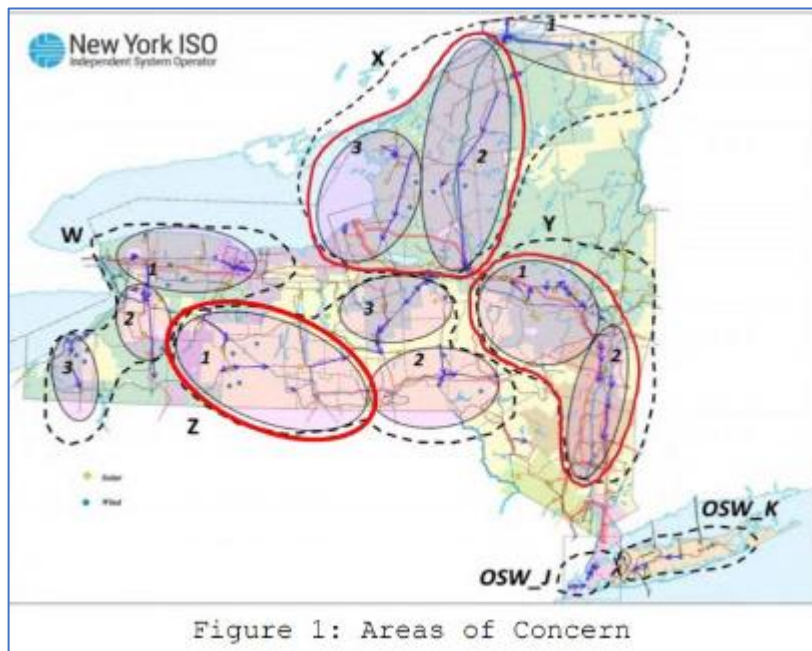


TO: Zach Smith and Yachi Lin, NYISO
FROM: Anne Reynolds, ACE NY
SUBJECT: Consideration of Areas of Concern Transmission Upgrades in the CY 2023 Studies
Date: May 03, 2023

On February 16, 2023, the New York Public Service Commission (PSC) approved the “Areas of Concern” (AOC) Transmission Projects¹. The AOC Projects were proposed at the direction of the PSC to the NY Transmission Owners (TOs) to develop transmission projects that would mitigate existing and future curtailment of renewable projects located in severely constrained areas in Upstate NY. See Z1, X3, Y1 and Y2 in Figure 1 (from the NYISO Outlook Report).



ACE NY, on behalf of several NY renewable generation developers, would like clarification on how the AOC projects will be treated during the NYISO Class Year 2023 (CY23) Studies for the purpose of cost allocation and security deposits for renewable generation developers.

¹ See the PSC Order Approving Phase 2 Areas of Concern Transmission Upgrades at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={0C1FE2AF-2922-4BF5-809C-5C93F4F73121}>

It is our understanding that the AOC projects will not meet the Base Case inclusion rules for the CY23 Base Case. This implies that the NYISO could propose the same network upgrades as mitigations for system impacts that the AOC projects were proposed to mitigate. For example, in CY21 studies, in area X3, the NYISO proposed a System Deliverability Upgrade that was the same as one of the approved AOC upgrades in the area. By leaving the AOC transmission upgrades out of the base case modeling for CY23, some of the new renewable generation projects in the same areas could be deemed undeliverable.

One potential solution is for the NYISO to make an exception and consider adding the AOC upgrades to the base case even though the Phase 2A upgrades do not meet the NYISO Base Case inclusion rules. Alternatively, the NYISO could map the AOC projects (after the CY23 studies and with the help of the TOs) to identify the mitigations for CY23 constraints. This additional mapping could be implemented by the NYISO after the CY23 studies so that developers would not unnecessarily be subject to cost allocations and security deposits for those upgrades that are the same as the PSC-approved AOC upgrades.

We would be happy to discuss further at your convenience.

Cc: Liz Grisaru, Tammy Mitchell, Adam Evans, NY DPS
John Bernecker, Chris Hall, NYSERDA
Bart Franey, National Grid