

**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**

Dated: April 21, 2025

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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 to the New York State Public Service Commission (“Commission”) in 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*. Multiple Intervenors’ Comments: (a) are submitted in accordance with the Notice Soliciting Comments issued herein by the Commission on February 14, 2025; and (b) respond to the “Petition Requesting Designation of Certain Transmission Investments as a Priority Transmission Project” (“Petition”) that was filed by the New York Power Authority (“NYPA”) on December 23, 2024, and updated on January 24, 2025.¹

In its Petition, NYPA seeks a ruling from the Commission designating the Clean Path Transmission Project (the “Project”) as a Priority Transmission Project (“PTP”) pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act (“Accelerated Renewable Act”). (Petition at 2.) In support thereof, NYPA asserts, *inter alia*, that: (1) in enacting the Accelerated Renewable Act, the State Legislature recognized that NYPA is uniquely positioned to develop major transmission projects; (2) the Project is needed to deliver renewable energy to support the decarbonization of the electric system in New York City (“NYC”); (3) the decarbonization of NYC is critical to achieving the goals of the Climate Leadership and Community Protection Act (“CLCPA”); (4) the New York Independent System Operator, Inc. (“NYISO”) has identified reliability deficiencies in NYC beginning in 2025, and transmission

¹ Multiple Intervenors’ Comments focus exclusively on the updated version of NYPA’s Petition.

security deficiencies in NYC in 2033; (5) the State’s Clean Heat Program and NYC’s Climate Mobilization Act are expected to significantly increase the demand for electricity downstate and it is imperative that there is sufficient clean energy supply to satisfy this demand; and (6) given such demand and CLCPA mandates, additional transmission to deliver fossil-free generation from upstate to downstate is needed as soon as possible. (*Id.* at 1-3.)

NYPA also proposes in the Petition that 60 percent of the costs of the Project be allocated to NYISO Load Zone J (NYC), with the remaining 40 percent of costs allocated to the rest of New York on a load ratio share basis (hereinafter, the “60/40 Cost Allocation Method”). (*Id.* at 34-35.)² If authorization to proceed as a PTP is granted, NYPA would seek cost recovery through the NYISO’s tariff via a filing with the Federal Energy Regulatory Commission. (*Id.* at 35.)

Initially, Multiple Intervenors advocates no position herein as to whether NYPA’s proposed Project should be designated as a PTP by the Commission, or that the Project is needed to provide the intended benefits to NYC.³ However, if, *arguendo*, NYPA’s Petition is granted in

² It is not entirely clear whether, as proposed by NYPA, Zone J would be included in the 40 percent of costs that would be allocated on a load ratio share basis. For the reasons set forth herein, any statewide benefits associated with the Project would inure to consumers in Zone J (as well as other zones) and, therefore, no region should be excluded from bearing a share of any portion of costs that are socialized. Such conclusion should be reached separate and apart from a determination of the portion of costs allocable directly to Zone J in recognition that consumers located in that region are the intended primary beneficiaries of the proposed Project.

³ It is incumbent upon the Commission to undertake a comprehensive evaluation of the need for the Project prior to designating it a PTP. NYPA projects that the Project will cost over \$5.2 billion to develop (Petition at 17), and the Commission already has authorized, *inter alia*, many billions of dollars in new transmission projects over the last several years, the collective effects of which are escalating utility delivery rates and/or NYISO charges (depending upon how the costs of a particular project are recovered). While Multiple Intervenors recognizes that certain transmission-related investments are needed to maintain reliability and/or meet the State’s aggressive renewable energy goals, energy affordability (for all customers) is becoming highly problematic in New York. In this regard, Multiple Intervenors also notes that, thus far, the

whole or large part and the Project is designated as a PTP, then the Commission should modify the proposed cost allocation to be more consistent with beneficiaries pay principles. Specifically, for the reasons set forth below, Multiple Intervenors recommends that 75 percent of the costs be allocated to the economic beneficiaries (including but not necessarily limited to Zone J), with the remaining 25 percent socialized across the entire State (including Zone J) on a load ratio share basis (hereinafter, the “75/25 Cost Allocation Method”).

ARGUMENT

IF THE PROJECT IS DESIGNATED AS A PTP, NYPA’S PROPOSED 60/40 COST ALLOCATION METHOD SHOULD BE REJECTED; THE COMMISSION INSTEAD SHOULD USE THE 75/25 COST ALLOCATION METHOD

NYPA recommends that the Project, if designated a PTP by the Commission, be subject to the 60/40 Cost Allocation Method. (Petition at 34-35.) NYPA’s recommendation is based on the fact that the primary benefit of the Project “is congestion relief for Zone J,” while noting that other benefits, such as improved system reliability and air quality, would accrue to customers statewide. (*Id.*) Initially, Multiple Intervenors commends NYPA for attempting to reflect beneficiaries pay principles in its proposed cost allocation. While Multiple Intervenors demonstrates below that NYPA’s proposal does not go far enough and should be replaced by the

Commission has declined to enforce its prior, unsatisfied directive to Department of Public Service Staff (“DPS Staff”) to file annual reports calculating the cost of CLCPA mandates (the last such report was due in July 2024). See Case 22-M-0149, *Proceeding on Motion of the Commission Assessing Implementation of and Compliance with the Requirements and Targets of the Climate Leadership and Community Protection Act*, Letter by Multiple Intervenors (filed March 10, 2025) (seeking action by the Commission in response to DPS Staff’s failure to comply with a clear Commission directive). The need for an objective report the mounting, aggregate costs of these transmission and other CLCPA-related investments on consumers has never been more pronounced.

75/25 Cost Allocation Method, the proposal does constitute a far more equitable approach than merely socializing costs statewide on a load ratio share basis. Socializing the costs in that manner would ignore the plain fact, as demonstrated throughout the Petition, that the vast majority of benefits associated with the Project would be experienced in Zone J, and possibly other downstate regions.

A. The Petition Clearly Demonstrates that Consumers Located in Zone J are the Primary Beneficiaries of the Project

In evaluating potential cost allocation methodologies, the Commission should account for the fact that the Project, if developed, would benefit Zone J to a far greater extent than all other regions of the State. In fact, on a purely economic basis, the Project is likely to cause energy prices to rise in the upstate region, at least in the near term.

The NYPA Petition leaves no doubt that the primary beneficiaries of the Project are consumers located in Zone J.⁴ NYPA, for instance, asserts the following in support of the Petition:

- The Project is intended in part to “address the State’s need for additional bulk transmission investments to deliver renewable energy to support the decarbonization of the electric system **in downstate New York.**” (Petition at 2; emphasis added.)
- “It is well-recognized that decarbonization of the electric system **in downstate New York – particularly New York City** – is critical to achieving the CLCPA goals. (*Id.*; emphasis added; footnote omitted.)

⁴ It is possible that certain benefits would flow to consumers located in other downstate regions proximate to Zone J.

- The NYISO “has identified **reliability deficiencies in New York City** beginning in 2025, and **transmission security deficiencies in New York City** starting in 2033.” (*Id.* at 2-3; emphasis added; footnotes omitted.)
- State and local legislation “are expected to **significantly increase the demand for electricity downstate**, and it is imperative that there is sufficient clean energy supply to satisfy this demand.” (*Id.* at 3; emphasis added.)
- Additional transmission capacity is needed “**to deliver upstate fossil-free generation downstate.**” (*Id.*; emphasis added.)
- Designating the Project as a PTP would accelerate its development and “enable delivery of carbon-free power **to New York City** in 2029 and support reduced reliance on fossil-fueled generating facilities **within New York City**, which will lower particular air emissions, improve air quality, and provide public health benefits **within New York City.**” (*Id.*; emphasis added.)
- Adding transmission capacity “**into New York City** will help address **downstate reliability concerns** and reduce to the need to rely on more expensive local capacity to meet the Locational Minimum Installed Capacity Requirement (LCR) **for Zone J.**” (*Id.* at 4; emphasis added; footnotes omitted.)
- “It would be imprudent to rely solely on any one resource – in this case, offshore wind generation or the CHPE [Champlain Hudson Power Express] project – to satisfy **New York City’s substantial and growing demand for electricity.**” (*Id.* at 11; emphasis added.)

- “The Project will bypass the four existing interfaces on the bulk transmission system and deliver fossil-free energy **directly into the New York City load center.**” (*Id.* at 12; emphasis added.)
- The Project would “displace the carbon emissions **from in-City fossil fuel-fired generators**, [and] support the earlier retirement of NYPA’s small natural gas power plants” resulting in “substantial benefits **to the disadvantaged communities within New York City**, where many of the small natural gas power plants are located” (*Id.* at 19; emphasis added.)
- The Project “would create a new pathway to transmit the renewable energy generated upstate **to New York City**” (*Id.* at 21; emphasis added.) It would transmit “the output from the upstate resources across the bulk power system **to New York City**” (*Id.* at 22; emphasis added.)
- Because the Project “would provide a 1,300 MW connection between upstate and Zone J load, those additional flows **should reduce the LCR [Locational Capacity Requirement] in Zone J** in both summer and winter. Lowering the LCR would, in turn, reduce the burden of **New York City ratepayers** to purchase more expensive in-Zone capacity, which translates to a reduction in the price for Zone J capacity.” (*Id.* at 23; emphasis added.)
- The primary benefit of the Project is congestion relief **for Zone J**” (*Id.* at 34; emphasis added.)

To be clear, Multiple Intervenors recognizes that the Project may provide certain, more limited benefits to regions other than NYC. For instance, although the Project reportedly would “lower particulate air emissions, improve air quality, and provide public health benefits

within New York City” (*id.* at 3), a reduction in carbon emissions would have broader benefits beyond NYC. Additionally, while the NYISO has identified both near-term and longer-term reliability needs for NYC (*id.* at 2-3), increased transmission capacity may produce broader reliability benefits for multiple downstate regions.⁵ To the extent the Project were to result in savings related to future Renewable Energy Credit (“REC”) and Zero-Emissions Credit (“ZEC”) pricing (*see id.* at 17), those benefits, while speculative, would be experienced by all New York consumers.

Importantly, however, while development of the Project may result in certain statewide benefits, as demonstrated more clearly below there can be no serious dispute that the intended primary beneficiaries, and the recipients of an overwhelming share of the Project benefits (if developed), would be consumers located in Zone J.

B. NYPA’s Proposed 60/40 Cost Allocation Method Does Not Fairly Reflect How the Economic Benefits of the Project Would Be Realized

In its Petition, NYPA “proposes to use a regional cost allocation method for the Clean Path Transmission Project which would allocate costs based on the extent to which benefits will accrue to ratepayers.” (Petition at 34.) As demonstrated below, the proposed 60/40 Cost Allocation Method tries but fails to accomplish such objective because it does not allocate enough costs to downstate.

⁵ NYPA asserts that the Project “is being designed and engineered to enable bi-directional flows, allowing for the reversal of power flows to transmit excess electricity from downstate offshore wind resources to serve upstate demand when needed.” (*Id.* at 24.) Given higher loads and load growth within NYC, and numerous present uncertainties regarding the future of offshore wind development in New York due to cost increases and the change in federal administration, Multiple Intervenors is highly skeptical that this claimed benefit will come to fruition in the foreseeable future (but nonetheless acknowledges that the bi-directional capability of the Project represents at least a potential, albeit highly speculative, future benefit to upstate).

NYPA calculates that the Project would “result in cost savings with a net present value of approximately \$6.2 billion over a 23-year period.” (Petition at 18; footnote omitted.) NYPA’s \$6.2 billion in cost savings (NPV) is based on its calculation of the following “Lower Bound Benefits” for the Project:

Metric	Projected Savings (2030-2052)
Production Cost Savings	\$251 Million
Load Payment Savings	\$354 Million
RECs/ZECs Savings	\$428 Million
Congestion Reduction on Central East and Total East	\$1,167 Million
Impact on LCR	\$4,000 Million
Total Benefits	\$6,200 Million

(See *id.*, Attachment B at 4.)⁶

NYPA’s calculation demonstrates, *inter alia*, that out of the projected \$6.2 billion in savings, fully \$4.0 billion (64.5 percent) stems from “Impact on LCR Savings,” which relate solely to Zone J. (*Id.*; see also Petition at 23 [explaining that the Project would reduce the LCR in Zone J, resulting in a reduced burden to “New York City ratepayers to purchase more expensive in-Zone capacity, which translates to a reduction in the price for Zone J capacity”])).

NYPA’s analyses also indicate that the Project would reduce congestion on the Central East and Total East interfaces, resulting in \$1.167 billion (18.8 percent) of the projected savings. (*Id.*, Attachment B at 4.) Importantly, reduced congestion lowers energy prices to regions downstream of those interfaces (*i.e.*, the downstate region; in this case primarily but not necessarily limited to Zone J). As noted by NYPA, the “primary benefit of the Project is congestion relief for Zone J” (Petition at 34.) Moreover, all else equal, reducing congestion on one or more

⁶ The pages of Attachment B – “Clean Path New York Transmission Project – Evaluation of Project Viability” – are not numbered; parenthetical references to this attached report include the cover page and the table of contents.

constrained interfaces has the near-term effect of raising energy prices upstream of such constraints.

Importantly, the Project is adding no generation; rather, it simply is enabling the delivery of generation located upstate to Zone J, thereby reducing surplus supply and increasing energy prices upstate. Thus, although Attachment B to the Petition does not provide NYPA's savings calculations on a zonal basis, the \$1.167 billion in projected savings associated with reduced congestion almost certainly represents a larger amount of energy price reductions for regions located downstream of the existing, congested interfaces, offset by energy price increases to regions located upstream of those interfaces.

NYPA also forecasts \$354 million in "Load Payment Savings" (*id.*, Attachment B at 4), which are defined as "LBMP payments (energy, congestion and losses) paid by electricity demand (forecasted load, exports, and wheeling)" (*id.*, Attachment B at 10). Upon information and belief, given the benefits of the Project as described by NYPA (including reduced congestion and serving increasing demand downstate), all or most of the Load Payment Savings likely will be realized by consumers located in Zone J and possibly other downstate regions.

Similarly, because the energy cost savings anticipated due to the Project are focused on NYC, all or most of the projected \$251 million in Production Cost Savings (*see id.* at 4) also would be realized by consumers in Zone J.

Finally, the \$428 million in RECs/ZECs Savings projected by NYPA (*see id.*) would be realized statewide on a load ratio basis, meaning that a substantial portion of those savings would inure to consumers located in Zone J (which by far has the greatest annual load of any of the NYISO's 11 load zones).

Focusing solely on the “Impact on LCR Savings” and “Congestion Reduction on Central East and Total East” categories of cost savings, \$5.167 billion of the projected \$6.2 billion, or 83.3 percent, of the projected economic benefits related to the Project would flow to Zone J consumers. If “Load Payment Savings” and “Production Cost Savings” also are included in the projected savings that would flow exclusively or predominantly to Zone J consumers, such savings would amount to \$5.772 billion, or 93.1 percent, of the \$6.2 billion in economic benefits projected for the Project. Moreover, a material portion of the remaining projected savings – attributable to “RECs/ZECs Savings” – also would be realized by consumers in Zone J on a load-ratio basis.

In other words, the share of the projected economic benefits related to the Project that would be realized by consumers in Zone J is far in excess of the 60 percent direct allocation proposed by NYPA. Based on NYPA’s own analyses, the Zone J percentage of projected savings easily is more than 80 percent and almost certainly exceeds 90 percent of the calculated economic benefits associated with the Project. Thus, applying the 75/25 Cost Allocation Method is generous to downstate consumers, and applying the 60/40 Cost Allocation Method proposed by NYPA would unfairly result in upstate consumers significantly overpaying for a project that will increase their energy prices.

C. NYPA’s Proposed 60/40 Cost Allocation Method is Not Reflective of How the Reliability Benefits of the Project Would Be Realized

In addition to the economic benefits associated with the Project being overwhelmingly weighted toward Zone J consumers, the same is true with respect to the anticipated reliability benefits. NYPA justifies the Petition and its claimed need for the Project to be designated as a PTP, in part, in response to growing reliability concerns. Importantly, those concerns are concentrated in Zone J.

NYPA asserts, accurately, that the NYISO “has identified reliability deficiencies in New York City beginning in 2025, and transmission security deficiencies in New York City starting in 2033.” (*Id.* at 2-3; footnotes omitted.) NYPA further asserts that “adding the ability to transmit capacity and energy into New York City will help address downstate reliability concerns” (*Id.* at 4; footnote omitted.) Thus, while there arguably are generalized benefits associated with a more reliable bulk electric system (which would be a true statement with respect to virtually any major transmission project or upgrade within the State), here the proposed Project is intended to address reliability needs specific to Zone J.⁷

Thus, in terms of reliability benefits, if somehow quantifiable, far more than 60 percent (or 75 percent) of such benefits associated with the Project would be attributable to Zone J. The Project expands transmission capacity into Zone J, and is intended to address both near-term and longer-term reliability benefits identified specifically for that region by the NYISO. While Multiple Intervenors is not opposed to transmission projects that increase reliability in NYC, the associated cost allocation needs to be fair, and applying the 75/25 Cost Allocation Method here is necessary to reasonably achieve that goal.

D. NYPA’s Proposed 60/40 Cost Allocation Methodology is Not Reflective of How the Environmental Benefits of the Project Would Be Realized

In addition to the Project’s anticipated economic and reliability benefits, the projected environmental benefits from the Project also are weighted predominantly toward Zone J and potentially other downstate regions proximate to Zone J.

⁷ In fact, by facilitating the increased delivery of upstate generation to Zone J, the Project would reduce or eliminate any generation surplus that may exist upstate, thereby arguably impairing regional reliability upstate in furtherance of addressing identified reliability needs in Zone J.

In terms of emissions, the Project is intended to help decarbonize NYC, while also providing other local air quality and public health benefits to that region of the State. As explained by NYPA, “the Project will enable delivery of carbon-free power **to New York City** beginning in 2029 and support reduced reliance on fossil-fueled generating facilities **within New York City**, which will lower particulate air emissions, improve air quality, and provide public health benefits **within New York City.**” (Petition at 3; emphasis added.) In discussing such localized benefits, NYPA asserts that the Project would “support the earlier retirement of [its] small natural gas power plants” resulting in “substantial benefits **to the disadvantaged communities within New York City**, where many of the small natural gas power plants are located” (*Id.* at 19; emphasis added.)

Thus, it is indisputable that the Project is intended primarily to deliver emission-free generation from upstate to Zone J, which currently is highly reliant on fossil fuel-fired generation. Moreover, while the projected reduction in carbon emissions should benefit the planet, the targeted emission reductions and resulting improved air quality and health benefits would be concentrated in and around Zone J, benefitting consumers located in and potentially proximate to Zone J. As NYPA’s Petition confirms, the primary environmental benefits associated with the Project are being driven by, and are concentrated in and around, Zone J.

E. The 75/25 Cost Allocation Method is Consistent with Commission Precedent

The Commission previously has utilized the 75/25 Cost Allocation Method to allocate the costs of transmission projects whose primary benefit is congestion relief. For instance, in Case 12-T-0502, *et al.*, the Commission confirmed that it “supports a ‘beneficiaries pay’ approach for allocating costs, whereby those that derive the benefits of a project should bear the

costs.”⁸ Based on its analysis of the projects at issue therein – the “AC Transmission Projects” – the Commission ruled as follows with respect to cost allocation:

The Commission therefore adopts an approach whereby 75% of project costs are allocated to the economic beneficiaries of reduced congestion, while the other 25% of the costs are allocated to all customers on a load-ratio share. This would result in approximately 90% of the project costs being allocated to customers in the downstate region, and about 10% to upstate customers. This allocation reflects that the primary benefit of the projects will be reduced congestion into downstate load areas, but also recognizes that some benefits accrue to upstate customers in the form of increased reliability and reduced operational costs.⁹

Even when the Commission ruled that the costs of certain transmission projects should be socialized for policy reasons, it indicated that the 75/25 Cost Allocation Method remained appropriate when addressing the economic benefits that flow from congestion relief: “Thus, the Commission made clear in both the AC Transmission and Western New York proceedings that it apportioned 75% of the cost allocation based on the economic benefits associated with congestion relief.”¹⁰ In fact, the Commission stated that it “finds support from the reasoning behind its assignment of a 75/25 cost allocation methodology to the transmission needs identified in the AC Transmission and Western New York proceedings” in that “the primary basis

⁸ Cases 12-T-0502, *et al.*, *Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades*, Order Establishing Modified Procedures for Comparative Evaluation (issued December 16, 2014) at 41. *See also* Case 14-E-0454, *In the Matter of New York Independent System Operator, Inc.’s Proposed Public Policy Transmission Needs for Consideration*, Order Addressing Public Policy Transmission Need for Western New York (issued October 13, 2016) at 16 (applying the “beneficiaries pay principle” and directing that project costs be assigned directly to the beneficiaries taking “into account the economic benefits associated with congestion relief”).

⁹ *Id.*

¹⁰ Cases 20-E-0497, *et al.*, *In the Matter of New York Independent System Operator, Inc.’s Proposed Public Policy Transmission Needs for Consideration for 2020*, Order on Petitions for Rehearing (issued May 16, 2022) at 8.

for the Commission’s identification of transmission needs in both proceedings, and the reason for the 75% allocated to beneficiaries, was the economic benefits associated with congestion relief that would be addressed by the needs.”¹¹

Here, there is no doubt about the importance of congestion relief downstate in terms of justifying the Project and the relief sought in the Petition. Indeed, NYPA asserts explicitly that: “The primary benefit of the Project **is congestion relief for Zone J**” (Petition at 34; emphasis added.) By reducing existing congestion, increased generation located upstate would be deliverable to Zone J, resulting in enormous economic benefits to consumers located in Zone J, while also addressing identified reliability needs specific to Zone J and providing many localized environmental and public health benefits to residents in Zone J. As demonstrated, *supra*, by far the lion’s share of economic benefits (easily over 80 percent and likely over 90 percent) associated with the proposed Project would inure to Zone J residents. Given the clear and undeniable linkage of the Project to the goal and the associated benefits of Zone J congestion relief, use of the 75/25 Cost Allocation Method is appropriate in this proceeding.

F. If a Portion of the Project Costs are Socialized, All NYISO Load Zones Should Bear Those Costs

In the Petition, NYPA confirms that: “The primary benefit of the Project is congestion relief for Zone J” (Petition at 34.) NYPA further asserts – and Multiple Intervenors does not challenge – that there are certain anticipated benefits associated with the Project that would inure to consumers on a statewide basis. Accordingly, it is appropriate, and equitable, to allocate a significant majority of the Project costs to Zone J, while also allocating some lesser portion of the costs on a socialized, statewide basis. For the reasons detailed, *supra*, Zone J

¹¹ *Id.* at 26-27.

consumers are likely to realize at least 80 percent and probably over 90 percent of the Project's economic benefits, while also benefitting disproportionately compared to other regions with respect to the Project's anticipated reliability and environmental benefits. Accordingly, Multiple Intervenors contends that, based on the circumstances presented, use of a 75/25 Cost Allocation Method for the Project would be far more equitable than the 60/40 Cost Allocation Method proposed by NYPA.

In the Petition, NYPA proposes: (1) "to allocate 60% of the costs of the Clean Path Transmission Project to Zone J, as the benefits of the Project are primarily focused and realized in Zone J"; and (2) that "the remaining 40% of the costs should be allocated to the rest of State on a load ratio share basis." (Petition at 35.) By "rest of State," it is not clear whether NYPA is proposing to include or exclude Zone J in such allocation. If, *arguendo*, NYPA is advancing a proposal to exclude Zone J from the 40% statewide allocation, it should be rejected. The portion of costs not allocable directly to Zone J consumers as the clear primary beneficiaries of the Project should be socialized throughout the entire State (*i.e.*, including Zone J) in recognition that the Project is expected to produce certain benefits – separate and apart from those specific to Zone J – that would be realized on a statewide basis.

Importantly, expected statewide benefits from the Project – such as any carbon emission reductions and potential savings related to future REC and ZEC prices – would inure to Zone J consumers as well as consumers located in other regions of the State. Therefore, to the extent a minority portion of the Project costs are socialized, such allocation should include all regions of the State, including Zone J. If NYPA is in fact proposing to exclude Zone J from the portion of Project costs that would be socialized statewide, such proposal should be rejected.

CONCLUSION

For all the foregoing reasons, assuming that the Project is designated as a PTP, the Commission should reject the 60/40 Cost Allocation Method proposed by NYPA in the Petition and adopt a 75/25 Cost Allocation Method, with 75 percent of the costs allocated to Zone J and the remaining 25 percent of the costs socialized (*e.g.*, allocated on a load-ratio basis) across all NYISO load zones. The Petition establishes that the 75/25 Cost Allocation Method more closely, and equitably, reflects how the benefits stemming from the Project would be experienced than the 60/40 Cost Allocation Method. Under either approach, the portion of Project costs that are socialized on a statewide basis should include all regions and not exclude Zone J. Under no circumstances should the entire cost of the Project be socialized – the Petition establishes clearly and convincingly that the Project is intended to address the specific needs of Zone J (*e.g.*, congestion relief, addressing increasing regional electrical demand, responding to reliability needs identified for Zone J by the NYISO) and the lion's share of the projected benefits would flow to Zone J consumers.

Dated: April 21, 2025
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