND DEVELOPMENT PLAN FOR ADVANCED
TRANSMISSION AND DISTRIBUTION TECHNOLOGIES**

Dated: September 9, 2022

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PRELIMINARY STATEMENT

Multiple Intervenors, an unincorporated association of approximately 55 large industrial, commercial, and institutional energy consumers with manufacturing and other facilities located throughout New York State, hereby submits these Comments in response to the Research and Development Plan for Advanced Transmission and Distribution Technologies (“Plan”) filed on July 20, 2022, by Central Hudson Gas & Electric Corporation (“Central Hudson”), Consolidated Edison Company of New York, Inc. (“Con Edison”), New York State Electric & Gas Corporation (“NYSEG”), Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), Orange & Rockland Utilities, Inc. (“O&R”), and Rochester Gas and Electric Corporation (“RG&E”; collectively, the “Joint Utilities”) in Case 20-E-0197.¹ Multiple Intervenors’ Comments on the Plan are submitted in response to the Notice Soliciting Comments issued herein by the New York State Public Service Commission (“Commission”) on August 9, 2022.

For the reasons set forth herein, Multiple Intervenors recommends the following in response to the Plan:

1. the Plan should be modified to provide for the adequate representation of, and/or the meaningful direct participation by, customer interests;
2. the Plan should be clarified to distinguish between (i) striving to better understand and identify challenges and barriers associated with advanced technologies, and (ii) the actual deployment of such technologies, which only should occur where demonstrably cost-effective and/or beneficial to grid reliability;

¹ 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*.

3. funding for the activities of the Advanced Technology Working Group (“ATWG”) should come from sources other than incremental collections from customers; and
4. the proposed external communications and engagement activities are meritorious, but should be expanded to include customers, particularly those whose service might be affected by the use of advanced technologies.

COMMENTS

MULTIPLE INTERVENORS’ COMMENTS ON THE PLAN

Multiple Intervenors has reviewed the Plan submitted by the Joint Utilities in this proceeding and hereby advances the following recommendations in response thereto. The Commission should incorporate these recommendations in its evaluation and ultimate ruling on the Plan.

1. The Plan Should Be Modified to Provide for the Adequate Representation of, and/or the Meaningful Direct Participation by, Customer Interests

In its Order on Power Grid Study Recommendations, the Commission directed the Joint Utilities and Department of Public Service Staff (“DPS Staff”) to establish a group “to take on the challenge of identifying and removing barriers to the deployment of new technologies.”² In response thereto, the Plan discusses the formation of the ATWG, which would be comprised of: (a) NYSEG and RG&E; (b) Central Hudson; (c) Con Edison and O&R; (d) National Grid; (e) DPS Staff; (f) New York State Energy Research and Development Authority (“NYSERDA”); (g) Long

² Case 20-E-0197, *supra*, Order on Power Grid Study Recommendations (hereinafter, “Power Grid Order”) (issued January 20, 2022) at 38.

Island Power Authority and/or PSEG Long Island; (h) New York Power Authority; and (i) New York Independent System Operator, Inc. (Plan at 4.)

Multiple Intervenors has no objections concerning any of the entities selected to participate in the ATWG. Significantly, however, the ATWG lacks representation by customer interests, and that omission is problematic. The very purpose of this proceeding is to benefit New York electric customers. For instance, in its Power Grid Order, the Commission notes that achieving the mandates of the Accelerated Renewable Energy Growth and Community Benefit Act and the Climate Leadership and Community Protection Act will necessitate “significant modifications to the electric grid ... to ensure that the system of the future serves New Yorkers across the State in a reliable and cost-effective manner.”³ Accordingly, some provision should be made to the proposed ATWG membership criteria to allow for the representation of, and/or the meaningful direct participation by, customer interests.⁴

2. Advanced Technologies Only Should Be Deployed Where Demonstrably Cost-Effective and/or Beneficial to Grid Reliability

Multiple Intervenors agrees that it makes sense to better understand, and identify barriers and challenges associated with, “advanced technologies” – however defined – that potentially could be deployed on transmission and distribution (“T&D”) projects undertaken in New York. Importantly, however, care should be exercised to ensure that the actual deployment of advanced technologies is limited to circumstances where such utilization is demonstrably cost-effective and/or beneficial to grid reliability. Put differently, advanced technologies should not be

³ Power Grid Order at 1-2.

⁴ Multiple Intervenors is not necessarily seeking to participate in the ATWG, but the opportunity to so participate should be extended to entities such as the Utility Intervention Unit of the New York State Department of State and/or other, interested consumer parties.

deployed solely for the sake of being able to claim that they were utilized, especially if adding to costs that ultimately are recoverable from customers. Rather, while it is appropriate to evaluate advanced technologies in different circumstances, the actual deployment of such technologies should be demonstrably justifiable from an economic and/or a reliability perspective.

In the Plan, the Joint Utilities propose that the “Mission” of the ATWG be “to identify, discuss, and resolve technical barriers and challenges associated with developing and deploying advanced technologies on the New York electric T&D systems.” (Plan at 3.) Multiple Intervenors recommends that such “Mission” be revised modestly to read as follows: “to identify, discuss, and resolve technical and economic barriers and challenges associated with developing and, where demonstrably cost-effective and/or beneficial to grid reliability, deploying advanced technologies on the New York electric T&D systems” (emphasis on proposed, additional text). Such revision helps to distinguish identifying, discussing, and resolving technical barriers and challenges associated with advanced technologies (which Multiple Intervenors agrees is a worthwhile undertaking) from the actual deployment of such technologies (which Multiple Intervenors contends only should be pursued where demonstrably justifiable from an economic and/or reliability perspective).

3. Funding for the ATWG Should Come From Sources Other Than Incremental Customer Collections

In the Plan, the Joint Utilities propose a \$17 million preliminary budget for the ATWG, encompassing the period 2022 through 2026. (Plan at 6.) Funding for this budget apparently would come from NYSERDA – the budget amounts depicted in Table 2 of the Plan are listed as “\$2 Million (NYSERDA)” and “\$15 Million (NYSERDA),” with footnotes indicating that the budget amounts were estimated by NYSERDA and that such funds “may be supplemented

by project partners including technology vendors, utilities, or other research organizations.” (*Id.* at 6, n.9-10.)

It is not clear to Multiple Intervenors whether the proposed \$17 million budget for the ATWG is reasonable or unreasonable given, *inter alia*, the level of activities anticipated, the Joint Utilities’ (and other stakeholders’) existing knowledge base concerning advanced technologies, and research into such technologies that is being – or will be – undertaken by other entities that can be used to inform future efforts in New York. That noted, Multiple Intervenors is supportive of that aspect of the proposed budget which does not seek to rely on incremental customer collections for funding.⁵

New York utility customers currently are under enormous price/rate/cost pressure. Wholesale electricity and natural gas prices currently are exceedingly high, which is directly impacting retail prices for those commodities.⁶ Additionally, utilities recently have been authorized – and are seeking – very large electric and gas delivery rate increases. Finally, customers are being required to fund a very large number of expensive programs and initiatives in furtherance of the State’s and the Commission’s clean energy policies, and such funding requirements are exacerbating high commodity and delivery prices (*i.e.*, some programs/initiatives

⁵ Multiple Intervenors points out that to the extent the \$17 million in proposed funding for the ATWG would in fact come from NYSERDA, it is highly likely that such funds represent prior collections from customers.

⁶ For instance, the New York Independent System Operator, Inc. (“NYISO”) reported recently that wholesale energy and ancillary services prices have averaged over \$90 per MWh in 2022 through July, compared to a cost of under \$48 per MWh for calendar year 2021. See NYISO CEO/COO Report, Management Committee Meeting, August 31, 2022, at Slide B, available at <https://www.nyiso.com/documents/20142/32976598/NYISO%20CEO%20COO%20MC%20Report%20August%202022.pdf/aad062a5-93ee-fdd5-6724-f263b78b12d3>. The NYISO also reported that: “Natural gas prices (Transco Z6 NY) are up 103.1% year-over-year.” *Id.* at 3rd slide of said presentation.

are funded through recoveries from load serving entities, resulting in increased commodity prices ultimately borne by customers, while other programs/initiatives are funded through delivery rates or surcharges imposed on customers).⁷

Accordingly, while recognizing that the planned activities of the ATWG will necessitate certain expenditures, Multiple Intervenors urges the Commission to: (a) ensure that the proposed budget is reasonable; and (b) authorize the use of funding streams that are not dependent upon incremental collections from customers. To the extent practicable, the Joint Utilities also should seek grants and financial contributions from outside sources.

4. The Proposed External Communications and Engagement Activities are Meritorious, But Should Be Expanded to Include Customers, Particularly Those Whose Service Potentially May Be Affected by Advanced Technologies

In the Plan, the Joint Utilities propose that: “The ATWG plans to communicate and engage with a broad and diverse group of stakeholders to be as openly collaborative as possible as this is a fundamental R&D tenant. Stakeholders will include the ATWG members, consultants, industry research groups, national laboratories, academic institutions, T&D equipment manufacturers, project developers, and technology start-ups and innovators.” (Plan at 11.) Multiple Intervenors agrees that the ATWG should undertake external communications and engagement activities concerning its work, but recommends that the group of stakeholders targeted for such activities be expanded to include customers, particularly those whose service potentially may be affected by the use of advanced technologies.

⁷ See, e.g., Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Comments of Multiple Intervenors on Proposed Tier 4 Contracts (dated February 7, 2022) at 9-16 (highlighting some of the many programs/initiatives customers are being required to fund).

Initially, inasmuch as the work of the ATWG ultimately is intended to benefit customers, and as proposed would be financed with funds that presumably were recovered previously from customers, Multiple Intervenors recommends that customers also be targeted for external communications and engagement activities similar to other types of stakeholders. Additionally, many large non-residential customers have complex interconnections with utilities, where T&D grid modifications on the utility's side of the fence could have potential impacts on the service received on the customer's side of the fence. Moreover, many large non-residential customers experience periodic power quality issues, for a variety of reasons. Therefore, to the extent one of more utilities are seeking to implement advanced technologies in a manner that potentially could impact service to customers – even where such impacts may not be readily foreseeable – separate external communications and engagement activities should be undertaken with customers whose service may be impacted by the use of such technologies.⁸

Accordingly, while agreeing with the Joint Utilities' proposal that the ATWG engage in external communications and engagement activities with stakeholders, Multiple Intervenors recommends that customers be included within the scope of targeted stakeholders, particularly customers whose service potentially may be impacted by the use of advanced technologies.

⁸ The potential benefits of such external communications and engagement activities are not limited to the possible avoidance of unintended consequences. The implementation of advanced technologies may improve service to customers in a number of circumstances, and early communications with affected customers may help to identify and verify such improvements.

CONCLUSION

For all the foregoing reasons, Multiple Intervenors urges the Commission to adopt the positions espoused herein in its evaluation of, and ruling upon, the Plan.

Dated: September 9, 2022
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Respectfully submitted,

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