



November 21, 2022

BY ELECTRONIC DELIVERY

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, NY 12223

Re: Case 20-E-0497 – In the Matter of New York Independent System Operator, Inc.’s
Proposed Public Policy Transmission Needs for Consideration for 2020.

Dear Secretary Phillips:

Pursuant to the NYS Register Notice dated September 21, 2022,¹ the Alliance for Clean Energy New York (“ACE NY”) and the New York Offshore Wind Alliance (“NYOWA”) hereby jointly respond to the Public Service Commission’s (“NYPSC”) request for comment on whether the New York Independent System Operator (“NYISO”) should proceed to select a solution to the Long Island Offshore Wind Export Public Policy Transmission Need (“LI PPTN”).

This request for comment follows the April 5, 2022 submission by the NYISO of its Viability and Sufficiency Assessment (“Assessment”) for the aforementioned PPTN.² The Open Access Transmission Tariff provisions governing consideration of PPTN projects explicitly reserve to the Commission the discretion to determine at any juncture up to NYISO board resource selection that a PPTN no longer exists, or that a modified PPTN exists such that the NYISO should suspend consideration and selection of the most cost-effective solution to meeting the identified need.³

For the reasons stated below, ACE NY and NYOWA believe that the conditions and justifications that supported the Commission’s initial identification of the LI PPTN in 2021 remain just as valid today and would urge the Commission to allow the NYISO to complete

¹ New York State Register, September 21, 2022, at 7.

² NYISO, *Long Island Offshore Wind Export PPTN Viability & Sufficiency Assessment*, April 5, 2022, available at <https://www.nyiso.com/documents/20142/22968753/LI-OSW-Export-PPTN-Viability-Sufficiency-Assessment_Report.pdf/0cb56d37-5e5a-de47-1f59-b49a8a00a5aa> (hereinafter “Viability and Sufficiency Assessment”).

³ OATT, §31.4.6.7.3.

the process of evaluating viable and sufficient options, and ultimately selecting the most cost-effective or efficient project from this solution set.

Background and Procedural History

In its Order on the 2020 biennial Public Policy Transmission Planning Process (“PPTN Order”), the Commission concluded that the recently enacted Climate Leadership and Community Protection Act (“CLCPA”) - mandating that a minimum of 70% of New York’s energy supply be derived from renewable energy sources, and that of this, at least 9,000 MW be procured by 2035 - “squarely fits within the definition of a Public Policy Requirement”.⁴ Moreover, the Commission concurred with the Long Island Power Authority (“LIPA”) and several other parties that New York’s offshore wind procurements in satisfaction of the CLCPA targets were driving an “impending need for upgrades to onshore transmission facilities to assure that the offshore wind energy expected to be injected into New York City and Long Island can be distributed to the State at large.”⁵ Accordingly, the Commission concluded that there was a pressing public policy and technical imperative for increasing the export capability of the interface between the LIPA and Con Edison territories (Zones K and J, respectively) to “ensure the full output from at least 3,000 MW of offshore wind is deliverable from Long Island to the rest of the State”.⁶

On the basis of this finding, the NYISO issued a solicitation on August 12, 2021 seeking proposals to address the LI PPTN.⁷ The grid operator subsequently received eighteen separate PPTN Project proposals, as well as one Other Public Policy Project⁸, of which sixteen proposals and the Other Public Policy Project were deemed viable and sufficient.⁹

Argument and Requested Action

ACE NY and NYOWA respectfully request the PSC to authorize the NYISO to proceed to the next steps in the PPTN process. We see no reason to deviate from the anticipated NYISO review of prequalified projects against the established screening criteria, and subsequent recommendation to the NYISO board for approval of the project that best satisfies the transmission need.

⁴ Case No. 20-E-0497 and Case No. 18-E-0623, *Order Addressing Public Policy Requirements for Transmission Planning Purposes* (March 19, 2021) (hereinafter “PPTN Order”) at 21.

⁵ *Id.* at 20.

⁶ *Id.* at 22. The Commission also found a public policy need for the development of associated local transmission facilities in support of the new inertia capability.

⁷ NYISO, available at < <https://www.nyiso.com/documents/20142/22968753/Long-Island-Offshore-Wind-Export-Public-Policy-Transmission-Need-Project-Solicitation.pdf/51b8fdeb-1a66-2938-f116-38f1be486e0d> > (August 12, 2021).

⁸ See <https://www.nyiso.com/documents/20142/22968753/LI-PPTN-Project-Summary-Public-20211018.pdf/1b36c8b6-6df5-510e-44bc-a2c970d04390> for a listing of these projects.

⁹ See Viability and Sufficiency Assessment at 20.

The 2021 Power Grid Study, initiated pursuant to the Accelerated Renewables Act, identified certain bulk transmission upgrades necessary to meet the CLCPA goals. That study found that the addition of a new 345kv tie-line between Zones J and K would have material benefits, including but not limited to: 1) decrease the curtailment of offshore wind by 400 GWh; 2) enable more OSW generation to connect to Zone K, mitigating the risk that high capital costs, permitting challenges or other constraints could make the presumed interconnection of 5,000-6,000 MW into Zone J problematic; and 3) reduce congestion of imports into Long Island during periods of low OSW production.¹⁰ The Commission cited to the Power Grid Study as further evidence supporting the LI PPTN.¹¹

More recently, the NYISO has examined the capability of the New York bulk transmission system to serve the aggressive renewable energy targets embodied in the CLCPA. The *2020-2040 System & Resource Outlook* draft report highlights the significant transmission constraints that emerge as New York approaches its 2040 target. That study examined the level of curtailment likely to occur given already contracted and planned renewable energy generation across the NYISO system. Specifically, the draft report finds that the introduction of large amounts of renewable generation will exacerbate existing deliverability challenges, resulting in growing levels of resource curtailment. This is particularly true of Long Island, and disproportionately impacting offshore wind. As the report concludes, “Most of the curtailments are experienced by offshore wind projects connected to Long Island due to inadequate transmission capacity.”¹²

As the statewide renewable energy portfolio grows towards the 2040 targets, the NYISO again identifies Long Island as an area expected to experience significant curtailment (>15%) of renewable generation under the status quo. The study concludes:

Four pockets will particularly benefit from transmission expansion in the near-term: Finger Lakes (Z1), Southern Tier (Z2), Watertown (X3), and Long Island. Without investment in transmission, these areas of the New York grid will experience persistent and significant limitations to deliver the renewable power from these pockets to consumers in the upcoming years.¹³

Indeed, the material constraints that gave rise to the Commission’s determination of the LI PPTN are bearing out in ongoing procurement processes. This is demonstrated in the New York State Energy Development Authority’s ongoing solicitation seeking at least 2,000 MW of additional offshore wind generation.¹⁴ Of this total capacity, NYSERDA indicates that, consistent with the Power Grid Study findings, it will not procure more than 1,330

¹⁰ *Initial Report on the New York Power Grid Study*, prepared by the New York Department of Public Service Staff and the New York State Energy Research and Development Authority, at 71.

¹¹ LI PPTN Order at 22.

¹² NYISO, *2020-2040 System & Resource Outlook (Draft Report)*, available at <https://www.nyiso.com/documents/20142/32663964/2021-2040_System_Resource_Outlook_Report_DRAFT_v15_ESPWG_Clean.pdf/99fb4cbf-ed93-f32e-9acf-ecb6a0cf4841> (August 8, 2022) at 6.

¹³ *Id.* at 16 (underline added).

¹⁴ NYSERDA, *Purchase of Offshore Wind Renewable Energy Credits*, ORECRFP22-1, issued July 27, 2022, at 27.

MW of capacity with delivery points in Zone K. It is notable that 1,330 MW capacity limit set in the current NYSERDA solicitation, coupled with the OSW generation already procured pursuant to NYSERDA's first two solicitations, would total 3,600 MW. This allows for a delivery margin of 20% *in excess* of the capacity assumed in the Power Grid Study and further demonstrates the need for the LI PPTN.

Considerable time and effort has been expended by NYISO Staff, market participants, and other stakeholders to get the LI PPTN process to where it is today. In the roughly 18 months since the Commission found a public policy need for this bulk power enhancement, the need for this asset has been accentuated. We urge the Commission to stay the course.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fred Zalcman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Fred Zalcman
Director
On behalf of ACE NY and NYOWA

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