STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on December 18, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

CASE 25-E-0764 - Proceeding on Motion of the Commission to Address New York City Reliability Needs.

ORDER INITIATING PROCEEDING AND DIRECTING RELIABILITY CONTINGENCY PLAN

(Issued and Effective December 18, 2025)

BY THE COMMISSION:

INTRODUCTION

Ensuring that utilities provide electric service that is "safe and adequate and, in all respects, just and reasonable" is a core obligation of the Public Service Commission (Commission) under the Public Service Law (PSL).[1] Electric service is essential to public health, welfare, and safety, and the cornerstone of the economic system that sustains the wellbeing of millions of New Yorkers.

Recent studies published by the New York Independent System Operator, Inc. (NYISO) and Consolidated Edison Company of New York, Inc. (Con Edison or the Company) indicate that the New York City (NYC) region (NYISO Zone J) will face reliability

[1] PSL §65(1).

needs in the near term.[2] The NYISO identified reliability deficiencies arising over the next five years (2026-2030), to which it is currently seeking possible solutions, while Con Edison has observed longer-term needs increasing over the following five-year period (2031-2035). The NYISO and Con Edison studies point to several factors that contribute to the advancing problem, namely increasing overall demand for electricity, anticipated retirements of existing generation resources, and difficulties in developing new generation supplies.[3]

The Commission is instituting this proceeding to ensure that all appropriate steps are taken to address NYC's reliability needs and that safe and adequate service is continually maintained for the near- and long-term.[4] The key reliability standard driving these needs is Con Edison's Transmission Planning Citeria for assessing the adequacy of its Bulk Electric System (BES) and certain non-BES 138 kV and 69 kV

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[2] NYISO Short-Term Assessment of Reliability (STAR) 2025 Quarter 3 Report, available at: https://www.nyiso.com/short-term-reliability-process. Con Edison 2025 Local Transmission Plan (LTP), available at: https://www.nyiso.com/documents/20142/55462035/03b_CECONY_2025_LTP.pdf/f21ff9a3-02f3-eab1-310c-4a6c15521365.

[3] These studies also highlight concerns about the possible failure of the State's existing fossil-fuel generation fleet, which is among the oldest still in operation in the United States.

[4] The term reliability is used herein to encompass transmission security (i.e., the ability of the electric system to withstand disturbances, such as electric short circuits or unanticipated loss of system elements, without involuntarily disconnecting firm load) and resource adequacy (i.e., the ability of electric systems to supply the aggregate electrical demand and energy requirements of customers, accounting for scheduled and reasonably expected unscheduled outages of system elements).

systems (collectively, the Transmission System) to withstand design contingency conditions in order to provide reliable supply to all of its customers, throughout the planning horizon. This requires that Con Edison have the ability to operate and return the system to normal conditions where thermal, voltage, and stability limits are not exceeded after the loss of the two largest contingencies in Zone J (referred to as the "N-1-1-0" standard).[5] The original "N-1-1" contingency standard was implemented in 1961 after a system wide blackout occurred. The enhanced N-1-1-0 contingency standard has been in place since the 2008 timeframe and is applicable to 7 of Con Edison's 17 Transmission Load Areas, and exceeds the N-1-1 standard adopted by the North American Electric Reliability Corporation, the Northeast Power Coordination Council, the New York State Reliability Council, and the Commission that is applicable to the remaining networks. The Commission hereby directs Con Edison, as the utility responsible for serving NYC customers, to commence the development of a "NYC Reliability Contingency Plan" (also referred to as the Plan) to guide planning efforts for the next decade and, if necessary, beyond.

As an initial step, we require Con Edison to identify the specific reliability needs (e.g., reliability criteria violations and megawatt (MW) deficiency amounts, and any other relevant factors) and the dates by which it expects those needs to arise, along with the key assumptions and methodologies used to determine the likely timing of those needs (e.g., load and demand forecasts, anticipated retirements of resources, and

[5] Con Edison Transmission Planning Criteria: https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/business-partners/transmission-planning/transmission-planning-criteria.pdf?rev=30ab6e15786046fc84fda36b1035aa4c&hash=D4C4BBDB32FF777D70B3BC3B31A5A60D.

projections for new resources, among other factors). Con Edison is also directed to consult with the NYISO to identify and explain any divergences in the assumptions and methodologies used by each entity to ascertain reliability needs. Con Edison shall file this information – its projection for the reliability needs impacting the New York City system over the next ten years – within 30 days of the date of this Order and shall submit updates every six months thereafter to provide transparency and increase public understanding of the electric system requirements driving the need for solutions.

At the same time, Con Edison shall commence prudent planning efforts to identify potential solutions it could undertake to solve, or contribute to solving, the anticipated reliability needs. In parallel with that effort, we require Con Edison to issue a Request for Information (RFI) within 30 days of the date of this Order, seeking all potential clean and non-emitting solutions to address the identified reliability needs, consistent with the recently released State Energy Plan and the Climate Leadership and Community Protection Act (CLCPA) requirements.[6] Following its review of the responses to the RFI, Con Edison shall file, within 180 days from this Order, preliminary recommendations for the NYC Reliability Contingency Plan and next steps in this proceeding. The Secretary to the Commission will issue a public notice soliciting comments on the proposed NYC Reliability Contingency Plan upon the filing by Con Edison.

[6] We note that the Commission issued an order in Case 15-E-0302 on May 18, 2023, which addresses the CLCPA's directive to develop a renewable energy program whereby the "statewide electrical demand system will be zero emissions" by the year 2040. Con Edison's Plan should take account of any Commission determinations that arise from that proceeding.

In directing development of the NYC Reliability Contingency Plan, the Commission seeks a comprehensive portfolio of solutions that prioritizes and leverages all available clean and non-emitting options, including, but not limited to, demand side management (e.g., energy efficiency, demand response, and virtual power plants, among other potential options), energy storage, distributed renewable resources, and other non-emitting generation resources. In addition, the Company shall discuss potential regulatory changes that, in Con Edison's view, could increase the effectiveness of the available solutions. The Plan should also identify the transmission and distribution upgrades needed to implement the potential solutions. The Commission also notes that the NYISO has identified reliability needs on Long Island and encourages the Long Island Power Authority (LIPA) to conduct a similar planning exercise and develop a contingency plan consistent with the components outlined in this Order.

BACKGROUND

Overview of the NYISO Planning Process

The NYISO administers a Comprehensive System Planning Process (CSPP) comprised of four components, including: (1) the Local Transmission Planning Process; (2) the Reliability Planning Process (along with part of the Short-Term Reliability Process); (3) the Economic Planning Process, and (4) the Public Policy Transmission Planning Process.[7] The first two components are most relevant to this Order and are described here to provide a general overview.

[7] The capitalized terms used herein to describe the NYISO's CSPP are defined terms in the NYISO's Open Access Transmission Tariff (OATT). See OATT §§1, 38.1, and 31.1.1.

To start, the CSPP cycle begins with the Local Transmission Planning Process, wherein the Local Transmission Owners, such as Con Edison, perform transmission studies and produce Local Transmission Owner Plans (LTPs). The LTPs feed into the NYISO's determination of system needs through the CSPP.

Following the LTPs, the CSPP moves to the Reliability Planning Process, which assesses the reliability of the New York State Bulk Power Transmission Facilities (BPTFs) and identifies any Reliability Needs looking out four to ten years as part of a biennial Reliability Needs Assessment (RNA).[8] If any Reliability Needs are identified, the NYISO solicits market-based solutions and requests a regulated "backstop" solution from a Responsible Transmission Owner and "alternative regulated solutions" from any interested entities. Both market-based and regulated solutions are open to all resource types: generation, transmission, and demand response. The NYISO then evaluates any proposals for their viability and sufficiency to satisfy the identified need and sets forth its findings supporting the selection of the more efficient or cost-effective transmission solution in the Comprehensive Reliability Plan (CRP).

As part of the Short-Term Reliability Process, the NYISO assess reliability needs on a quarterly basis looking out over a five-year horizon and reports its findings in Short-Term Assessments of Reliability (STAR) reports. If necessary, the NYISO will seek solutions to address any reliability needs identified through this process.

The NYISO's Short-Term Reliability Process works in parallel with the longer-term Reliability Planning Process, providing updates and assessments more frequently than the two-

[8] The current cycle of the Reliability Planning Process began in 2024.

year reliability planning cycle, taking into consideration the retirement or deactivation of electric generators, adjustments to load forecasts, new interconnections, delays in completion of planned transmission upgrades, long duration transmission facility outages, and other system topology changes. Findings from the STAR reports are incorporated into the CRP to ensure that recent developments are reflected in the longer-term outlook and planning assumptions.

In the event a STAR report identifies a need, the NYISO requests market-based solutions to satisfy the need, along with a Responsible Transmission Owner solution. The NYISO then evaluates the viability and sufficiency of the proposed solutions and designates a solution to address the need. The NYISO details its determination in a Short-Term Reliability Process Report. A Short-Term Reliability Process Need that is observed within the first three years of the study period constitutes a Near-Term Reliability Need, which results in the NYISO soliciting and selecting a solution to address the need. If a need arises beyond the first three years of the study period, the NYISO may choose to address the need within the Short-Term Reliability Process or, time permitting, the Reliability Planning Process.

The Current Comprehensive System Planning Process (CSPP)

1. The 2024 Reliability Needs Assessment (RNA)

Reliability Needs in New York City have been identified in the NYISO's planning prior to the present time. For example, in December 2024, the NYISO projected an actionable Reliability Need beginning in summer 2033 in New York City, growing to a supply deficiency of 97 MW for three hours on the peak day in 2034. This deficiency was identified in the "baseline assessment," which accounted for a single baseline forecast of system conditions. However, after updating the 2024

RNA to reflect an approximately 200 MW decrease in the baseline 10-year NYC demand forecast, the NYISO found that a solicitation for solutions was not needed at that time.

2. The 2025 Quarter 3 Short-Term Assessment of Reliability (STAR) Report

On October 13, 2025, the NYISO released its 2025 Third Quarter (Q3) STAR Report covering the five-year study period of July 15, 2025, through July 15, 2030, taking into consideration forecasts of peak power demand, planned upgrades to the transmission system, and changes to the generation mix over the next five years, including deactivations of several Initiating Generators.[9] The NYISO performed an assessment of the BPTFs and identified several Short-Term Reliability Process Needs across the study period. The impacts of the deactivations on non-BTF systems were assessed by the affected Transmission Owners.[10]

In particular, the 2025 Q3 STAR Report recognized a need resulting from the deactivations of the Gowanus and Narrows generating units – representing 672 MW of nameplate capacity – that were announced in notices submitted by the owners to the NYISO pursuant to its tariff requirements.[11] Without those

[9] An Initiating Generator is a Generator with a nameplate rating that exceeds 1 MW that submits a Generator Deactivation Notice for purposes of becoming Retired or entering into a Mothball Outage or that has entered into an Installed Capacity Ineligible Forced Outage.

[10] While this Order focuses on NYC needs, the NYISO also identified a BTPF transmission security margin deficiency for Long Island, and PSEG-LI (acting as LIPA's agent) identified Generator Deactivation Reliability Needs on their non-BPTFs.

[11] Those notices, filed on July 14, 2025, indicate the Gowanus and Narrows units intend to be out of service as early as July 14, 2026. The NYISO 2025 Q3 STAR Report confirmed the earliest possible retirement date is July 15, 2026, after the expiration of the required 365-day notice period. See NYISO 2025 Q3 STAR Report, pp. 62-63.

units, the NYISO determined that supply for the New York City locality would be deficient for summer peak conditions through the entire five-year horizon (2026-2030), unless and until the following future planned projects enter service:

- Gowanus-Greenwood 345/138 kV feeder, planned in-service date May 2026;
- Champlain Hudson Power Express (CHPE), 1,250 MW HVDC, planned in-service date May 2026;
- Empire Wind, 816 MW offshore wind, planned in-service date July 2027; and
- Propel NY Public Policy Transmission Project, planned in-service date May 2030.

The NYISO also found that the Lower Hudson Valley locality (Zones G-J) would be deficient in 2030 without the completion and energization of the future planned projects.

Even if these projects are completed as planned, the 2025 Q3 STAR Report still estimates that Zone J may be deficient by 68 MW in 2029 and 148 MW in 2030 without the Gowanus and Narrows units. Notably, the NYISO also reported data showing a wide range of potential Transmission Security deficiencies in the Zone J "Planned system" beyond the 5-year horizon and into the 2030's, including a shortfall of over 1,000 MW in 2034 under high demand conditions and over 1,500 MW in an aging generation scenario.

The 2025 Q3 STAR Report attributed the NYC and Lower Hudson Valley deficiencies to the retirement of the Gowanus and Narrows generators in combination with demand forecasts based on expected weather, expected generator availability, transmission limitations, and risks associated with the availability of the key future planned projects. The 2025 Q3 STAR Report notes that the DEC "Peaker Rule" allows the Gowanus and Narrows generators to extend their operation until May 1, 2029, if the NYISO or Con

Edison determines that they continue to be needed for reliability and a permanent solution is in the process of construction, but is not yet online.[12] The Peaker Rule, however, does not provide for the Gowanus and Narrows generators to continue operating after this date without complying with the agency's air emissions limits. Additionally, the 2025 Q3 STAR Report notes that "Con Edison projects a potential 250 MW deficiency starting in 2030 within the 345/138 kV BPTF New York City Transmission Load Area (TLA) assuming [the] CHPE, Empire Wind, Propel NY project[s] entering service and demonstrating their planned power capabilities."

The 2025 Q3 STAR Report also highlights a BPTF deficiency of between 39-116 MW in the Long Island region (Zone K) beginning in summer 2027 and continuing through the remaining five-year horizon, ultimately reaching between 174 to 254 MW in 2030. This deficiency is primarily driven by the deactivation of Pinelawn, representing 82 MW of nameplate capacity, and the Far Rockaways Gas Turbines (GTs), representing 121 MW of nameplate capacity. Additionally, the 2025 Q3 STAR Report highlights non-BPTF deficiencies on the 69 kV system throughout the 2026-2030 period. The Glenwood GT 3 and Shoreham 1 generation facilities are assumed to be available until May 1, 2027, in accordance with the DEC Peaker Rule and unavailable after this date. Capacity purchases from ISO New England into Zone K were adjusted in the 2025 Q3 STAR Report to include an import of 288 MW to LIPA until April 2027 with no capacity thereafter. The 2025 Q3 STAR Report notes that if Glenwood GT

[12] The Peaker Rule is an aspect of the regulations enacted in 2019 by the New York State Department of Environmental Conservation (DEC) to limit Nitrogen Oxide (NOx) emissions. To date, the rule has resulted in 1,027 MW of fossil-fired generators being deactivated or limited as of May 1, 2023, and an additional 590 MW becoming unavailable by May of 2025.

3, Shoreham 1, and imports from ISO New England are available during the entire five-year period, the BTPF reliability need would be resolved.

3. Pending Solicitation to Address 2025 Q3 STAR Report

On November 10, 2025, the NYISO issued a solicitation for Short-Term Reliability Process Solutions to address the Generator Deactivation Reliability Needs identified in the 2025 Q3 STAR Report, with responses due within a 60-day period that ends January 9, 2026. Because the New York City/Lower Hudson Valley need arises within the Con Edison Transmission District, Con Edison is deemed the Responsible Transmission Owner for developing a regulated "backstop" solution. For the reliability need identified in Long Island, the Long Island Power Authority is the Responsible Transmission Owner for developing a regulated solution through its service provider, PSEG-LI.

Following the submission of responses, the NYISO will evaluate the proposed solutions and issue a Short-Term Reliability Process Report in which it will indicate the NYISO's designation of a solution or combination of solutions to the reliability need, along with a reasoned explanation regarding why those solutions were selected. If proposed solutions are not viable or sufficient to meet the identified reliability needs, the NYISO's tariff provides for implementing interim solutions to keep the grid reliable.

4. The 2025-2034 Comprehensive Reliability Plan (CRP)

The NYISO's 2025-2034 CRP, issued November 21, 2025, highlights three trends that are leading to long-term system adequacy issues, including: (1) the aging of the existing generation fleet; (2) the rapid growth of large loads; and (3) the increasing difficulty of developing new dispatchable resources. Regarding the State's aging generation infrastructure, this presents issues in terms of more frequent

and longer outages.[13] The appearance of large amounts of additional loads, notably from new data centers, industrial facilities, and State policies driving electrification, is accelerating, placing additional stress on the grid.[14] With respect to developing new dispatchable resources, the NYISO notes the permitting challenges, supply chain constraints, and policy uncertainty.

While the NYISO's 2025-2034 CRP does not include an actionable Reliability Need, it finds it extremely likely that significant reliability shortfalls will arise within the next ten years. The NYISO anticipates that several thousand megawatts of new dispatchable generation may be needed over that timeframe, depending on the levels of increased demand and the pace of generator retirements. Notably, the NYISO highlights that "[w]hile renewable generation and battery storage are essential components of the future grid, they are not sufficient on their own to meet all reliability needs." As a result, clean firm capacity resources are required "that can operate independently of weather conditions and provide sustained output when needed to achieve the CLCPA targets." The NYISO suggests a multi-pronged approach to resolve the potential resource needs, including "new capacity resources coming into service,

[13] The NYISO reports that "roughly 25% of the state's total generating capacity is fossil-fuel-based generation that has been in operation for more than 50 years, well beyond the age at which similar units have been deactivated across the country," while "[s]even percent of New York's fleet is 70 years or older."

[14] As the NYISO indicates, "[a]t the end of 2024, the NYISO interconnection queue included roughly 4,000 MW of large load projects, averaging 175 MW per project. By September 2025, that figure has more than doubled to over 10,000 MW to be in service prior to 2031, with projects averaging in size of 285 MW."

construction of additional transmission facilities, increased energy efficiency, integration of distributed energy resources, and/or growth in demand response participation."

The CRP notes that preserving or replacing critical dispatchable capability will be necessary. Resources, such as NYPA's small gas plants, provide fast-start flexibility and voltage support that intermittent resources cannot yet replicate. Retaining these capabilities—or substituting functionally equivalent solutions—offers meaningful reliability benefits, particularly in constrained areas like New York City and Long Island.

The NYISO cautions that balancing the grid not only requires maintaining sufficient capacity to meet demand but also requires that new resources entering service comparably replace the capabilities and attributes of the resources leaving the system. Those essential capabilities include fast starting and ramping, up and down dispatchability, the ability to remain available when and for as long as needed, and providing essential reliability services such as voltage and frequency control.

5. Con Edison 2025 Local Transmission Plan (LTP)

On December 3, 2025, Con Edison presented its 2025 LTP to NYISO stakeholders. Con Edison's 2025 LTP identifies reliability needs within the NYC 345/138 kV Transmission Load Area (Zone J) starting with a need for 250 MW in 2030 and increasing to 1,325 MW in 2035. Con Edison attributes these needs due to (1) increasing load demand, (2) cumulative generator retirements, (3) no incremental new generation resources, and (4) reliability design criteria updates to reflect the entry of CHPE.

Con Edison also notes that it will update its LTP in early 2026 to reflect the inclusion of energy storage systems

connected to the distribution system and the introduction of a rolling 10-year 24-hour forecast.

LEGAL AUTHORITY

The Commission's authority derives from the New York State Public Service Law, through which numerous legislative powers are delegated to the Commission. Pursuant to PSL §5(1), the "jurisdiction, supervision, powers and duties" of the Commission extend to the "manufacture, conveying, transportation, sale or distribution of ... electricity." PSL §5(2) requires the Commission to "encourage all persons and corporations subject to its jurisdiction to formulate and carry out long-range programs, individually or cooperatively, for the performance of their public service responsibilities with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources."

In addition, 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." Further, PSL §65(1) provides the Commission with 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." PSL §4(1) also expressly provides the Commission with "all powers necessary or proper to enable [the Commission] to carry out the purposes of [the PSL]" including, without limitation, a guarantee to the public of safe and adequate service at just and

reasonable rates,[15] environmental stewardship, and the conservation of resources.[16] In addition to the PSL, the New York State Energy Law §6-104(5)(b) requires that "[a]ny energy-related action or decision of a state agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, including its most recent update."

DISCUSSION

Given the unique characteristics of the NYC region and the significant impacts on health, safety, and the economy that can result from an interruption in electric service, electric system planners and regulators have adopted stringent reliability criteria to ensure the built system provides a high degree of reliability. The recent findings of the NYISO's reliability planning studies and Con Edison's LTP are signals that, at some point in the next decade, the system may not provide the degree of reliability that those criteria are intended to ensure. In essence, the studies indicate that the supply resources predicted to be available to system operators over the 10-year planning horizon will not be adequate to support reliable service to New York City customers. This is an outcome the Commission cannot allow. Faced with this possibility, it is the Commission's responsibility to take

[15] See International R. Co. v Public Service Comm., 264 AD 506, 510 (1942).

[16] PSL §5(2); see also, Consolidated Edison Co. v Public Service Commission, 47 NY2d 94 (1979) (overturned on other grounds) (describing the broad delegation of authority to the Commission and the Legislature's unqualified recognition of the importance of environmental stewardship and resource conservation in amending the PSL to include §5).

proactive measures to ensure safe, adequate, and reliable electric service over the coming years.

NYC Reliability Contingency Plan

Considering the significance of the need, and the overriding importance of maintaining reliability as surely, as cost-effectively, and as far as possible in compliance with State policies, the Commission hereby directs Con Edison to submit a NYC Reliability Contingency Plan. In doing so, the Commission seeks to ensure the development of a comprehensive portfolio of solutions that prioritizes and leverages all available clean and non-emitting options, including, but not limited to, demand side management (e.g., energy efficiency and demand response, among other potential options), energy storage, transmission and distribution, distributed renewable resources, and other non-emitting options.[17] Con Edison's proposed NYC Reliability Contingency Plan must "turn over every stone" to define a portfolio that is consistent with the State's clean energy and climate goals; thus, proposed solutions must be consistent with CLCPA requirements.

1. Articulation and Identification of Deficiencies, Need Dates, and Assumptions

We are aware that the reliability studies described in this Order are based on complex models and inherently uncertain and varying forecasts of future conditions.[18] At the same time, forecasts must be as dependable as possible and as suitable as possible to support sound decision making. As noted above, we direct Con Edison to file its projection over the coming ten

[17] For these purposes, resources that qualify as "zero emissions" under the Commission's determinations in Case 15-E-0302 may be considered "non-emitting."

[18] We note that all forecasts may either under- or over-estimate the system need, compounding the difficulty of responding to potential risks.

year period (2026-2035) for the reliability needs impacting the New York City system within 30 days of the date of this Order and to identify the specific reliability needs (e.g., reliability criteria violations and MW deficiency amounts, and any other relevant factors) and the dates by which the Company expects those needs to arise, along with the key assumptions and methodologies used to determine the likely timing of those needs, such as load and demand forecasts, anticipated retirements of resources, and projections for new resources, among other factors. This information shall include the core components of Con Edison's forecasts, including objective and validated data sources, critical assumptions, effects of economic multipliers, analytical methodologies, and approaches to managing for the inherent uncertainty and vetting, validation, and adaptations. This shall apply to the specific components of forecasts and categories of resource forecasts, and to the forecasts as a whole.

Con Edison is also directed to consult with the NYISO and to identify and explain any divergences in the assumptions and methodologies used by each entity to ascertain reliability needs. Con Edison shall update its reliability need projection every six months following the first filing, to provide transparency and increase public understanding of the electric system requirements driving the need for solutions.

2. Request for Information (RFI)

As further noted above, in parallel with identifying potential solutions the Company could undertake to solve, or contribute to solving, the anticipated reliability needs, Con Edison is directed to undertake a RFI within 30 days to identify potential market-based and regulated solutions that could assist in meeting the identified reliability needs. As soon as practical thereafter, Con Edison shall host a Technical

Conference to engage with stakeholders on its identified needs and the RFI. Within 180 days of this Order, Con Edison shall file preliminary recommendations for the NYC Reliability Contingency Plan.

3. Contents of the Initial NYC Reliability Contingency Plan

The Plan should be based on the Company's most recent forecasts, identifying any updates or modifications to the information filed separately in accordance with this Order. It shall identify (1) the responses to the RFI and provide recommendations based on those responses, (2) the potential solutions that Con Edison itself could undertake (in the form of infrastructure investments, or of new or strengthened programs), and (3) any NYISO-identified solutions in response to its STAR 2025 Q3 report solicitation that contribute to resolving the NYC needs. Con Edison's filing should evaluate the responses to the RFI for feasibility and effectiveness in meeting the need and provide a preliminary, non-binding estimate of their costs and benefits, which can be used for planning purposes. For options that the Company reviews but does not recommend, it shall provide an explanation for the Company's conclusion.

The Commission seeks a portfolio that considers all available clean and non-emitting options and technologies. In developing these options, Con Edison is directed specifically to consider the results of innovative pilots and demonstration projects (such as Reforming the Energy Vision demonstration projects) and the potential of building on these to develop impactful new approaches to providing resources that can effectively contribute toward solving the reliability need.[19]

[19] Case 14-M-0101, Reforming the Energy Vision, Memorandum and Resolution on Demonstration Projects (issued December 12, 2024).

The Plan should also consider any regulatory measures that the Company believes may contribute to resolving the identified needs. These include, as potential examples, actions or opportunities that may exist to improve current regulatory processes, tariffs, changes to rate structures, and other measures that can be taken to accelerate the development of the identified solutions and to achieve even greater benefits, recognizing that timing is of the essence. Similarly, a "halting mechanism" should be incorporated into the plan in the event forecasts of demand and capacity evolve such that the need for new resources and new investment is delayed or lessened (or is entirely avoided).[20]

Con Edison should present its recommendations within a comprehensive implementation framework and make recommendations for next steps in this proceeding. This may include recommendations for conducting one or more competitive Requests for Proposals (RFPs). The additional principles and technical considerations to help guide development of the NYC Reliability Contingency Plan are discussed next.

4. Principles for Guiding the Contingency Plan

The Reliability Contingency Plan should identify solutions that will advance meeting the reliability needs in a manner that is both cost-effective for consumers and consistent with the State's clean energy and climate policies. To this end, the Reliability Contingency Plan should adhere to the following principles:

[20] Halting mechanisms refer to provisions by which the development of a selected solution may be deferred, delayed, or canceled if it becomes apparent that the solution will not be required. These mechanisms would serve to protect ratepayers from incurring unnecessary costs.

(1) Only non-emitting solutions shall be considered for inclusion in the Plan.

(2) Prioritization of solutions that are cost-effective.

(3) Prioritization of solutions that are straightforward to deploy and capable of being implemented in a timely manner with a high level of assurance.

(4) Prioritization of solutions that avoid or minimize impacts to Disadvantaged Communities.

The Reliability Contingency Plan should describe Con Edison's approach to addressing these principles, including, but not limited to, estimating the reliability and customer impacts associated with the recommended projects.

5. Technical Considerations for Guiding the Contingency Plan

In addition to the points identified above, noting some overlap, the NYC Reliability Contingency Plan should also address the following items:

(1) Identification of the specific point(s) in time when, for planning purposes, certain proposed solutions will need to be online to address the identified transmission security constraints.

(2) A description of the major milestones that could be used to measure the progress of the solutions(s) selected for the NYC Reliability Need.

(3) Identification and assessment of the generation, transmission, and other resources that are currently under development that could, when completed, contribute to meeting the identified reliability need.

(4) Finally, Con Edison shall describe in the Plan the assumptions it used to evaluate the various resources considered in the effort to identify potential solutions.

CLCPA and Environmental Compliance

Because the decisions in this Order only relate to preliminary planning efforts necessary to formulate future actions, the Commission finds its decision to seek a proposed NYC Reliability Contingency Plan from Con Edison is neither inconsistent, nor will it interfere, with CLPCA §7(2).[21] These planning activities do not identify any potential solutions to be implemented and will not affect greenhouse gas emissions. Similarly, the decision to undertake planning activities will not disproportionately burden disadvantaged communities, consistent with CLCPA §7(3).[22] In fact, the planning activities that are the subject of this Order are intended to ensure the plan that is ultimately developed is consistent with statewide greenhouse gas emissions limits and avoids disproportionate impacts on disadvantaged communities.

The Commission also notes that the action herein relates to "studies and preliminary planning ... necessary to the formulation of a proposal for action, provided those activities do not commit the agency to commence, engage in or approve such action," and therefore constitutes a Type II action under the State Environmental Quality Review Act (SEQRA).[23] Accordingly, the action is not subject to review under SEQRA.

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[21] Section 7(2) of the CLCPA requires that State agencies, in considering and issuing permits, licenses, and other administrative approvals and decisions, "consider whether such decisions are inconsistent with or will interfere with the attainment of the statewide greenhouse gas emissions limits" established by DEC.

[22] Section 7(3) of the CLCPA requires that State agencies, in considering and issuing permits, licenses, and other administrative approvals and decisions, "shall not disproportionately burden disadvantaged communities" as identified pursuant to ECL §75-0101(5).

[23] See 6 NYCRR §617.5(c)(27).

CONCLUSION

The Commission is commencing this proceeding in recognition of the potential reliability deficiencies identified by the NYISO and Con Edison in the NYC region over the upcoming 10-year period. To ensure an adequate and timely plan is implemented, consistent with the State's clean and renewable energy goals, we direct Con Edison to develop a NYC Reliability Contingency Plan. We encourage robust stakeholder and public engagement in developing the Plan.[24] The Commission further encourages that LIPA conduct a similar planning exercise and develop a Long Island contingency plan that includes the components outlined in this Order.

The Commission orders:

1. This proceeding is instituted to address the potential reliability needs within New York City, as discussed in the body of this Order.

2. Consolidated Edison Company of New York, Inc. shall submit a filing, within 30 days of the issuance of this Order, and thereafter file updates on a biannual basis, identifying the specific reliability needs and the dates of those needs, along with the underlying assumptions and methodologies, as discussed in the body of this Order.

3. Consolidated Edison Company of New York, Inc. shall, within 30 days of the issuance of this Order, issue a Request for Information seeking solutions to the identified reliability needs, as discussed in the body of this Order.

[24] Interested entities may subscribe to this proceeding to receive notifications via email. Further information is available at: https://dps.ny.gov/dmm-login-document-and-matter-management-system.

4. Consolidated Edison Company of New York, Inc. shall, as soon as practicable after the issuance of the Request for Information directed in Ordering Clause 3, host a Technical Conference to engage with stakeholders on the identified reliability needs and the Request for Information, as discussed in the body of this Order.

5. Consolidated Edison Company of New York, Inc. shall submit a filing, within 180 days of the issuance of this Order, containing an initial reliability contingency plan, as discussed in the body of this Order.

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

7. This proceeding is continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary