

176 FERC ¶ 61,211
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

September 29, 2021

In Reply Refer To:
New York Independent System Operator, Inc.
New York Power Authority
Docket Nos. ER21-2392-000 and ER21-2392-001

New York Power Authority
123 Main Street
White Plains, NY 10601

Van Ness Feldman, LLP
1050 Thomas Jefferson St, NW
Washington, DC 20007

Attention: Gary D. Levenson and Gary D. Bachman
Counsel for the New York Power Authority

Dear Mr. Levenson and Mr. Bachman:

1. On July 9, 2021, as amended on August 19, 2021, the New York Independent System Operator, Inc. (NYISO) filed, on behalf of the New York Power Authority (NYPA), proposed revisions to NYPA's transmission formula rate template and protocols¹ contained in Attachment H of the NYISO Open Access Transmission Tariff (OATT) that incorporate a cost containment mechanism for use in connection with NYPA's recovery of the costs of its investments in certain transmission facilities that are known as Segment A of the AC Transmission Projects.²

¹ New York Independent System Operator, Inc., NYISO Tariffs, [NYISO OATT, 14.2.3-14.2.3.1 OATT attach. H - NYPA Formula Rate, \(4.0.0\)](#), [NYISO OATT, 14.2.3.2 OATT attach. H - NYPA Formula Rate Implementation Proto, \(2.0.0\)](#), and [NYISO OATT, 14.2.3-14.2.3.1 OATT attach. H - NYPA Formula Rate, \(5.0.0\)](#).

² Docket No. ER21-2392-000 (Initial Filing), Transmittal Letter at 1. Segment A is the Marcy to New Scotland Project in what is known as the AC Transmission Projects, which are public policy driven transmission additions to the transmission grid in the State of New York based on public policy transmission needs identified by the New York

NYPA states that the revised tariff records are submitted to comply with the requirements of the Commission's order conditionally granting NYPA transmission incentives for the Segment A project (specifically, the Commission granted an incentive return on equity (ROE) adder for the risks and challenges associated with the Segment A project).³ NYPA explains that, in its request for the incentive ROE adder, NYPA committed to adopt the risk-sharing mechanism established by LSPG-NY in connection with recovery of its costs for the Segment A project, subject to necessary modifications to reflect NYPA's formula rate template and protocols. According to NYPA, the Commission conditioned its grant of the requested incentive ROE adder on NYPA's incorporation of such a cost containment mechanism into its formula rate template and protocols. NYPA notes that the Commission recently approved a settlement establishing LSPG-NY's cost containment mechanism in its formula rate and protocols for LSPG-NY's portion of its investment in the Segment A project.⁴

2. NYPA states that the proposed revisions to its formula rate template and protocols incorporate the cost containment mechanism established in the LSPG-NY formula rate settlement proceeding, with only minor modifications to reflect NYPA's formula rate template and protocols.⁵ NYPA requests waiver of the Commission's prior notice requirement so that the revised tariff records may be effective September 15, 2021.⁶

3. Notice of the Initial Filing submitted on July 9, 2021 was published in the *Federal Register*, 86 Fed. Reg. 37,317 (July 15, 2021), with interventions and protests due on or before July 30, 2021. Notice of the Amended Filing submitted on August 19, 2021 was published in the *Federal Register*, 86 Fed. Reg. 47,491 (Aug. 25, 2021), with interventions and protests due on or before August 26, 2021. No protests were filed.

4. We find that the proposed cost containment mechanism complies with the

Public Service Commission. NYPA and LS Power Grid New York Corporation I (LSPG-NY) are joint developers of the Segment A portion of the AC Transmission Projects. *See id.*, attach. B, NYISO OATT, attach. H, proposed § 14.2.3.2.9.

³ *Id.*, Transmittal Letter at 2 (citing *N.Y. Power Auth.*, 169 FERC ¶ 61,125, at P 36 (2019) (NYPA Incentives Order)).

⁴ *Id.* at 1, 7 (citing *N.Y. Indep. Sys. Operator, Inc.*, 175 FERC ¶ 61,210 (2021)).

⁵ *Id.* at 7-9.

⁶ Docket No. ER21-2392-001 (Amended Filing), Transmittal Letter at 3.

requirements in the NYPA Incentives Order and accept the revised tariff records for filing, effective September 15, 2021, as requested.⁷

By direction of the Commission.

Debbie-Anne A. Reese,
Deputy Secretary.

⁷ See 18 C.F.R. § 35.11 (2020); *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992). Version 4.0.0 of the revised formula rate template filed in Docket No. ER21-2392-000 is rejected as moot. In the future, NYISO should use Associated Filing and Record Identifiers at the record level when amending a tariff record in a pending proceeding.