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**

THE UTILITIES' COORDINATED GRID PLANNING PROCESS AND REVISED BENEFIT COST ANALYSIS PROPOSALS

Pursuant to Ordering Clauses 1 and 2 of the New York Public Service Commission's (Commission) *Order on Local Transmission and Distribution Planning Process and Phase 2 Project Proposals*[1] issued and effective September 9, 2021 in the above proceeding, the Utilities[2] submit their revised benefit cost analysis and coordinated grid planning proposals as further explained below.

The Utilities recognize the important work required under the Phase 2 Order, including delivering cost effective infrastructure investment options compared to available alternatives, to

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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 (LT&D Planning Proceeding), Order on Local Transmission and Distribution Planning Process and Phase 2 Project Proposals (September 9, 2021) (Phase 2 Order).

2 The Utilities include Central Hudson Gas & Electric Corp. (Central Hudson); Consolidated Edison Company of New York, Inc. (CECONY); Long Island Power Authority (LIPA); Niagara Mohawk Power Corporation d/b/a National Grid (National Grid); New York State Electric & Gas Corporation (NYSEG); Orange & Rockland Utilities, Inc. (O&R); and Rochester Gas and Electric Corporation (RG&E) (collectively, Utilities). Throughout this document, when referring to a single or generic company the term "utility" will not be capitalized.

support the goals of the State's Climate Leadership and Community Protection Act (CLCPA).[3] The Utilities remain committed to the State's goals under the CLCPA and to the Commission's objectives identified in the Phase 2 Order. Furthermore, the Utilities are eager to serve as the State's partner in these vital endeavors. The Utilities have established "workstreams" to address the Phase 2 Order's specific objectives and requirements.[4] These workstreams have been working collaboratively to implement a coordinated grid planning process. Experts from the Department of Public Service (DPS), the New York State Research & Development Authority (NYSERDA) and the New York Independent System Operator, Inc. (NYISO) have participated in many of these workstream efforts and have provided valuable insights to shape the Utilities' proposals discussed herein.

This filing is the first in a series of submissions the Utilities will make to fulfill the requirements of the Commission's Phase 2 Order and in support of New York's goal to fully decarbonize the electric system by 2040. The Utilities look forward to continuing this work with stakeholders, as compliance efforts with the Phase 2 Order advance and the investments needed to enable the integration of clean energy resources are identified. The Utilities request that the Commission approve the following proposals to advance compliance with the Phase 2 Order and, more broadly, enable delivery and usability of state-procured renewable energy resources:

1. The Coordinated Grid Planning Process (CGPP), a statewide planning framework and development timeframe, as described in Section II;[5]
2. Approval of the use of a revised Benefit/Cost Analysis (BCA) method described in Section III, as part of the Utilities' Phase 2 investment criteria, which will be

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[3] New York Public Service Law, § 66-p.

[4] These workstreams include BCA, Future Grid Planning, Area of Concern Solutions, Cost allocation and Recovery, and Headroom.

[5] LT&D Planning Proceeding, Phase 2 Order, p. 21. "If the Utilities conclude that development of the fully coordinated [planning] process described in this order should proceed in stages, the filing should include a detailed implementation schedule indicating what elements are proposed for deployment in the near term and what work remains to be done."

applied to the Utilities' January 1, 2023 project filings in accordance with Ordering Clause 5 of the Phase 2 Order;[6] and

3. The establishment of a new stakeholder forum, the Energy Policy Planning Advisory Council (EPPAC), to ensure quality stakeholder input and feedback is considered in the statewide system planning process. The EPPAC structure is outlined in Section IV.

I. Background

On May 14, 2020, the Commission issued the initiating order in this proceeding[7] in response to environmental policy objectives and related requirements set forth in the CLCPA and the directives of the Accelerated Renewable Energy Growth and Community Benefit Act (AREGCB Act).[8] The CLCPA establishes bold targets for the reduction in greenhouse gas (GHG) emissions and for the development of renewable and emissions-free electric generation (including off-shore wind generation), among other things. The AREGCB Act directs the Commission to take specific actions to ensure that New York's electric grid will support the State's climate mandates. These actions include, among others, initiating a proceeding to establish a planning process to guide future investments in local transmission and distribution (sometimes referred to herein as LT&D) and establishing an LT&D capital plan for each utility. Pursuant to the May Order, on November 2, 2020 the Utilities proposed CLCPA transmission investment and prioritization criteria and a BCA framework for assessing projects, and made cost allocation recommendations that recognize that projects that are local in nature will nevertheless

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6 LT&D Planning Proceeding, Phase 2 Order; Per Ordering Clause 5, Utilities are to submit a coordinated portfolio of Phase 2 projects that meet the requisite investment criteria and benefit cost analysis by January 1, 2023

7 LT&D Planning Proceeding, Order on Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act (issued May 14, 2020) (May Order).

8 PSL §§ 162, 123 and 126.

create climate or CLCPA-advancing benefits that accrue statewide.[9] The Utilities also proposed specific Phase 1 and Phase 2 LT&D projects[10] that are necessary and appropriate to satisfy the 2030 CLCPA renewable energy mandates.

On February 11, 2021, the Commission issued an order that provided guidance on the Phase 1 projects and deferred action on the Utilities' policy recommendations and Phase 2 projects. On September 9, 2021 the Commission issued the Phase 2 Order. The Phase 2 Order declined to approve or reject the Utilities' Phase 2 projects and instead required revisions and clarifications to the Utilities' investment criteria to inform Commission review. In addition, the Phase 2 Order provided guidance on other aspects of the Utilities' evaluation of proposed projects and directed the Utilities to submit coordinated proposals consistent with such guidance.[11]

II. Development of the Coordinated Grid Planning Process

In accordance with Ordering Clause 2 of the Phase 2 Order, the Utilities have been working closely with DPS Staff, NYSERDA, and the NYISO on the conceptual framework for a Coordinated Grid Planning Process (CGPP) that will assess future local system needs and identify necessary solutions to help achieve New York's clean energy mandates. The Utilities

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9 LT&D Planning Proceeding, Utility Transmission and Distribution Investment Working Group Report (November 2, 2020) (Utilities' Initial LT&D Proposal).

10 As described in the Utilities' Initial LT&D Proposal, Phase 1 projects are immediately actionable projects that satisfy reliability, safety, and compliance objectives but that can also address bottlenecks or constraints that limit renewable energy delivery within a utility's system. Phase 2 projects may increase capacity on the local transmission and distribution system to allow for interconnection and delivery of new renewable generation resources within the utility's system. These projects are not currently in the utility's capital plans. Phase 2 projects tend to have needs cases that are driven primarily by achieving CLCPA targets.

11 The Phase 2 Order addresses (1) investment criteria and benefit cost analysis; (2) stakeholder engagement; (3) cost allocation and cost recovery; and (4) headroom calculation.

plan to commit significant resources throughout 2022 to develop this planning process dedicated exclusively to enabling the State's clean energy goals.

The CGPP will formalize the creation of a collaborative and streamlined planning process that can more efficiently deliver the transmission projects needed to support the state's clean energy goals. It will establish a repeatable, end-to-end planning process for evaluating local transmission and distribution system needs and improve the coordination among individual utility plans and analyses conducted by the NYISO. The CGPP will identify a cost-effective transmission investment plan for achieving the CLCPA that considers tradeoffs among generation, transmission, other Phase 2 LT&D proposals, and non-wires alternatives (NWAs). In other words, the CGPP will provide the state with the least cost integrated resource plan to achieve the goals of the CLCPA. Critically, the CGPP will provide for stakeholder review and input into its assumptions and results.

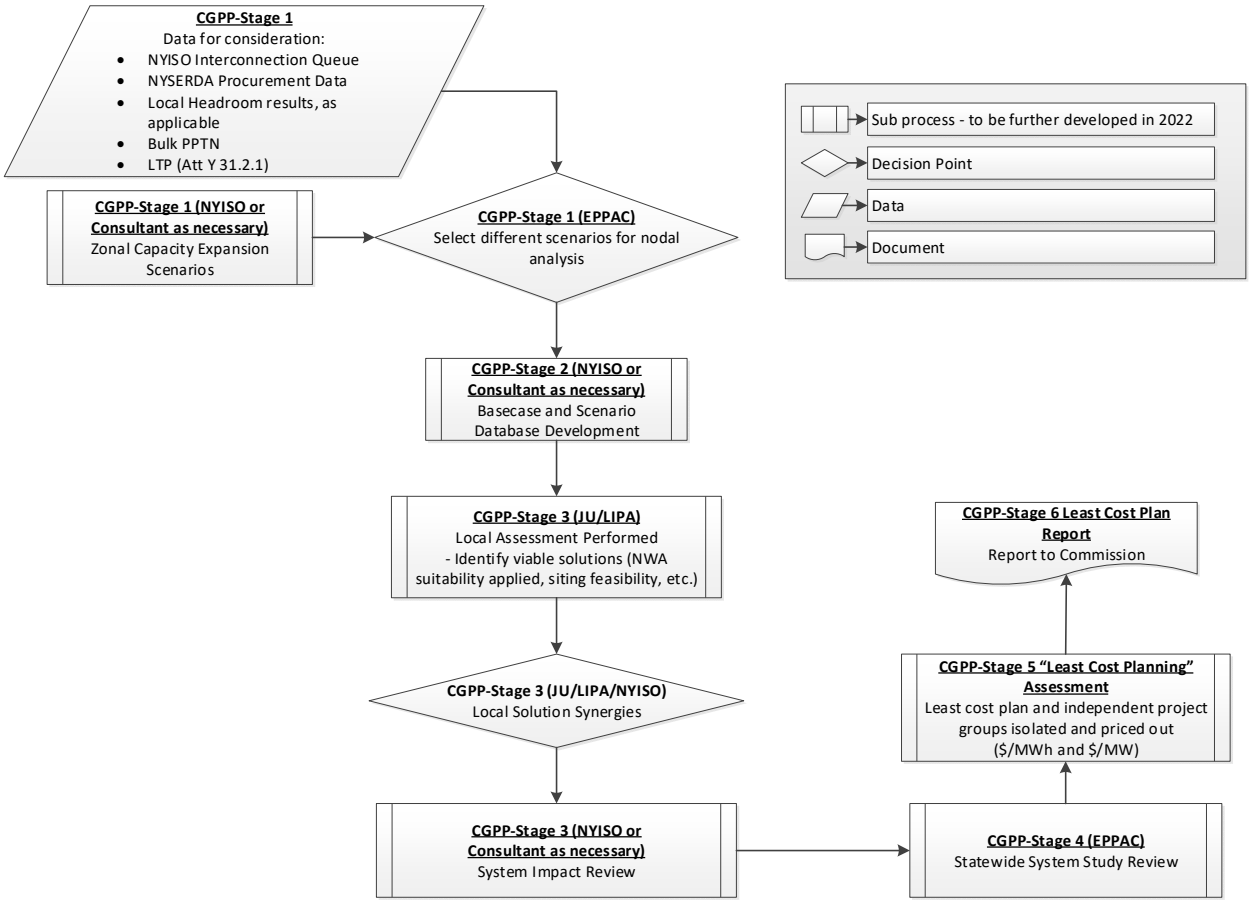
The Utilities will continue to develop the details of the CGPP in 2022 in close consultation with DPS Staff, NYSERDA, and NYISO. This collaboration will begin with an assessment of modeling methods, tools and resources that can collectively inform a holistic plan for investments. Other stakeholders may also be consulted as needed to inform and improve the assessment. The Utilities intend to work with the NYISO to understand areas of overlap or conflict with the NYISO's existing planning processes and identify opportunities to make adjustments between the CGPP and the NYISO processes as appropriate. It is expected that some of the NYISO's established processes will be identified as needing modification or customization for the purposes envisioned for the CGPP.

The CGPP will lead to better alignment of the Utilities' local transmission planning processes with the bulk-power system planning and generation interconnection processes used

by the NYISO and the renewable generation and storage procurement processes that have been developed by NYSERDA. Under the CGPP, potential transmission solutions will be considered using a new BCA methodology to develop a least cost transmission investment plan. This methodology is expected to evolve as modeling capabilities mature and innovative analytical approaches being developed by the NYISO, NYSERDA, and the Utilities become available.

Once detailed development has been completed, the Utilities will file the CGPP for Commission review by January 1, 2023. Following approval by the Commission, the CGPP will serve as the basis for the statewide integrated resource plan process going forward. The CGPP will be developed consistent with the framework illustrated in Figure 1.

Figure 1: CGPP Framework



CGPP Stages

As shown in Figure 1, the following key stages must be developed in detail in the finalized CGPP to be filed by January 1, 2023: (1) Data Collection / Coordination and Development of Scenarios; (2) Base case and Scenario Database Development; (3) Local Assessment; (4) Review of Preferred Solutions; (5) Least Cost Planning Assessment; and (6) Least Cost Planning Report. A summary of each CGPP Stage is provided below.

Stage 1: Data Collection / Coordination and Development of Scenarios

Within the first CGPP stage, the Utilities and a newly established stakeholder forum,[12] will review and enhance the scope of the planning cycle. This includes a review of key study assumptions and establishing "generation build-out" scenarios with considerations for generation interconnection points. This stage will facilitate "timely data-sharing to ensure decisions are based on the most current information and sound forecasts."[13] Further, stakeholder review will facilitate the "education and cross-training of both stakeholders and utility planners to improve mutual understanding of power system characteristics and individual project development," as directed in the Phase 2 Order.[14]

Development of the statewide system base case should begin with the NYISO's Federal Energy Regulatory Commission (FERC) Form 715 filing.[15] Statewide system base case assumptions and generation build out scenarios will also take into consideration CLCPA

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[12] A newly established stakeholder forum is discussed in greater detail in Section III.

[13] LT&D Planning Proceeding, Phase 2 Order, p. 21.

[14] *Id.*

[15] Form No. 715 is a federally required, Annual Transmission Planning and Evaluation Report. It includes the following parts: 1, Identification and Certification; 2, Power Flow Base Cases; 3, Transmitting Utility Maps and Diagrams; 4, Transmission Planning Reliability Criteria; 5, Transmission Planning Assessment Practices; and 6, Evaluation of Transmission System Performance. All but Part 1 is considered Critical Energy Infrastructure and is filed with appropriate protections.

requirements, the latest available results from a suitable capacity expansion model as required by the Phase 2 Order, New York control area load, publicly available NYSERDA procurement data, known public policy transmission projects, expected generator retirements, LIPA's resource planning studies,[16] Local Transmission Plans (LTPs),[17] forecasted distributed energy resources (DER) and siting, and other system topology changes.

Stage 2: Base Case and Scenario Database Development

Stage 2 of the CGPP involves developing an accurate system assessment using short circuit, power flow, and stability models. Reliability contingency files, load and generations assumptions, each utility's T&D system representation, and adjustments to the NYISO's Form 715 database will be developed. Generation assumptions will include nodal renewable generation assumptions, including generation interconnection locations and unit specific technical specification. This process will need to be repeated for every generation build out scenario. The details to perform the technical process for setting up accurate databases will be established and contained in the CGPP.

Stage 3a: Local System Assessment

This stage will entail a review of system performance under the assumptions modeled in the study cases. Short circuit, thermal, voltage, and stability analysis will be conducted for each local area as appropriate. The assessment will start with each of the Utilities identifying pre- and post-contingency constraints on their local system for each system study/scenario. Subsequently, the Utilities will identify viable solutions for the identified constraints. These solutions could be

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[16] LIPA, as a public authority, has a statutory responsibility for resource planning within its service area.

[17] The Utilities' Local Transmission Plans will be performed separately, and the results will inform the CGPP.

in the form of local transmission "on-ramps" (*i.e.*, moving renewable energy out of the local system and onto the bulk system highway), "off-ramps" (*i.e.*, moving renewable energy off the bulk system highway to the load areas), and "internal" solutions (*i.e.*, moving renewable energy within a local system, typically at the same voltage level and not directly associated with bulk systems).[18] The CGPP will also provide for the identification of alternative bulk transmission and non-wire solutions that could cost effectively replace or reduce the scope of the identified local solutions.

Non-Wire Alternatives and Application of Advanced Technologies

Non-Wires Alternatives (NWA) and the application of advanced technologies are integral issues in this case. The Utilities' existing planning frameworks include a process for identifying and procuring NWA that address certain system needs. Each utility's evaluation process includes the application of a suitability criteria to help identify projects that offer the best value for customers. The suitability criteria include Project Type, Timeline, and Cost.[19] However, meeting CLCPA goals will require combinations of increasingly diverse advanced technologies. In addition to the distributed energy resources that are part of today's NWA solutions, other technologies such as advanced power control devices, dynamic line rating equipment, and composite conductors should be evaluated for multiple CLCPA use cases at the transmission level. These might include increasing transmission capability, managing peak load for reliability, or absorbing excess generation. Advanced technologies may be applied in both standalone and hybrid solutions as described above. Developing approaches for evaluating the

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[18] Local T&D Planning Proceeding, Utilities' Initial LT&D Proposal, p. 16.

[19] Case 16-M-0411, *In the Matter of Distributed System Implementation Plans*, Utility-Specific Implementation Matrices for Non-Wires Alternatives Suitability Criteria, March 1, 2017.

suitability and benefits of combinations of advanced technologies under various use cases should be established in collaboration with DPS Staff, NYSERDA, and other stakeholders.

Utilities are investigating hybrid solutions that leverage the inherent benefits of both LT&D infrastructure and NWA solutions. Moreover, the Utilities have proposed several advanced technologies in lieu of traditional transmission upgrades that are needed to increase renewable energy deliverability.[20]

The NWA Suitability Criteria should be applied within the CGPP (Stage 3) as part of comparing NWAs to traditional solutions after they have been developed. Suitability criteria would be applied after the traditional solutions are developed. As part of the CGPP, the Utilities propose two modifications to the Suitability Criteria.

First, the Project Type criteria, as used when assessing T&D projects within the scope of the CGPP, should be expanded to include NWA projects that decrease congestion or increase the delivery capability and headroom potential of Phase 2 LT&D upgrades. An NWA can be an option to a traditional upgrade by providing incremental capability and options to accommodate the growth of renewables. Smaller, niche projects may suit tight development timelines and offer flexibility when integrated with T&D solutions.

Second, the Project Type criteria should be expanded when applied in the context of the CGPP to include projects that combine NWA resources with T&D infrastructure (*i.e.*, "hybrid" solutions). Initially, NWA focused on relatively narrow, one-for-one applications. Utilities carefully specified places where an NWA solution could defer or avoid a traditional LT& D

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[20] See, *e.g.*, National Grid's Phase 1 Projects in the Utilities' Initial LT&D Proposal.

solution. This recommended process will formalize future approaches as part of NWA Suitability Criteria.

Early experience has shown that some NWA projects are delayed or fail to be completed due to challenges contracting with third parties and related financial risk management. In some cases, NWA developers have been unable or unwilling to assume risks associated with providing a grid reliability service. Modification of existing NWA implementation models may streamline development of some NWA projects, facilitating more timely achievement of CLCPA mandates.[21]

Stage 3b: Local Solution Synergies

This stage would start with a qualitative review of solutions by utility and NYISO planning engineers to identify potential synergies between local solutions. If a potential solution scope adjustment or a different least cost solution is being considered, then it would lead to an iterative assessment to ensure the viability and sufficiency of a more cost-effective solution(s) to individual local system needs. Utility planning engineers will review the local system solution set and identify any potential to perform cost effective adjustments to the scope of one or several local solutions. This is particularly appropriate in areas where the local systems of more than one utility are closely tied.

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[21] Experience with NWA solicitations indicates that the ability to achieve societal costs and benefits varies among NWA ownership models. Several NWA procurements have resulted in a failure to move forward due to the structure and pricing in competitively sourced proposals. This has led not only to abandonment of an NWA, but delayed implementation of traditional distribution solution. Alternative procurement and ownership models, such as the potential for utility ownership in limited scenarios, may have permitted the NWA project to move forward. The Utilities recommend that the Commission permit utility ownership in those instances in which the utility has established that such ownership represents the best interest of customers and will support achievement of CLCPA goals and/or the AREGCB Act.

Stage 3c: Statewide System Impact Review

The framework for the CGPP envisions that the preferred local solutions will be integrated into a single database to identify any adverse impacts on neighboring systems or to the Bulk Power System (BPS). If adverse reliability issues are identified, then the Utilities will modify their solutions accordingly.

Stage 4: Statewide System Study Review

Utilities will draft a statewide system study report. This stage will allow for stakeholder review of results and findings that will be identified within the study report.

Stage 5: "Least Cost Planning" Assessment

At this stage the cost and benefit of transmission solutions to enable a renewable energy generation assumption will be reviewed for their cost effectiveness, building on the BCA framework discussed in Section III of this filing. Costs will be evaluated on a $/MW basis for transmission and NWAs. Benefits will be evaluated as the incremental amount of energy delivered to load as a result of reduced curtailments and the capacity (MW) of additional renewable generation that can be interconnected. Projects will be ranked on the basis of metrics and criteria that will be developed in collaboration with DPS Staff.

Stage 6: Least Cost Plan Report

The Final CGPP Report will identify, and rank sets of transmission solutions ($/MW and $/MWh) needed to ensure the timely and cost-effective attainment of CLCPA policy goals under various generation build out scenarios. The CGPP Report will provide accurate and actionable information to the Commission, market participants, policy makers, and other key stakeholders.

Transmission solutions identified in the CGPP Report and that are approved by the Commission, will be included in the NYISO planning processes in accordance with NYISO tariff.

III. Revised BCA

In the Phase 2 Order the Commission did not approve previously filed BCA methodology for evaluating Phase 2 projects contained in the Utilities' Initial LT&D Proposal but instead required the Utilities to revise and re-submit their CLCPA investment criteria before any Phase 2 projects can be fully reviewed or approved.[22] The Phase 2 Order specifically noted the revision to the BCA as being a critical element to the revised Phase 2 investment criteria.[23] This Section III presents a revised BCA approach that is consistent with the guidance in the Phase 2 Order. In addition, the Utilities have consulted with DPS Staff throughout the development of their proposed BCA methodology to ensure alignment with the Commission's expectations. Should the Commission approve the Utilities proposal then the Utilities will apply the revised BCA methodology to the Phase 2 projects proposed in the Utilities' Initial LT&D filing, along with any additional Phase 2 projects that may have been developed since the November 2020 filing. The revised BCA approach described in this proposal will require time and resources to develop, including the implementation of the capacity expansion modeling required by the Phase 2 Order. The Utilities plan to begin planning for the analysis immediately. Nevertheless, this compressed timeline requires expedited approval of this revised BCA approach. This will ensure that the projects to be proposed by the Utilities on January 1, 2023 pursuant to Ordering Clause 5 of the

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[22] LT&D Planning Proceeding, Phase 2 Order, p. 4

[23] LT&D Planning Proceeding, Phase 2 Order, p. 15

Phase 2 Order will represent the least-cost portfolio of local transmission investments compared to alternatives. Approval of this investment criteria approach will also facilitate development of local transmission in time to achieve the 70x30 requirement and satisfies, in part, a statutory requirement to take action to address grid congestion in support of CLCPA targets.[24]

An additional key requirement of the Phase 2 Order is the required use of a capacity expansion model to arrive at the most cost-effective set of LT&D upgrades with associated bulk or LT&D connected renewable resources.[25] As discussed throughout this section, the revised BCA approach will make appropriate use of capacity expansion analyses as stipulated in the Phase 2 Order.[26] That is to say, the set of Phase 2 projects that are justified in the 'least cost' analysis with the aid of a capacity expansion model will be submitted to the Commission on January 1, 2023, consistent with the requirements the Commission established in the Phase 2 Order[27] and in fulfillment of relevant provisions of the AREGCB Act.[28] Because the primary objective of the various capacity expansion scenarios is achievement of the CLCPA requirements, the focus of the analysis will be to achieve such requirements at the lowest cost.

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[24] AREGCB Act § 19 states that "[n]o later than January 1, 2023, and every 4 years thereafter, the commission shall, after notice and provision for the opportunity to comment, issue a comprehensive review of the actions taken pursuant to this section and their impacts on grid congestion and achievement of the CLCPA targets, and shall institute new proceedings as the commission determines to be necessary to address any deficiencies identified there-with."

[25] *See*, LT&D Proceeding, Phase 2 Order regarding the use of capacity expansion model

[26] The Phase 2 Order notes that the objective of the BCA is to identify the LT&D projects that most cost-effectively meet CLCPA mandates: "At the outset, it is important to establish the key objective of the BCA in the context of CLCPA planning. In the Commission's view, *the overall goal here is to arrive at the most cost-effective set of Phase 2 LT&D upgrades and associated renewable resources*. Put slightly differently, the purpose of the BCA is to guide the Utilities toward the most cost-effective expenditure of ratepayer dollars to meet the CLCPA mandates." (Emphasis added.)

[27] LT&D Planning Proceeding, Phase 2 Order, Ordering Clause 5.

[28] AREGBC Act, Section § 19. State power grid study and program to achieve CLCPA targets.

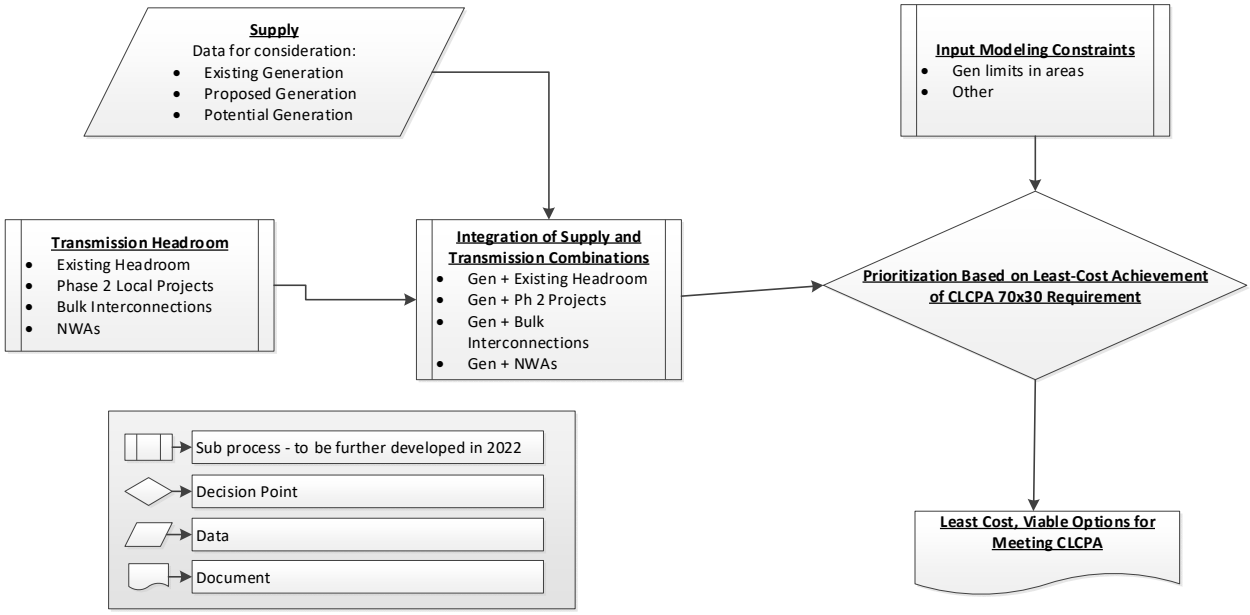
BCA Least-Cost Framework

The Utilities' revised BCA method will apply a least-cost analysis framework based on capacity expansion modeling that considers the total cost of generating, connecting, and delivering energy produced from renewable generation after curtailments. In the capacity expansion model, the Utilities would establish a 70X30 renewable resource requirement consistent with NYSERDA and DPS Staff estimates,[29] and the model will "build" a least-cost portfolio of renewable resources and sources of headroom for the interconnection and delivery of such resources (the "capacity expansion"). At a high level, the capacity expansion model will start with inputs such as: (1) the capital cost and energy output of renewable generation sources in different locations across the state; (2) the capital cost of means of creating headroom for the delivery of renewable energy, including the Phase 2 local transmission projects, NWAs and bulk transmission system interconnections; and, (3) constraints that need to be respected, for example feasibility and siting limitations for resources types in certain locations. The model will combine sources of renewable generation and headroom projects (including the use of existing headroom, which would be assigned a cost of zero), and stack combinations from least cost to highest cost needed to cost effectively achieve 70X30. For example, the cost of utility-scale solar in Zone "X" would be considered with options for creation of headroom with Phase 2 local transmission projects, tied to NWAs, and utilizing any existing local and bulk transmission headroom. Each option within Zone "X" would be compared to the cost of utility-scale wind in Zone "Y" with different Phase 2 local transmission costs, NWA, and amounts of available local and bulk headroom. All viable options would be prioritized based on cost and need. These results will

[29] Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Order Adopting Modifications to the Clean Energy Standard (October 15, 2020), pp. 27-28.

then be reviewed with stakeholders to verify potential generation and transmission build out scenarios are reasonable and physically feasible. This information will be included in the recommendations to the Commission on January 1, 2023 and serve as the basis for any Phase 2 project funding requests going forward. A process-flow illustration of the Utilities' revised BCA approach is presented in Figure 2, below.

Figure 2: Process Flow Illustration of the Modified BCA Approach



The Utilities will retain a consultant to help develop capacity expansion models for the New York system. In selecting a consultant, the Utilities will seek the models that have the capability to consider trade-offs among bulk transmission,[30] local transmission, non-wire alternatives, and renewable generation placement decisions. In these studies, the magnitude of headroom created by Phase 2 projects and their alternatives will be assessed using the

[30] In addition, bulk interconnections may require incremental rights of way if the generators are not located alongside the bulk system.

Commission-approved Headroom Assessment method.[31] The Utilities and their consultant will consider inputs and results from the NYISO capacity expansion models or their equivalent and related NYSERDA analyses in developing and validating their model

In this structure, off-ramps, local transmission projects that allow external renewable energy generators to serve load pockets can also be considered. The value of off-ramp projects is considered when system limitations prevent renewables from serving load or fossil retirements are indicated either by economics or by state mandate. Off-ramp projects can address these two scenarios which will require additional assessments to understand system flexibility and modeling input assumptions.

While locations with existing headroom are likely to provide the lowest interconnection costs there may be physical siting limitations that would prohibit such interconnections. The physical feasibility of utilizing available headroom is an important consideration in developing an investment plan. The Utilities will collaborate with NYSERDA and other stakeholders to reflect the physical limitations associated with capacity expansion zonal allocations and interconnecting voltage levels and consider such input in assessing generation additions. Local siting would also inform the quality of resource sites that could support the need for Phase 2 investments. The lowest cost and physically feasible locations within a zone to be identified first would be those local transmission interconnection points with lowest interconnection costs and existing headroom. Other locations including bulk interconnection points within a zone

[31] LT&D Planning Proceeding, Phase 2 Order, Ordering Clause 7. "Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall apply the Staff Straw Proposal for Conducting Headroom Assessments when calculating headroom for the existing grid and all proposed local transmission and distribution investments."

would be ranked by interconnection cost up to the headroom needed to support renewables added to the zone in the final zonal allocations.

IV. Stakeholder Engagement

As part of the coordinated statewide planning process, the Order identified the benefit and need for the Utilities to establish a stakeholder forum that would facilitate "quality" stakeholder input. According to the Commission, stakeholder input is critical because,

> "… any grid expansion must both respond to and accurately predict generation development. For this reason, stakeholder engagement should meet certain minimum objectives. First, the process should facilitate education and cross-training of both stakeholders and utility planners to improve mutual understanding of power system characteristics and individual project developments, as well as how these components inter-relate. Second, the process must ensure timely data-sharing to ensure decisions are based on the most current information and sound forecasts. Third, working group forums should be leveraged to share insights and help resolve issues through group collaboration, to the fullest extent possible."[32]

The Utilities propose to establish two stakeholder forums to comply with the Phase 2 Order. First, to educate and receive feedback from stakeholders, the Utilities recommend leveraging the existing NYISO LTP process but provide specific content during those meetings that are unique to Utility-specific CLCPA transmission plans. This is consistent with the near-term recommendation from the Commission that encouraged Utilities to review with NYISO Stakeholders their specific CLCPA plans.[33] The Utilities will plan to host their first meeting at the NYISO in early 2022 and will review any firm and proposed CLCPA transmission projects, provide an update on CGPP proposal, and consider specific stakeholder input.

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[32] LT&D Planning Proceeding, Phase 2 Order, p. 21.

[33] LT&D Planning Proceeding, Phase 2 Order, FN 27.

In addition to the broader stakeholder engagement forum at the NYISO, the Utilities propose a new, more tactical, stakeholder forum. This new stakeholder forum, the Energy Policy Planning Advisory Council (EPPAC), will consist of a representative and an alternate from each utility, DPS Staff, NYISO, NYSERDA, renewable generation and storage associations, the power authorities, and environmental justice community associations. During 2022, the EPPAC will aid in establishing stakeholder review points within the CGPP. EPPAC review of planning assumptions and draft reports (*e.g.*, generation forecasts, generation interconnections, and draft statewide system study reports) will serve as a means of providing an open, inclusive, and transparent planning process. In addition, another near-term issue to be resolved by the EPPAC in 2022 would be the review of feasible generator interconnections associated with the capacity expansion model results and in support of the filing under Ordering Clause 5.

Because of the near-term need for EPPAC review outlined above, the establishment of the EPPAC should occur in early 2022. The Utilities will continue to consult with DPS Staff to establish a process for creating the EPPAC and identifying EPPAC members. For example, an industry organization representing renewable developers (*e.g.*, ACENY) could nominate a representative and alternate from its organization to manage decisions and communications on behalf of its constituents.

V. Conclusion

The Utilities look forward to working with DPS Staff and other parties to implement measures that will accelerate achievement of New York's clean energy objectives, including those codified in the CLCPA. To meet the milestones stipulated in State policy, the Utilities request that the Commission approve the proposals described throughout this filing, which have

been designed enable delivery and usability of state-procured renewable energy resources.

Specifically, the Utilities request that the Commission approve:

1. The CGPP framework and development timeframe;
2. Approval of the use of a revised BCA method for application to the Utilities' January 1, 2023 project filings in accordance with Ordering Clause 5 of the Phase 2 Order; and
3. Establishment of the EPPAC stakeholder forum to ensure quality stakeholder input and feedback is considered in the statewide system planning process.

Respectfully submitted,

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