Accelerated Renewable Energy Growth and Community Benefit Act

Power Grid Study & Investment Plan

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New York State is working to achieve the most ambitious renewable energy and GHG targets in the nation

• The Climate Leadership and Community Protection Act (CLCPA), established the following targets:
  o **GHG reduction from 1990 emissions of 40% by 2030 and 85% by 2050**
  o **Renewable energy generation target of 70% by 2030 and 100% emissions free by 2040**
  o **9 GW Offshore wind by 2035, 6 GW PV by 2025, 3 GW storage by 2030**

• To achieve success, renewable energy needs to be sited in a timely, balanced and cost-effective manner and be deliverable from production areas to consumption centers

• In April, New York enacted the “Accelerated Renewable Energy Growth and Community Benefit Act” to expand and streamline renewable energy deployment
The Accelerated Renewable Energy Growth and Community Benefit Act, “the Act”

- Requires evaluation of need for upgrades to the distribution, and local and bulk transmission system to achieve CLCPA

- NY Public Service Commission will establish an investment plan for distribution and local transmission upgrades, identify bulk transmission projects that can be built through NYISO Order 1000 and those that must proceed on an expeditied basis

- For expeditated transmission projects, designated NYPA as the preferred builder and includes competitively solicited partnerships for certain projects
The Power Grid Study & Investment Plan has three components:

1. State Power Grid Study
2. Distribution and Local Transmission Capital Plans ("Local Upgrade Plans")
3. Bulk Transmission System Investment Plan ("Investment Plan")
The State Power Grid Study will:
- Provide input to the plans for distribution and local transmission upgrades
- Identify bulk transmission projects that can be built through the NYISO Order 1000 process
- Refer to NYPA Identify projects that must proceed on an expediated basis

DPS will make an initial report of the findings and recommendations of the report within 270 days (December)
- May issue findings and recommendations at reasonable intervals before and after that date

PSC will consider grid congestion and achievement of CLCPA targets, when reviewing the December Grid Study and may institute new proceedings to address any deficiencies
Study will consider, among other things:

- System reliability
- Safety
- Cost-effectiveness of upgrades and investments necessary for connecting major renewable energy facilities and eliminating electric system constraints
- Factors identified in the Executive Law sec. 94-c for renewable siting permits
- Information from owners and developers of competitive transmission projects, the NYISO, transmission technology and smart grid solutions providers and industry research
  - Technical conference held on October 9 to take in comments
Distribution and Local Transmission Capital Plans (“Local Upgrade Plans”)

• Within 60 days of receipt of the Grid Study, the PSC must commence a proceeding to establish a distribution and local transmission capital plans for each utility that the Study identified for upgrades

• Each plan must include a prioritized schedule for identified distribution and local transmission upgrades for each utility

• The PSC will address utility distribution and local transmission upgrade plans consistent with PSL, including utility rate cases

• Concurrently, LIPA shall establish a capital program for its local transmission and distribution
Within 60 days of receipt of the Study, the PSC is required to establish a Bulk Transmission System Investment Program, per the State’s siting authority over such assets.

- Using the Study, the PSC will identify bulk investments needed for the State to meet the CLCPA requirement.

- PSC will set forth a prioritized schedule of the identified investments and identify investments that need to proceed expeditiously (“priority projects”).

- PSC is required to periodically review and update the Investment Plan.
PSC will submit the Bulk Transmission System Investment Plan to the NYISO for use in their planning process

- Specifically, within 8 months of the NYISO’s commencement of the transmission planning (Order 1000 process)*, the PSC must identify projects or policy from the Investment Plan for inclusion in the Order 1000 process.

PSC will also identify “priority projects” from the Investment Plan that will be built by NYPA rather than selected through NYISO’s Order 1000 competitive solicitation process

- The Act provides a basis for the costs for such projects to be recovered by a formula rate filed with NYISO/FERC.
- These projects do not include projects such as generator lead lines or repairs to, replacement of or upgrades to the Authority’s own transmission assets.
The Act identifies NYPA as the entity best-suited, and in the public interest, to lead priority transmission projects.

This approach will leverage NYPA’s key strengths, including technical expertise, financial stability and access to capital to help bring needed priority transmission improvements across the finish line efficiently and cost-effectively.

The PSC will identify priority projects.

NYPA’s Board of Trustees reserve the right to determine what priority transmission projects identified in the Investment Plan NYPA will undertake.
Priority Transmission Projects – NYPA’s responsibilities

• For projects outside of NYPA’s ROWs, NYPA must conduct a competitive bidding process to seek potential partnerships with other entities
  
  o NYPA has the right to determine the terms and conditions of the partnership
  
  o Such partnerships are subject to approval from the NYPA Board of Trustees

• For most Priority Projects, it is anticipated that NYPA will solicit private sector interest in Priority Project development, and as appropriate select private sector partners through a competitive bidding process to participate in Priority Project development.
• October - PSC issued order designating NYPAs Northern NY Project as a priority transmission project under the Act.

• Additional Projects could be identified when Grid Study is filed in December