



**Department
of Public Service**

Offshore Wind Electric Infrastructure Planning

March 2, 2023

Electric Infrastructure Planning in NY

- Traditional objectives: safety and reliability of service
- Key players, simplified:
 - Electric utilities – plan and build for their system needs
 - Public Service Commission (PSC) – reviews utility capital projects and approves rates
 - New York Independent System Operator – plans for “bulk” system needs
 - Federal Energy Regulatory Commission (FERC) – reviews transmission proposals and approves rates
 - Independent Transmission Developers – compete to build and own transmission projects

NYISO Public Policy Planning

- NYISO's planning tools include a mechanism called the "Order 1000 Planning Process" or the "Public Policy Planning Process"
- FERC Order 1000 authorized NYISO to solicit proposals for transmission infrastructure needed to meet public policy objectives
 - What are those? State statutes and regulations
- **NOT** a siting or permitting process: the developer of the selected proposal gets **the right to recover the project's costs** under the rates specified for such projects in the NYISO's tariff

Transmission Planning for OSW

- No centrally directed transmission planning to date
- January 2021 Power Grid Study and report by Brattle recommended a coordinated effort to plan transmission integrating 9G of offshore wind with the mainland grid
 - Brattle observed that radial approach may not be most efficient
- PSC took action on the study recommendations in March 2021 to develop an additional 345kV transmission tie between Long Island and the mainland
- PSC invoked NYISO “Public Policy Planning Process” to solicit and evaluate solutions
 - NYISO assessment of competing proposals is underway
- Question before the PSC now is whether to use the same process to develop transmission into New York Harbor and support interconnections to the Con Edison system?

How Does it Work?

- NYISO conducts the Order 1000 process on a two-year cycle
- First step is to identify public policy requirements that “drive” the need for transmission
- PSC then determines what those policy requirements are and whether transmission proposals should be examined
- PSC makes its decisions in an order, issued after notice and comment under normal State rule-making procedures
- PSC order specifies criteria that proposals will have to meet or analyses that will be necessary, outside or additional to the baseline requirements of the NYISO’s tariff
 - Example: transmission projects in NY Harbor could be required to avoid constraints identified in the Cable Routing Assessment
- NYISO then solicits solutions to the needs identified by the PSC – similar to an RFP process

Evaluation and Selection

- Transmission developers submit proposals to the NYISO
- NYISO conducts a viability and sufficiency review
- Proposals that pass the review are then evaluated in detail
- NYISO applies PSC criteria and tariff metrics, which include factors such as costs, expandability, operability, ability to meet schedule, among others
- NYISO ranks projects in terms of efficiency/cost-effectiveness
- Draft report is submitted to NYISO stakeholders for comment
- NYISO Board selects the most efficient/cost-effective project
- NYISO publishes final report after selection
- Developer of the selected project applies for relevant permits

Where we are Today

- Current NYISO Order 1000 process cycle started in August 2022
- Stakeholder proposals for public policy needs were submitted to PSC in November
- Several parties recommended addressing the need for transmission to support offshore wind through the NYISO process
- PSC will consider whether a transmission solution for the next phase of offshore wind development is needed
 - Note that PSC may decide transmission is not needed, or is not needed in this cycle
- A PSC order seeking solutions will include criteria that transmission developers will have to meet
 - Example: underwater routes should be designed to minimize impacts to coastal uses

Siting and Impact Concerns

- NYISO's Order 1000 process does not include detailed evaluation of permitting issues
- Complexity of New York Harbor environment requires a different approach in this case
- PSC Staff and NYSERDA are considering ways to incorporate information about siting and permitting concerns into the NYISO process
- **NOT** a substitute for State and federal regulatory reviews – but can we give guidance to transmission developers and NYISO evaluators to improve the quality of the proposals?

Looking Ahead

- How long will it take to select a project through this process?
- PSC concern: aligning project evaluation and selection with the next OSW solicitation
- NYISO estimates 18 months to do the evaluation and select a project – Q1 2025?
- Successful project developer would have to get State and federal permits prior to construction
 - Article VII of the Public Service Law would apply within the State jurisdictional zone
 - Public process involving other State agencies and stakeholders
- No time to lose: State 9 GW goal deadline is 2035!

Additional Information

- <https://www.nyiso.com/> for information on NYISO planning
- Filings related to the PSC's consideration of offshore wind planning can be found under Case 22-E-0633 on our web site at <https://dps.ny.gov/>
- The Power Grid Study and Brattle report are also available under Case 20-E-0197