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**Via Electronic Delivery**

December 5, 2016

Hon. Kathleen H. Burgess  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 16-E-0558 - In the Matter of New York Independent System Operator, Inc.'s  
Proposed Public Policy Transmission Needs for Consideration for 2016.

Dear Secretary Burgess:

On October 3, 2016, the New York Independent System Operator, Inc. ("NYISO") filed with the New York State Public Service Commission ("Commission"), in the above-referenced case, proposed transmission needs driven by Public Policy Requirements for consideration by the Commission as a part of the NYISO's 2016–2017 transmission planning cycle ("NYISO Filing"). The Commission published a notice of proposed rulemaking in the October 19, 2016 State Register ("Notice") soliciting comments on whether the proposed transmission needs "should be identified as Public Policy Transmission Needs/Public Policy Requirements that may drive the need for transmission and should be referred to the NYISO to solicit and evaluate potential solutions."

Pursuant to the Notice, Independent Power Producers of New York, Inc. ("IPPNY") hereby comments on the proposals submitted by the City of New York, H.Q. Energy Services (U.S.), Inc. ("HQUS"), New York Power Authority, Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") and Central Hudson Gas & Electric Corporation, which request that the Commission identify the import of electricity to New York from large-scale hydroelectric generating facilities in Canada as a transmission need driven by public policy requirements pursuant to Section 31.4 of the NYISO's Open Access Transmission Tariff. The City of New York acknowledges that large scale hydroelectric generation does not qualify as renewable under the Commission's Renewable Energy Standard ("RES") but states that it "remains optimistic" that the Commission will reverse its long-standing policy when it rules on

pending rehearing requests. In its response to HQUS's rehearing request, IPPNY provided strong grounds why the Commission should uphold its long-standing policy to limit eligibility for RES program participation to low-impact run-of river hydroelectric facilities with no new storage impoundments and the incremental production associated with hydroelectric upgrades with no new storage impoundments and thereby prohibit existing and new large-scale hydroelectric resources that rely on storage impoundment as Tier 1 resources.<sup>1</sup>

For these same reasons, the Commission should not identify a transmission need or order selection criteria that would limit the NYISO's selection of transmission projects to projects that import power from Canada. Requiring New York ratepayers to socialize the costs of transmission to allow Canadian government-owned resources to export power to New York so that they can "compete" in the RES program would significantly skew the playing field and disadvantage private, competitive merchant projects in New York. If the Commission identifies any transmission needs driven by the RES in this case, it should define such needs broadly to ensure that all proposed transmission projects, including ones that enhance transmission capability for renewable facilities located in New York, can fairly compete to satisfy the RES at the lowest cost to the State's ratepayers. In addition, the Commission should consider the difference between alternating current and direct current transmission technologies with respect to how these different technologies either help or hinder open access to transmission for various competitive renewable resources from diverse locations.

Respectfully submitted,

READ AND LANIADO, LLP  
Attorneys for Independent Power Producers  
of New York, Inc.

By: David B. Johnson  
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<sup>1</sup> Case 15-E-0302 et al., *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Response of Independent Power Producers of New York, Inc. to Petition for Rehearing (Nov. 14, 2016) at 3-6.