New York ISO
Independent System Operator

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June 29, 2026

By Electronic Delivery

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New York Independent System Operator, Inc.'s Compliance Filing for Order Nos. 1920, 1920-A, and 1920-B; Conditional Request for Prospective Waivers; and Request for Extended Comment Period; Docket No. ER26-___-000

Dear Ms. Reese:

The New York Independent System Operator, Inc. ("NYISO") respectfully submits this filing in compliance with the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order No. 1920, *Final Rule on Building for the Future Through Electric Regional Transmission Planning and Cost Allocation,* and its subsequent orders on rehearing and clarification in Docket No. RM21-17-000 et al. (collectively, "Order No. 1920").[1] The NYISO supports the goals set forth in Order No. 1920 that each planning region engage in and conduct sufficiently long-term, forward-looking, and comprehensive transmission planning and cost allocation processes to identify and plan for Long-Term Transmission Needs.[2] The NYISO's proposed reforms in this compliance filing are directed at achieving these goals within its distinct transmission planning framework and in consideration of New York-specific conditions.

The NYISO is a single-state independent system operator ("ISO") that works closely with New York State entities, including the New York Public Service Commission ("NYPSC") and the New York Department of Public Service ("NYDPS"), along with Transmission Owners, Market Participants, stakeholders, and other interested entities in identifying and addressing

[1] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation, Final* Rule, Order No. 1920, 187 FERC ¶ 61,068 (2024) ("Order No. 1920"); *order on reh'g & clarification,* Order No. 1920-A, 189 FERC ¶ 61,126 (2024) ("Order No. 1920-A"); *order on reh'g & clarification,* Order No. 1920-B, 191 FERC ¶ 61,026 (2025) ("Order No. 1920-B"). The Commission granted the NYISO's requested extension for its compliance filing to address the Order No. 1920 regional transmission planning process requirements to April 30, 2026, and to address the interregional transmission planning process requirements to June 14, 2027. Notice of Extension of Time, Docket No. RM21-17-000 (Mar. 24, 2025). The Commission subsequently granted the NYISO's March 20, 2026, request for a limited further extension to address the regional transmission planning process requirements to June 29, 2026. Notice of Extension of Time, Docket No. RM21-17-000 (Apr. 8, 2026).

[2] Order No. 1920 at P 89. Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Attachments Y or FF of the NYISO's Open Access Transmission Tariff ("OATT"), and if not defined therein, in the OATT and the NYISO's Market Administration and Control Area Services Tariff ("Services Tariff"), except that defined terms that are used in the descriptions of the requirements in Order No. 1920 shall have the meaning specified in that series of orders.

transmission needs in New York. This coordination has resulted in significant success post-Order No. 1000[3] in expanding transmission in New York.[4]

The NYISO has accomplished this through processes that already align with many of the requirements in Order No. 1920. In particular, the NYISO currently performs in its Economic Planning Process the System & Resource Outlook ("Outlook"), which is a comprehensive study of the New York State Transmission System that identifies transmission expansion opportunities using multiple scenarios and sensitivities with a 20-year planning horizon. The NYISO also conducts a Public Policy Transmission Planning Process ("Public Policy Process") in which interested entities may propose potential transmission needs, which are informed by the results of the Outlook. The NYPSC evaluates these proposed transmission needs and may identify Public Policy Transmission Needs for which the NYISO will solicit and evaluate solutions and may select the more efficient or cost-effective transmission solution for purposes of cost allocation and cost recovery under the NYISO's Open Access Transmission Tariff ("OATT").[5]

The NYISO proposes in this compliance filing to build on these well-functioning elements of its existing transmission planning process – its Comprehensive System Planning Process ("CSPP") – to establish a new Long-Term Transmission Planning Process that complies with the requirements in Order No. 1920 and with the prior requirements established in Order Nos. 890[6] and 1000. Specifically, the NYISO proposes to expand the scope of its existing Outlook to also serve as the transmission study for the new process. The updated Outlook will use at least three Long-Term Scenarios and an Extreme Weather Sensitivity, which will be developed in coordination with state entities and stakeholders. The Outlook will assess the New York State Transmission System over a 20-year planning horizon and identify, in coordination with state entities and stakeholders, transmission expansion opportunities on the New York State Bulk Power Transmission Facilities ("BPTFs"). The NYPSC will then evaluate the identified transmission expansion opportunities and may identify one or more Long-Term Transmission Needs. In such case, the NYISO will commence a Long-Term Transmission Selection Process in which it will solicit proposed solutions, evaluate them using selection metrics, including the seven benefit metrics identified in Order No. 1920, and select (or elect not to select) the more efficient or cost-effective transmission solution for purposes of cost allocation and cost recovery under the NYISO OATT.

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[3] *Transmission Plan. & Cost Allocation by Transmission Owning & Operating Pub. Utils.,* Order No. 1000, 76 FR 49842 (Aug. 11, 2011), 136 FERC ¶ 61,051 (2011) ("Order No. 1000"), Order No. 1000-A, 77 FR 32184 (May 31, 2012), 139 FERC ¶ 61,132 (2012), *order on reh'g & clarification,* Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

[4] *See, e.g., N.Y. Indep. Sys. Operator, Inc.,* 175 FERC ¶ 61,038 (2021) (Clements, Comm'r, concurring at P 3) ("While this has not been the case in all regions, the success of NYISO's competitive solicitations for public policy projects has been a bright spot in the Order No. 1000 landscape.")

[5] The NYPSC and Transmission Owners have also used the results from the Economic Planning Process (CARIS and Outlook reports) to inform or support transmission investments approved at the state level.

[6] *Preventing Undue Discrimination & Preference in Transmission Serv.,* Order No. 890, 72 FR 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, 118 FERC ¶ 61,119 (2007) ("Order No. 890"), *order on reh'g,* Order No. 890-A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007) (cross-referenced at 118 FERC ¶ 61,119), *order on reh'g and clarification,* Order No. 890-B, 73 FR 39092 (July 8, 2008), 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 74 FR 12540 (Mar. 25, 2009), 126 FERC ¶ 61,228 (2009), *order on clarification,* Order No. 890-D, 74 FR 61511 (Nov. 25, 2009), 129 FERC ¶ 61,126 (2009).

The NYISO developed these proposed reforms within the broader context of New York State's transmission planning efforts. In parallel with the NYISO's CSPP, the NYPSC established a long-term planning process in conjunction with the state utilities – the Coordinated Grid Planning Process ("CGPP") – to plan for and identify distribution, local transmission, and bulk system upgrades to facilitate state goals. The NYISO has coordinated with the NYDPS and the state utilities participating in the CGPP to identify mechanisms by which the NYISO's and the state's processes can support and complement each other to enhance the processes' identification of transmission needs and local and bulk transmission solutions for New York while ensuring the NYISO's compliance with the Order No. 1920 requirements.

The NYISO proposes revisions to its OATT and to its Market Administration and Control Area Services Tariff ("Services Tariff") to implement the new Long-Term Transmission Planning Process and the additional reforms required by Order No. 1920. The proposed tariff revisions adopt key elements of Order No. 1920, while employing "consistent with or superior to" variations to maximize the benefits of the reforms in light of the NYISO's role as a single-state ISO, its use of a competitive sponsorship model for soliciting and evaluating transmission solutions, its distinct planning framework and market structure, and other New York-specific conditions. Among other reforms, the NYISO proposes herein to revise its existing processes to:

- establish a Long-Term Transmission Planning Process in Section 31.6 of Attachment Y of the OATT as a new element of the CSPP, which process will consist of two components – the Outlook and, if a Long-Term Transmission Need is identified, the Long-Term Transmission Selection Process;

- expand the scope of its existing Outlook to serve as the transmission study for purposes of both its Long-Term Transmission Planning Process and its Economic Planning Process;

- establish requirements for the commencement and performance of the Outlook on an approximately three-year recurring basis;

- revise its existing Outlook requirements to provide for the NYISO to solicit from state entities, stakeholders, and other interested parties, and to independently identify, factors from the prescribed categories of factors and other data inputs for use in the development of at least three plausible and diverse Long-Term Scenarios, an Extreme Weather Sensitivity, and any additional scenarios and sensitivities;

- provide that one of the three Long-Term Scenarios is a Long-Term State Scenario for which assumptions will be provided by the NYDPS and which will also support the state's parallel planning process;

- establish requirements for the performance of the Outlook, including the use of a 20-year planning horizon, and for the identification of a Catalog of Transmission Expansion Opportunities arising on the BPTFs;

- establish rules for the NYPSC to review the Catalog of Transmission Expansion Opportunities and to identify any Long-Term Transmission Needs for a given planning cycle;

- establish requirements for the commencement and performance of the Long-Term Transmission Selection Process if the NYPSC identifies any Long-Term Transmission Needs for a given planning cycle;

- establish requirements for the solicitation, evaluation, and selection of proposed solutions in the Long-Term Transmission Selection Process that are consistent with the NYISO's related requirements in its other transmission planning processes, as modified to incorporate Order No. 1920 requirements, including the use of the seven benefit metrics prescribed in Order No. 1920, and to address lessons learned in the NYISO's prior performance of its existing requirements;

- establish, with the agreement of Relevant State Entities, a multi-step State Agreement Process for purposes of identifying a cost allocation methodology for Long-Term Transmission Projects selected by the NYISO as the more efficient or cost-effective transmission solution and associated upgrades, with an *ex ante* load ratio share methodology that will apply if the Commission does not accept an alternative methodology through the multi-step process;

- establish a Reevaluation Process to review a previously selected Long-Term Transmission Project due to significant cost increases or significant changes in laws and regulations, along with requirements for reviewing project delays that could jeopardize reliability;

- establish rules for the Transmission Owners to submit their lists of In-Kind Replacement Transmission Facilities and for Developers to have the opportunity to propose Right-Sized Replacement Transmission Facilities that right-size these facilities as part of their transmission project proposals to address Long-Term Transmission Needs, subject to a Transmission Owner's Right of First Refusal ("ROFR") for such facility if it is selected by the NYISO;

- establish rules by which Developers may commit to use Voluntary Funding Arrangements in their transmission project proposals to address Long-Term Transmission Needs;

- establish rules in all of the NYISO's transmission planning processes for Developers to propose Alternative Transmission Technologies with their transmission project proposals or to explain their grounds for not proposing to use such technologies;

- retain the Public Policy Process as revised to solicit transmission needs that may arise within 10 years and to identify Interconnection-Related Transmission Needs for inclusion

in the NYPSC's consideration of transmission needs to be addressed in the Public Policy Process; and

- revise the Transmission Owners' Local Transmission Owner Planning Process ("LTPP") requirements to require their compliance with the assumptions, needs, and solution meeting rules and the posting and comment requirements set forth in Order No. 1920 for their Local Transmission Owner Plans ("LTPs").

These compliance reforms collectively address and comply with the Order No. 1920 requirements, with certain "consistent with or superior to" variations detailed and justified by the NYISO in this filing. The NYISO does not propose in this compliance filing any reforms required to comply with the Order No. 1920 interregional transmission planning requirements applicable to the Long-Term Transmission Planning Process. As previously accepted by the Commission, the NYISO will submit a compliance filing addressing these interregional requirements by June 14, 2027.

In Part III of this letter, the NYISO provides background information concerning its existing CSPP. In Part IV of this letter, the NYISO provides a high-level summary of its proposed Long-Term Transmission Planning Process and its additional proposed reforms to address Order No. 1920's directives. In Parts VII through XII, the NYISO then describes in greater detail its proposed tariff modifications and their compliance with Order No. 1920 and the applicable Order Nos. 890 and 1000 transmission planning principles, including describing the justifications for the NYISO's requested "consistent with or superior to" variations.

The NYISO developed the proposed tariff revisions through extensive discussions with the Relevant State Entities identified in New York – i.e., the NYDPS and the Long Island Power Authority ("LIPA"), along with the Transmission Owners, stakeholders, and other interested parties participating in the NYISO's stakeholder meetings. All of the proposed tariff revisions included in this compliance filing are either expressly required under Order No. 1920, are necessary to implement or clarify the NYISO's existing tariff language to accommodate the Commission's directives, or are non-substantive organizational or clarifying adjustments of the kind that the Commission has previously permitted in compliance filings. The proposed revisions build upon the NYISO's previously accepted transmission planning procedures. They are carefully designed to be compatible with the NYISO's existing planning, interconnection, and market rules and processes. The NYISO respectfully submits that its proposed tariff revisions either directly comply with the directives of Order No. 1920 or are justified "consistent with or superior to" variations. The revisions are fully supported, are just and reasonable, are not unduly discriminatory or preferential, and should be accepted without modification or condition.

The NYISO requests that the tariff revisions proposed in this compliance filing become effective on August 1, 2026, with one exception. As detailed in Part VI below, the NYISO intends to commence soliciting factors and data inputs for its first Long-Term Transmission Planning Process cycle and to apply its proposed Interconnection-Related Transmission Need rules in the third quarter of 2026, subject to any determination or modification by the Commission. The NYISO separately requests that its proposed revisions to the local

transmission planning requirements in its OATT become effective on September 15, 2026. The NYISO intends to commence Transmission Owners' first update process for their LTPs under the new requirements in the second half of September 2026.

In addition, as described in Part 0, the NYISO respectfully petitions, in accordance with Commission Rule 207(a)(5), that the Commission grant the NYISO prospective temporary waivers – to the extent the Commission determines necessary – of any of the existing requirements in the NYISO's Comprehensive System Planning Process, the new Long-Term Transmission Planning Process, or the additional tariff reforms that might otherwise prevent the NYISO from performing and completing the first planning cycle of the Long-Term Transmission Planning Process or from implementing its other reforms proposed in this filing.

Finally, given the scope and size of the compliance filing, the NYISO requests that the Commission provide an extended period of time for comments with a requested deadline of August 10, 2026, to provide interested parties with a reasonable amount of time to review the filing and provide any comments.

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II. Documents Submitted

The NYISO submits the following documents with this filing letter:

1. Affidavit of Yachi Lin, NYISO Director, System Planning (Attachment I);

2. November 25, 2024 NYISO Notice: Opening of Engagement Period for Relevant State Entities Regarding Cost Allocation Methodology for Long-Term Regional Transmission Facilities (Attachment II);

3. June 4, 2025 NYISO Notice: Opening of Engagement Period for Relevant State Entities Regarding Cost Allocation for Long-Term Regional Transmission Facilities (Attachment III);

4. June 11, 2026 Notice of Agreement of Relevant State Entities on Cost Allocation Methodology for NYISO's Long-Term Transmission Planning Process (Attachment IV);

5. A blacklined version of the NYISO OATT Attachment Y sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment V);

6. A clean version of the NYISO OATT Attachment Y sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment VI);

7. A blacklined version of the remainder of the NYISO OATT sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment VII);

8. A clean version of the remainder of the NYISO OATT sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment VIII);

9. A blacklined version of NYISO OATT sections 31.1 and 31.2-31.2.7 containing the proposed compliance modifications with an effective date of September 15, 2026 (Attachment IX);

10. A clean version of NYISO OATT sections 31.1 and 31.2-31.2.7 containing the proposed compliance modifications with an effective date of September 15, 2026 (Attachment X);

11. A blacklined version of the NYISO Services Tariff sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment XI);

12. A clean version of the NYISO Services Tariff sections containing the proposed compliance modifications with an effective date of August 1, 2026 (Attachment XII);

13. An informational blackline of the solicitation, evaluation, and selection requirements in OATT Section 31.6 showing changes from the related requirements in the Public Policy Process (Attachment XIII); and

14. An informational blackline of the Development Agreement for the Long-Term Transmission Planning Process showing changes from the Development Agreement for the Public Policy Process (Attachment XIV).

III. Background

A. NYISO's Comprehensive System Planning Process

The NYISO performs its transmission planning responsibilities pursuant to its CSPP.[7] The CSPP requirements are primarily set forth in Attachments Y (Section 31) and FF (Section 38) of the OATT. The CSPP consists of the following four study components that are described below: (1) the Local Transmission Owner Planning Process, (2) the Reliability Planning Process and Short-Term Reliability Process, (3) the Economic Planning Process, and (4) the Public Transmission Planning Policy Process.

Pursuant to these study processes, the NYISO conducts transmission planning consistent with the requirements in Order Nos. 888, 890, and 1000. The NYISO primarily performs transmission planning for the New York State Bulk Power Transmission Facilities.[8] This includes processes for identifying any reliability, economic, or public policy-driven transmission needs on the BPTFs and for soliciting, evaluating, and selecting the more efficient or cost-effective transmission solution to address the need for inclusion in the NYISO's regional transmission plan for purposes of cost allocation and cost recovery under the OATT. The NYISO's transmission planning processes were developed in line with its distinct planning framework and market structure and other New York-specific conditions. The processes differ significantly from those of other ISOs and Regional Transmission Organizations ("RTOs").

The NYISO planning framework uses a sponsorship model for the solicitation, evaluation, and selection of the more efficient or cost-effective transmission solution to an identified transmission need or constraint.[9] Pursuant to this approach, the NYISO does not develop the design of proposed transmission solutions to address an identified transmission need or constraint and then solicit bids for that design, such as in a bid-based model.[10] Instead,

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[7] The CSPP originally took form with the NYISO's Reliability Planning Process, first approved by the Commission in 2004. Thereafter, the CSPP has gone through several significant revisions primarily in response to the Commission's Order No. 890 (adding local transmission and economic planning) and Order No. 1000 (adding public policy planning, interregional planning, and a competitive selection process).

[8] As defined in OATT Attach. Y § Section 31.1, the New York State Bulk Power Transmission Facilities ("BPTFs") are the facilities identified as the New York State Bulk Power Transmission Facilities in the annual Area Transmission Review submitted to the Northeast Power Coordinating Council ("NPCC") by the NYISO pursuant to NPCC requirements. *See also* Section 1.5 of the NYISO Manual 24: Reliability Analysis Data Manual (Issued December 2025); *available at:* https://www.nyiso.com/documents/20142/2924447/rel-anl-data-mnl.pdf/2d42445e-317d-b7e9-24b8-c983ae6518ec.

[9] As described below, for the Economic Planning Process, the NYISO does not select the transmission solution; rather, the project's beneficiaries determine whether the proposed transmission solution should proceed and be eligible for cost allocation under the NYISO's OATT.

[10] The Commission has described the sponsorship model for the competitive transmission development process, in contrast with the competitive bidding model, as follows: "Under a sponsorship model, the transmission

interested entities include with their proposals both the transmission project design and their bid concerning the construction of the project (e.g., project costs). The NYISO then assesses the proposed solutions based on their performance across a wide range of criteria to identify the more efficient or cost-effective transmission solution.

The NYISO designates the selected project, or a portion of the selected project, to the Designated Entity. This is the entity responsible for building, owning, and recovering the costs of, as applicable, the selected project or a component of the selected project. The NYISO may designate more than one entity as the Designated Entity for a selected project based on the composition of the project. For example, if the Developer's design includes new transmission elements and also upgrades to an incumbent Transmission Owner's existing transmission facilities for which the Transmission Owner possesses a ROFR, the NYISO will designate the Developer that proposed the project as the Designated Entity for the new transmission elements and will designate the impacted Transmission Owner as the Designated Entity for the upgrade elements. Each of the project components is a designated project (e.g., Designated Reliability Transmission Project, Designated Economic Transmission Project, Designated Public Policy Project) that collectively make up the selected project. The NYISO will enter into a separate development agreement with each Designated Entity that is responsible for a component of a selected transmission project.

i. Local Transmission Owner Planning Process

Pursuant to the Local Transmission Owner Planning Process, each Transmission Owner presents and obtains stakeholder input on its plans to address the needs of its transmission system for its local Transmission District.[11] At least once in every biennial planning cycle, each Transmission Owner is responsible for posting on its website the planning criteria, assumptions, and analytical tools it uses and for reviewing its proposed Local Transmission Owner Plan at an Electric System Planning Working Group ("ESPWG") and Transmission Planning Advisory Subcommittee ("TPAS") stakeholder meeting.[12] The Transmission Owners are required to consider inputs from interested parties and then finalize their local plans. Projects undertaken by each Transmission Owner for its local system needs are not eligible for regional cost allocation through the NYISO's tariffs.[13] The local transmission plans feed directly into the NYISO's assumptions, data, and models used for regional transmission planning.

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planning region, with stakeholder input, identifies regional transmission needs. Then, qualified transmission developers (both incumbent and nonincumbent) may propose transmission projects to meet those identified regional transmission needs. The transmission planning regions selects the more efficient or cost-effective transmission solution to meet each identified regional transmission need, which can be a solution proposed by a transmission developer or one that the transmission planning region designed itself. If a transmission planning region selects a transmission solution that was sponsored by a transmission developer, then the sponsor is eligible to use the regional cost allocation method to develop the selected transmission project. Relevant to this report, NYISO and PJM have adopted this model, although PJM's process includes aspects of a competitive bidding model in certain situations." Federal Energy Regulatory Commission 2017 Transmission Metrics Staff Report, at 8 (October 2017).

[11] *See* OATT Attach. Y § 31.2.1.

[12] The NYISO requests annual updates to the Transmission Owners' LTPs.

[13] *See* OATT § 6.10.1.2.

ii. Reliability Planning Process/Short-Term Reliability Process

Pursuant to its biennial Reliability Planning Process,[14] the NYISO evaluates in its Reliability Needs Assessment ("RNA") the resource and transmission adequacy and transmission system security of the BPTFs over years 4 through 10 of the 10-year study period and identifies any Reliability Needs on the BPTFs in accordance with applicable reliability criteria.[15] The NYISO then performs its Comprehensive Reliability Plan ("CRP") to solicit solutions to any identified Reliability Need, to evaluate the proposed solutions for their viability and sufficiency to satisfy the identified need, and to select the more efficient or cost-effective transmission solution for purposes of cost allocation under the OATT. The RNA and CRP are reviewed by NYISO stakeholders and approved by the NYISO's Board of Directors ("NYISO Board"). If market-based solutions do not materialize to meet a Reliability Need in a timely manner, the NYISO triggers regulated solution(s) to satisfy the need.

For its Short-Term Reliability Process, the NYISO conducts quarterly Short-Term Assessment of Reliability ("STAR") studies. The studies are performed for a five-year horizon, with a primary focus on reliability needs that could arise in the next three years due to the reliability impacts of Generator deactivations on both BPTF and non-BPTF (i.e., local) transmission facilities and the reliability impacts on the BPTFs of system changes that are not related to a Generator deactivation, such as load forecast and transmission system changes.[16] If a STAR identifies a need to be addressed in the Short-Term Reliability Process, the NYISO would request the submission of market-based solutions to satisfy the need, along with a Responsible Transmission Owner regulated solution, and may also solicit alternative regulated transmission solutions.[17] The NYISO evaluates the viability and sufficiency of the proposed solutions to satisfy the identified need and selects the more efficient or cost-effective solution to address the need. As a last resort, the NYISO can enter into a Reliability Must Run ("RMR") agreement with a Generator until a long-term solution can be completed. Selected transmission projects and Generator RMR agreements are eligible for cost allocation and recovery through the OATT.[18]

iii. Economic Planning Process

For the Economic Planning Process, the NYISO performs the System & Resource Outlook. The Outlook is a biennial, comprehensive report in which the NYISO summarizes the current assessments, evaluations, and plans in the CSPP; produces a 20-year projection of congestion on the New York State Transmission System; identifies, ranks, and groups congested

[14] *See id.* Attach. Y §§ 31.2.2-31.2.13.

[15] *See id.* Attach. Y § 31.2.2.

[16] The NYISO may address needs that arise in year four or five of the Short-Term Reliability Process assessment period in either the Short-Term Reliability Process or in the longer-term Reliability Planning Process. *See id.* Attach. FF § 38.2.

[17] If the NYISO determines that there is not adequate time available to conduct a solicitation for competitive transmission solutions in accordance with criteria set forth in its OATT, then the NYISO will designate the Responsible Transmission Owner as the sole entity to provide a regulated transmission solution to a Near-Term Reliability Need. *See id.* Attach. FF § 38.3.6.

[18] *See* OATT §§ 6.16 (Rate Schedule 16), 38.10, 38.23.

elements; and assesses the potential benefits of addressing the identified congestion. This report is reviewed by NYISO stakeholders and approved by the NYISO Board.[19] Market Participants and other interested parties may also request that the NYISO perform a Requested Economic Planning Study ("REPS") at the requesting party's expense solely for informational purposes. The scope and deliverables for the REPS are agreed upon by the NYISO and the requesting entity.[20]

An interested entity may propose a Regulated Economic Transmission Project to address constraints on the BPTFs identified in the Economic Planning Process. In such case, the NYISO will perform an Economic Transmission Project Evaluation of the proposed transmission project to determine the project's initial eligibility for cost allocation and recovery under the NYISO OATT and to identify the beneficiaries that would be allocated the cost of the project.[21] To be considered for approval, a proposed Regulated Economic Transmission Project must cost at least $25 million and have a benefit-to-cost ratio of at least 1.0 measured solely by net production costs savings against project costs over 10 years from the project's in-service date.[22] Load Serving Entities ("LSEs") identified by the NYISO as the project beneficiaries must approve the project's selection with a super-majority of at least 80% of the weighted loads represented by the LSEs.[23] The NYISO provides LSEs with additional economic benefit information for their consideration in casting their votes.[24] If a project is approved, it is eligible for cost allocation and recovery through the OATT.[25]

iv. Public Policy Process

The Public Policy Process identifies and addresses needs on the BPTFs that are driven by federal, state, or local laws and regulations.[26] Under this process, interested entities propose transmission needs driven by Public Policy Requirements.[27] The NYISO then submits these potential transmission needs to the NYPSC for its review and determination of any Public Policy Transmission Needs.

If the NYPSC identifies a Public Policy Transmission Need, the NYISO requests that interested entities submit proposed solutions. The NYISO determines whether proposed solutions are viable and sufficient to satisfy the identified Public Policy Transmission Need.[28] The NYISO then evaluates the viable and sufficient transmission projects using a variety of

[19] *See id*. Attach. Y § 31.3.1.
[20] *See id.* Attach. Y § 31.3.3.
[21] *See id.* Attach. Y §§ 31.3.2.1, 31.5.1, 31.5.4 and 31.5.6.
[22] *See id.* Attach. Y § 31.5.4.3.
[23] *See id.* Attach. Y § 31.5.4.6.
[24] The informational metrics may include changes to generator payments, installed capacity costs, Transmission Congestion Contract revenues, Ancillary Services costs, emissions costs, fuel and load forecast uncertainty and energy deliverability, but do not include benefits of a project to system reliability, operability, expandability, or performance.
[25] *See* OATT § 6.10 (Rate Schedule 10), Attach. Y §§ 31.5.4.6.4, 31.5.5.3.
[26] *See id.* Attach. Y § 31.4.
[27] LIPA may determine Public Policy Transmission Needs on Long Island, with the approval of the NYPSC, to seek solutions eligible for cost allocation across the New York Control Area.
[28] *See* OATT Attach. Y § 31.4.6.5.

criteria to rank the projects and select the more efficient or cost-effective transmission solution.[29] Those criteria are set forth in 10 categories of metrics that include project cost and cost containment, operability, expandability, performance, and system-wide economic benefits to production costs, installed capacity costs and environmental emissions.[30]

The NYISO develops a Public Policy Transmission Planning Report that sets forth its findings, ranking of solutions, and any recommended selection of the more efficient or cost-effective transmission solution to the identified need. The report is subject to review by NYISO stakeholders and approval by the NYISO Board.[31] Any transmission project selected by the NYISO Board is eligible for cost allocation and cost recovery under the OATT.[32]

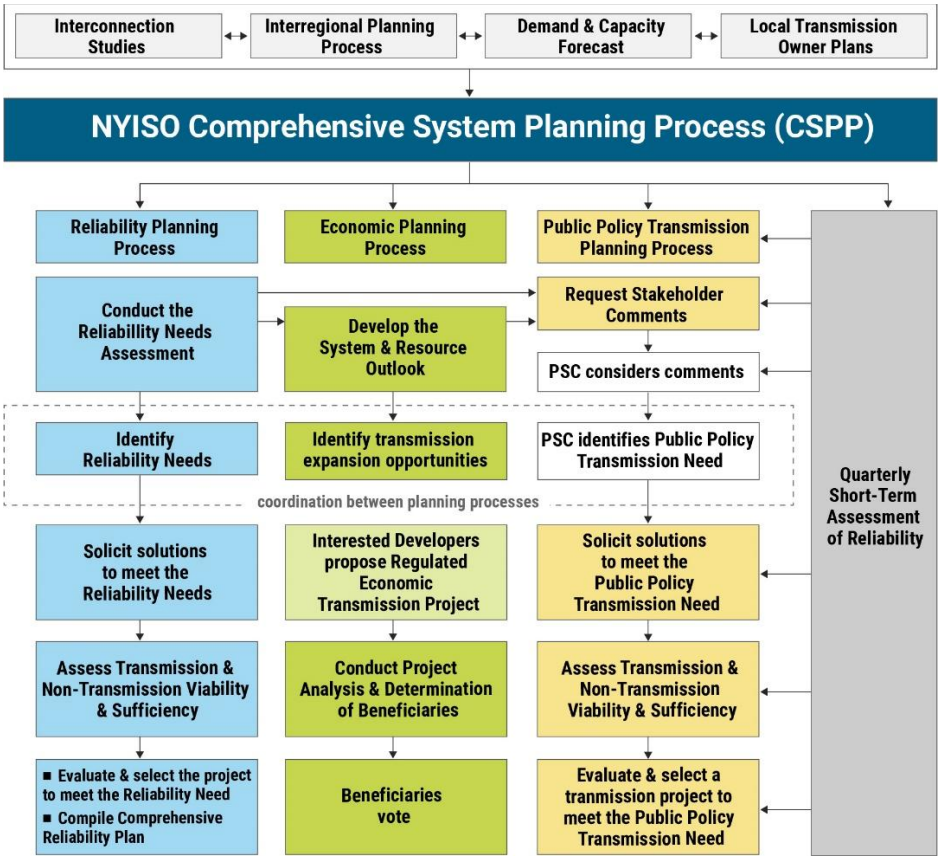
v. Interregional Transmission Planning

In concert with the planning processes under the CSPP, the NYISO performs interregional transmission planning with its neighboring control areas in the United States and Canada under the Northeastern ISO/RTO Planning Coordination Protocol.[33] The NYISO participates in interregional transmission planning and may consider Interregional Transmission Projects as solutions in its regional planning processes.[34]

vi. Diagram of Current CSPP

The NYISO's current CSPP is illustrated in the flow diagram below:

[29] *See id.* Attach. Y § 31.4.8.
[30] *See id.* Attach. Y § 31.4.8.1.
[31] *See id.* Attach. Y § 31.4.11.
[32] *See id.* § 6.10 (Rate Schedule 10), Attach. Y § 31.4.8.
[33] *See id.* Attach. Y § 31.1.5. The Northeastern ISO/RTO Planning Coordination Protocol is available at the following link:
https://www.nyiso.com/documents/20142/1406358/Northeast_Planning_Protocol_FINAL_SIGNED_VERSION.pdf
[34] The NYISO is a member of the Joint Interregional Planning Committee and together with PJM and ISO-NE, hosts the Interregional Planning Stakeholder Advisory Subcommittee. *See* https://www.nyiso.com/ipsac.



B. Selection of Competitive Transmission Projects in New York

The NYISO, in coordination with the NYPSC, has enjoyed significant success in expanding transmission in New York through its Public Policy Process.[35] Under this process, the NYPSC has identified transmission needs, and the NYISO has selected significant transmission expansions to address those needs in Western New York, Central New York, the Hudson Valley Region, and Long Island, which has resulted in benefits across the state.[36]

First, in 2015, the NYPSC identified a need for transmission in western New York to obtain the full output of the Niagara hydroelectric project and to accommodate imports from Ontario. In 2017, the NYISO Board selected the Empire State Line proposal from NextEra Energy Transmission New York, Inc. to address this need,[37] which transmission line entered into service in June 2022.

[35] *See* footnote 4.

[36] In response to these transmission needs, the NYISO has evaluated 47 transmission project proposals in its completed, competitive transmission processes.

[37] *See* NYISO Board of Directors' Decision on Approval of Western New York Public Policy Transmission Planning Report and Selection of Public Policy Transmission Project (Oct. 17, 2017); *available at:* https://www.nyiso.com/documents/20142/1396390/Board%20Decision%20Re%20WNY%20Report%2020171017.pdf/de8832ca-0286-21b6-ecbb-bb1c754daefa.

Second, in 2015, the NYPSC identified a need for transmission to increase transfer capability from central to eastern New York ("Segment A") and from the Albany region through the Hudson Valley region ("Segment B").[38] The NYISO selected a joint proposal by North American Transmission and the New York Power Authority ("NYPA") for Segment A in central New York, and a joint proposal by Niagara Mohawk Power Corporation d/b/a National Grid and New York Transco, LLC for Segment B in the Hudson Valley.[39] The projects reduce total system electricity production costs, lower system capacity procurement costs, replace aging transmission infrastructure, improve system performance, reduce emissions, and add resilience and operating flexibility to the New York power grid. Both projects entered service in 2023.

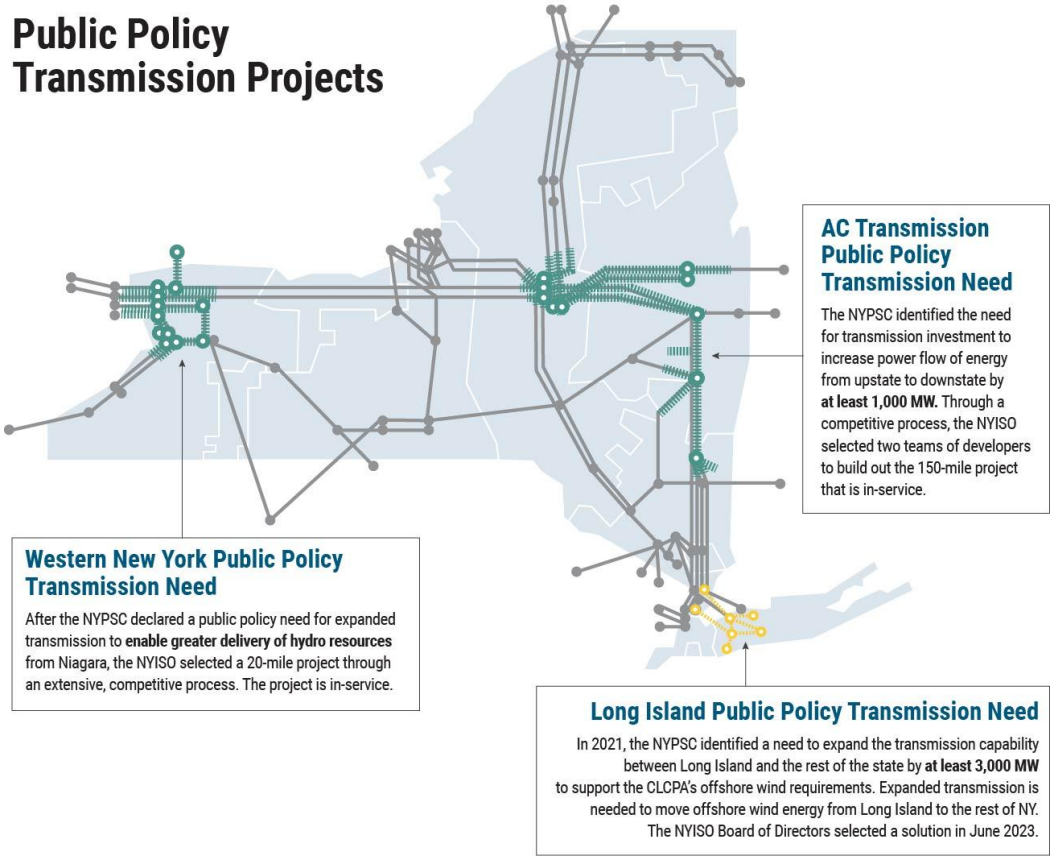
Lastly, in 2021, the NYPSC identified a need for transmission to deliver at least 3,000 MW of offshore wind from Long Island to the rest of the New York Control Area through a new tie line and associated transmission upgrades on Long Island. In June 2023, the NYISO Board selected a joint proposal by New York Transco LLC and NYPA as the more efficient or cost-effective transmission solution to address this transmission need.[40] This selected project will also provide significant reliability benefits to southeast New York. It is currently under development and is expected to enter service in 2030.

The selected Public Policy Transmission Projects represent the largest addition of transmission in New York in over 30 years. The following map depicts those projects.

[38] *See* NYISO, AC Transmission Public Policy Transmission Plan (Apr. 8, 2019), *available at:* https://www.nyiso.com/documents/20142/5990605/AC-Transmission-Public-Policy-Transmission-Plan-2019-04-08.pdf/0f5c4a04-79f4-5289-8d78-32c4197bcdf2.

[39] *Id.*

[40] *See* NYISO Board of Directors' Decision on Approval of Long Island Offshore Wind Export Public Policy Transmission Planning Report and Selection of Public Policy Transmission Project (Jun. 13, 2023); *available at:* https://www.nyiso.com/documents/20142/22968753/Board-Decision-Long-Island-2023-06-13.pdf/137025f0-4551-941d-d2e6-4ace8de7f7cf. The NYISO designated the selected transmission solution to four Designated Entities based on the classification of new transmission facilities and upgrades for which the Transmission Owner exercised its ROFR. All four Designated Entities are proceeding with the development of their elements and have obtained or are currently seeking the necessary permits.



C. New York State Requirements Regarding Transmission Planning

In 2019, New York enacted the Climate Leadership and Community Protection Act ("CLCPA").[41] The CLCPA requires New York to reduce economy-wide greenhouse gas emissions 40% by 2030 and no less than 85% by 2050 from 1990 levels.[42] New York subsequently enacted the 2020 Accelerated Renewable Generation and Community Benefit Act, which directs the NYPSC to plan for and identify the distribution, local transmission, and bulk system upgrades needed to meet the state's CLCPA mandates.[43]

To address these requirements, the NYPSC established the CGPP in August 2023 as a long-term transmission planning process.[44] The CGPP is designed as a recurring, three-year

[41] 2019 Laws of N.Y., ch. 106.

[42] The CLCPA established interim milestones, such as that 70 percent of energy consumed in New York State be produced by renewable resources by 2030 and that electricity consumed be emissions free by 2040.

[43] 2020 Laws of N.Y., ch. 58, Part JJJ.

[44] *See* NYPSC Case No. 20-E-0197, Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, Order Approving a Coordinated Grid Planning Process (August 17, 2023) ("NYPSC April 2023 Order"), *available at:*

process that includes data collection, modeling, system studies, and solutions development that the Joint Utilities[45] conduct, which culminates in a report and recommended system investments for the NYPSC's consideration and action.[46] If the NYPSC identifies a bulk transmission need as part of the CGPP, it may make use of the NYISO's Public Policy Process for the NYISO to solicit and evaluate proposed solutions and for the NYISO to select the more efficient or cost-effective transmission solution to address the need. The NYPSC also established an Energy Policy Planning Advisory Council ("EPPAC") to represent stakeholder interests from across New York State and to provide input and feedback on assumptions and the technical approach used in the CGPP analysis.

In adopting the CGPP, the NYPSC identified opportunities for coordination between the NYISO's and the state's transmission planning processes.[47] The NYPSC acknowledged that the NYISO's planning requirements are subject to FERC's oversight and its participation could be limited by the priorities and requirements included in its tariffs.[48]

The first cycle of the CGPP was commenced by the Joint Utilities following the NYPSC's August 2023 Order. The Joint Utilities filed the CGPP report for the initial cycle in May 2026.[49] For this initial cycle, the NYISO has participated as a member of EPPAC and has provided analytical work requested by the Joint Utilities in support of the study process.

In November 2025, the NYPSC issued an order adopting certain modifications to the CGPP based on lessons learned in the first cycle.[50] Among other things, the NYPSC encouraged NYDPS staff and the Joint Utilities (with LIPA) to pursue a continued partnership with the NYISO concerning the modeling efforts required by the CGPP.[51] The NYPSC also acknowledged FERC's adoption of Order No. 1920, which it viewed as complementing and enhancing the CGPP.[52] The NYPSC indicated that "significant ratepayer benefits can be gained

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https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={101C058A-0000-C45D-9CD3-A87E49DF7A99}&DocTitle=Order%20Approving%20a%20Coordinated%20Grid%20Planning%20Process.

[45] The Joint Utilities include LIPA and the following New York Utilities: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange & Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

[46] The six stages of the CGPP are: (1) data collection, scenario definition, and capacity expansion modeling, (2) network model development, (3) local transmission and distribution assessment, (4) review of preferred solutions, (5) least cost planning assumptions, and (6) final report.

[47] *See, e.g.,* NYPSC April 2023 Order at 27-29 (encouraging that the NYISO's Outlook and CGPP be aligned as much as possible and identifying benefits of both processes using a common state scenario).

[48] *Id.*

[49] *See* NYSPC Case No. 20-E-0197, Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, Coordinated Grid Planning Process: Cycle 1 Report (May 4, 2026).

[50] *See* NYPSC Case No. 20-E-0197, Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, Order Modifying Coordinated Grid Planning Process (November 13, 2025) ("NYPSC November 2025 Order"), *available at:* https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={10517E9A-0000-C96B-B373-B6256DBE4622}&DocTitle=Order%20Modifying%20Coordinated%20Grid%20Planning%20Process.

[51] *Id.* at 19-20.

[52] *Id.* at 26.

by properly aligning the two processes" and directed NYDPS staff and the Joint Utilities (with LIPA) "to work with the NYISO and ensure effective process alignment between CGPP and the future Order No. 1920 process."[53]

D. Stakeholder Process and Coordination with Relevant State Entities

In Order No. 1920, the Commission directed the transmission provider to consult with its stakeholders to develop the processes, procedures, and OATT revisions necessary to comply with the order.[54] The NYISO has held over a dozen stakeholder meetings concerning its proposed reforms to comply with Order No. 1920.[55] The NYISO shared details of its compliance proposal and draft tariff revisions for stakeholder review and comment. The NYISO requested, received, and considered comments from all interested parties throughout the process. The NYISO made changes to its proposed reforms in response to these comments.

Order No. 1920 also required the transmission provider to consult with and seek support of the Relevant State Entities concerning certain matters and more generally encouraged the transmission provider to consult with the Relevant State Entities.[56] The NYISO met with NYDPS on a regular basis throughout its development of its compliance proposal to discuss all elements of its proposed compliance with Order No. 1920 and the alignment of that process with state transmission planning requirements.[57] In addition, the NYISO facilitated discussions and met with NYDPS and LIPA, which are the Relevant State Entities for its planning region, concerning its proposed approach for evaluation and selection, voluntary funding, and cost allocation.[58]

IV. Summary of NYISO's Proposed Compliance Reforms

A. Long-Term Transmission Planning Process

The NYISO proposes to establish a Long-Term Transmission Planning Process as a new part of its CSPP in compliance with the requirements in Order No. 1920. This new process will be primarily located in Section 31.6 of Attachment Y of the OATT with additional conforming

[53] *Id.* at 26 ("Ideally, the two processes should be combined to enable stakeholders to follow a single process for the State's planning efforts and to ensure the models, data, and methods are shared between the processes so the bulk and local transmission planning evaluations are properly coordinated.")

[54] Order No. 1920-A at P 923.

[55] The NYISO discussed its compliance with Order No. 1920 at stakeholder ESPWG/TPAS meetings on the following dates: August 6, 2024; January 21, 2025; February 12, 2025; September 25, 2025; November 20, 2025; December 18, 2025; January 20, 2026; February 3, 2026; February 19, 2026; March 9, 2026; March 26, 2026; April 7, 2026; April 23, 2026; May 20, 2026; and June 1, 2026. In addition, the NYISO discussed its compliance approach at the June 10, 2026, Business Issues Committee meeting.

[56] *See, e.g.,* Order No. 1920 at PP 994, 999 (requiring transmission provider to consult with Relevant State Entities concerning evaluation and selection process); *id.* at P 1012 (requiring transmission providers to consult with Relevant State Entities concerning voluntary funding approach); *id.* at P 1354 (establishing requirements for an Engagement Period for Relevant State Entities).

[57] The NYISO had additional discussions with LIPA concerning matters specific to the application of the proposed rules for Long Island. In addition, LIPA is a participant in the NYISO's stakeholder process.

[58] The NYISO describes in Part X.D its compliance with the order's Engagement Period requirements.

revisions in the NYISO's OATT and Services Tariff. The key steps of the proposed process are summarized below and are described in greater detail in Parts VII to XII of this filing letter, including their compliance with Order No. 1920 and the applicable Order Nos. 890 and 1000 transmission planning principles and the requested "consistent with or superior to" variations.

The Long-Term Transmission Planning Process will consist of two components: (i) the System & Resource Outlook and (ii) the Long-Term Transmission Selection Process. The NYISO will perform these components in coordination with and with input from the NYPSC, NYDPS, Transmission Owners, Market Participants, stakeholders, and other interested parties.

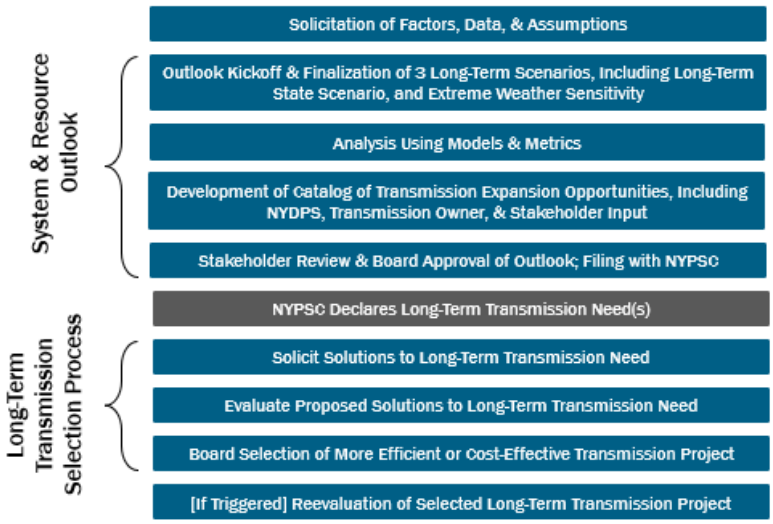
The NYISO will commence a Long-Term Transmission Planning Process cycle with its performance of the Outlook. The NYISO will perform the Outlook approximately every three years, as described in Part VII.A.iv. Prior to the start date for each planning cycle, the NYISO will solicit from NYDPS, stakeholders, and other interested parties and will independently identify factors drawn from the prescribed category of factors and other data inputs for use in the development of scenarios and sensitivities, as described in Part VII.B.ii. The NYISO will then commence the Outlook with the Outlook Kickoff Meeting in which it will review with stakeholders and interested parties its initial determination of assumptions based on the identified and received factors and data inputs, as described in Parts VII.B.iii and VII.B.iv. The NYISO will develop at least three plausible and diverse Long-Term Scenarios, including a Long-Term State Scenario, and at least one Extreme Weather Sensitivity that will be applied to each Long-Term Scenario, as described in Parts VII.B.iii and VII.B.iv.

The NYISO will perform the study work for its Outlook to assess the New York State Transmission System over a 20-year Study Period using the Long-Term Scenarios, an Extreme Weather Sensitivity, and any additional scenarios and sensitivity(ies), as described in Parts VII.B.iii and VII.B.iv. The NYISO, in consultation with the NYDPS, Transmission Owners, and stakeholders, will identify potential transmission needs, which are areas of significant and persistent limitations on the New York State Transmission System that drive the need for expansion or upgrades to the BPTFs, as described in Part VII.B.iv. The potential transmission needs will be incorporated in a Catalog of Transmission Expansion Opportunities and included in the Outlook. The NYISO will develop the Outlook report for stakeholder review and action, for review by the Market Monitoring Unit, and for approval by the NYISO Board as described in Part VII.B.v.

The NYISO will file the Outlook, including the Catalog of Transmission Expansion Opportunities, with the NYPSC, as described in Part VII.B.vi. The NYPSC will review the catalog to determine whether to identify any Long-Term Transmission Need(s) for that planning cycle. If the NYPSC identifies one or more Long-Term Transmission Need(s), the NYISO will commence the Long-Term Transmission Selection Process component of the process to solicit, evaluate, and select among proposed solutions to address the Long-Term Transmission Need. If the NYPSC does not identify a Long-Term Transmission Need, the Long-Term Transmission Planning Process cycle will end.

For the Long-Term Transmission Selection Process, the NYISO will solicit proposed transmission solutions (i.e., Long-Term Transmission Projects) and non-transmission or partial transmission solutions (i.e., Other Long-Term Projects) to address an identified Long-Term Transmission Need as described in Part VII.C. The NYISO will apply the seven benefit metrics prescribed in Order No. 1920 to all of the proposed Long-Term Transmission Projects as well as additional qualitative and quantitative selection metrics to some or all of the proposed transmission solutions, as described in Part VII.D.iii. The NYISO will also assess the viability and sufficiency of proposed Other Long-Term Projects, as described in Part VII.D.iv. The NYISO will then develop the Long-Term Transmission Planning Report for stakeholder review and action, for Market Monitoring Unit review, and for approval by the NYISO Board, as described in Part VII.F. The NYISO Board will select, or elect not to select, a Long-Term Transmission Project as the more efficient or cost-effective transmission solution to address a Long-Term Transmission Need for purposes of cost allocation and cost recovery under the NYISO OATT, as described Part VII.F. The Board's action will end the Long-Term Transmission Planning Process cycle. The NYISO will designate a selected Long-Term Transmission Project to the Designated Entity(ies) that shall be responsible for developing the Designated Long-Term Transmission Project(s) that constitute the selected project, as described in Part VII.E. Finally, the NYISO will tender and enter into Development Agreement(s) with the Designated Entity(ies) for the Designated Long-Term Transmission Project(s) as described in Part VII.G.iii.

These Long-Term Transmission Planning Process steps are illustrated in the following figure.



B. Commencement and Timeframe of Long-Term Transmission Planning Process

The NYISO proposes that the start date for its first Long-Term Transmission Planning Process will be no later than June 1, 2027, as described in Part VII.A.iv. To implement the first process, the NYISO proposes to commence soliciting factors and data inputs from NYDPS, stakeholders, and interested parties in the third quarter of 2026.

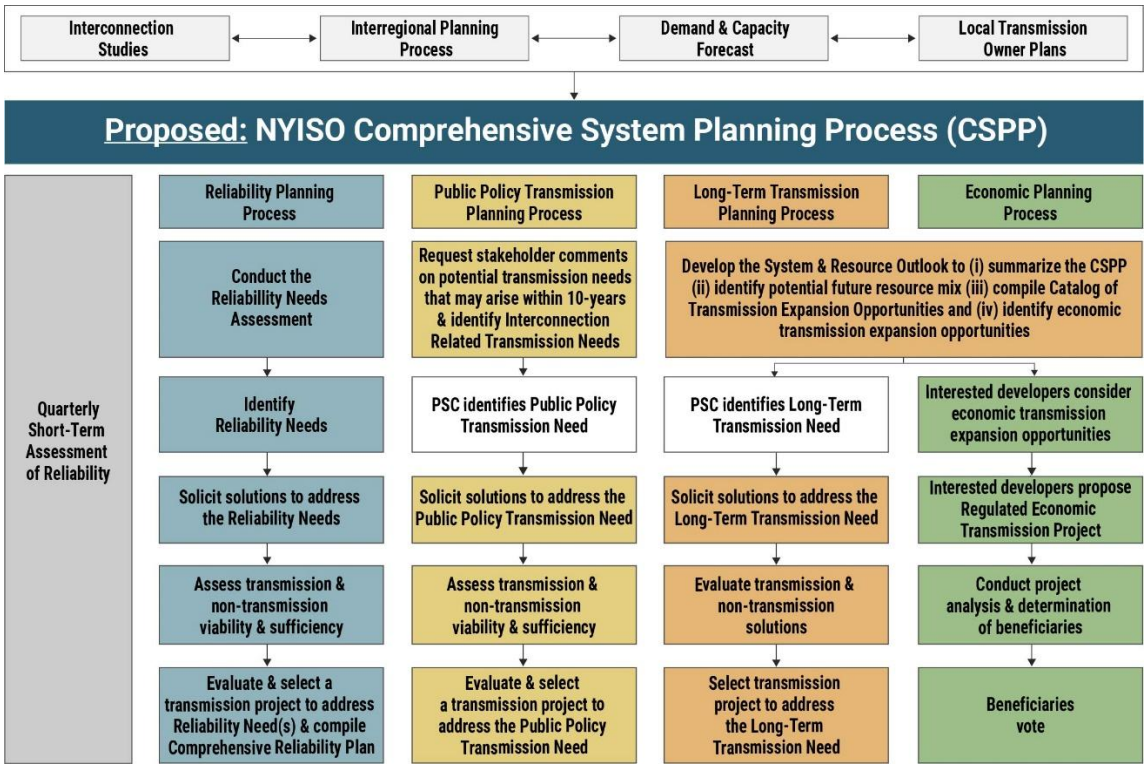
For subsequent planning cycles, the NYISO proposes that the start date of the cycle, and the Outlook, will commence within five years of the start date of the prior process and expects this start date to be approximately every three years. The NYISO will notify stakeholders of the start date for a subsequent cycle following the NYISO Board's approval of the Outlook for the prior cycle. In setting the specific date, the NYISO will consider, and will address in its notice to stakeholders, the alignment of the next planning cycle with the timeframes of the NYISO's other transmission planning processes in its CSPP and with the timeframes of the relevant state planning processes. The NYISO will include with its notice of the start date the scheduled duration for the Outlook in the upcoming cycle, which shall be a period of up to one year and six months.

If the NYPSC identifies a Long-Term Transmission Need, the NYISO will notify stakeholders of the start date for the Long-Term Transmission Selection Process for that planning cycle. The NYISO will include with its notice the scheduled duration for the process for soliciting, evaluating, and selecting proposed solutions, which shall be a period of up to two years. The NYISO will commence and perform the Outlook for the next Long-Term Transmission Planning Process cycle in parallel with its performance of the Long-Term Transmission Selection Process for the prior cycle. A Long-Term Transmission Planning Process cycle will end on the date that one of the following occurs: (i) the NYPSC determines not to identify a Long-Term Transmission Need or does not act within the tariff-prescribed period; (ii) the NYPSC withdraws all of the Long-Term Transmission Needs identified for the planning cycle; or (iii) the NYISO Board approves the Long-Term Transmission Planning Report selecting (or electing not to select) a Long-Term Transmission Project to address the identified Long-Term Transmission Need.

C. Impact on and Transition of Existing Transmission Planning Processes

The NYISO proposes the following changes to its existing CSPP structure to address the Order No. 1920 requirements. As described in Part VII.A.ii of this filing letter, the NYISO proposes to revise its existing Economic Planning Process to provide that, following the completion of the ongoing 2025-2044 System & Resource Outlook, the NYISO will perform the Outlook pursuant to the revised requirements included in 31.6 of Attachment Y of the OATT. The updated Outlook will serve as the transmission study for both the Long-Term Transmission Planning Process and the Economic Planning Process. In addition, as described in Part VII.A.iii, the NYISO proposes to retain its existing Public Policy Process, as modified to solicit for potential transmission needs driven by Public Policy Requirements that may arise within 10 years and to identify Interconnection-Related Transmission Needs for consideration in the NYPSC's determination of any Public Policy Transmission Needs. Finally, the NYISO does not propose changes to its Short-Term Reliability Process or Reliability Planning Process, with the following limited exception. The NYISO proposes to incorporate into all of its existing transmission planning processes requirements concerning Alternative Transmission Technologies, as described in Part XI.B of this filing letter.

The overall structure of the new Long-Term Transmission Planning Process and its relation to the other elements of the CSPP is illustrated in the following figure.



D. Cost Allocation for Selected Long-Term Transmission Projects

As described in Part X, the NYISO proposes to establish a multi-step process for determining the methodology for allocating the costs of a selected Long-Term Transmission Project, namely, a State Agreement Process that is consistent with the cost allocation methodology in the NYISO's Public Policy Process. Pursuant to this process, the NYPSC may identify a cost allocation methodology with its identification of a Long-Term Transmission Need, which would be filed with the Commission. In addition, the Designated Entity of the selected project, or a component of the selected project, may propose an alternative methodology and coordinate with the NYPSC to attempt to reach agreement on this alternative methodology. The process establishes the requirements for filing an agreed-upon or disputed methodology with the Commission. If the Commission does not accept a methodology through the multi-step process, the NYISO will use a default load ratio share methodology to allocate the costs of the selected project.

As described in Part X.B, the NYISO established two Engagement Periods with the Relevant State Entities in New York – the NYDPS and LIPA – in compliance with the Order No. 1920 requirements. The Relevant State Entities informed the NYISO of their agreement that the NYISO should use for the cost allocation methodology for the Long-Term Transmission Planning Process a State Agreement Process that is consistent with the multi-step approach that is currently used in the Public Policy Process with an *ex ante* default load ratio share methodology. This agreement is reflected in their June 11, 2026, letter to the NYISO included as

Attachment IV.

E. Compliance with Additional Order No. 1920 Requirements

i. Reevaluation

As described in Part VII.H, the NYISO proposes to establish a Reevaluation Process for projects selected in its Long-Term Transmission Planning Process. The NYISO will commence a Reevaluation Process if prior to the start date of a Long-Term Transmission Planning Process cycle: (i) it determines that the actual or projected costs of a selected Long-Term Transmission Project and any associated Network Upgrade Facilities significantly exceed the estimated costs used in the selection of the project or (ii) it becomes aware of a change in law that causes reasonable concern that the selected project may no longer meet the NYISO's selection criteria. The NYISO will not commence a Reevaluation Process if the Developer that proposed the selected project or the Designated Entity of a project component that constitutes 20% or more of the cost estimate of the selected project has received any required Article VII or Article VIII certificate under the New York Public Service Law or, if such certificate is not required, has procured major equipment.

The NYISO will perform the Reevaluation Process in parallel with a subsequent Outlook, including updating the cost estimates and evaluating the project consistent with its selection metric requirements. The NYISO will consider the extent to which proceeding with the selected project, or portions of the project, maximize benefits accounting for the updated cost estimates without over-building transmission facilities. The NYISO will then develop a written draft summary describing the reevaluation and any proposed NYISO action for NYDPS and stakeholder review and comment. NYISO action may include: (i) directing the project to continue, (ii) requiring the use of a mitigation plan proposed by the Designated Entity or identified by the NYISO, (iii) terminating the project or a portion of the project, (iv) transferring project elements to the Developer that proposed the project, or (v) soliciting bids for replacement Designated Entities to complete the project or portions of the project. The NYISO Board must approve any modifications or terminations of the project or portions of the project. The NYISO will finalize and publish the summary of the reevaluation on its website.

Outside the Reevaluation Process, the NYISO will also consider through its Development Agreement requirements whether significant adverse reliability impacts could result from a Designated Entity's proposed modification to its project's in-service date in determining whether to consent to a requested modification to such date. In assessing the requested modification, the NYISO may consider whether a mitigation plan could alleviate reliability impacts and whether such reliability impacts should be instead addressed in the NYISO's Reliability Planning Process or Short-Term Reliability Process. If a Designated Entity's Development Agreement is terminated due to its failure to enter service in accordance with the agreement's milestones, or on other grounds, the NYISO may take the same actions as provided for in connection with the Reevaluation Process.

ii. Local Transmission Planning

As described in Part XI.A, the NYISO proposes to revise its existing Local Transmission Owner Planning Process requirements to incorporate the requirements set forth in Order No. 1920 for holding assumptions, needs, and solutions meetings for updates to the Transmission Owners' LTPs, including adopting the requirements for the posting of materials and for facilitating the comments of interested parties. As revised, the NYISO proposes to require that the Transmission Owners perform an update to their LTPs on an annual basis in a manner that complies with the new process requirements and to permit the Transmission Owners to update their LTPs in between these annual updates applying the same process requirements with certain limited, tariff-prescribed exceptions.

iii. Alternative Transmission Technologies

As described in Part XI.B, the NYISO proposes to insert requirements for the consideration of Alternative Transmission Technologies in its existing Order No. 1000 short-term, reliability, economic, and public policy transmission planning processes and in its new Long-Term Transmission Planning Process. Consistent with its sponsorship model, the NYISO proposes to require that a Developer include with its transmission project proposal either: (i) a description of any Alternative Transmission Technologies that are part of the proposal (i.e., (1) dynamic line ratings, (2) advanced power flow control devices, (3) advanced conductors, or (4) transmission switching) or (ii) an explanation of its determination not to include these technologies in the proposal. The NYISO will include in its final report for the applicable planning process a description of any Alternative Transmission Technologies that Developers included in their transmission proposals and a summary of any Developers' explanations of their determination not to include these technologies.

iv. Interconnection-Related Transmission Needs

As described in Part XI.C, the NYISO proposes to insert in its Public Policy Process requirements for the NYISO to identify Interconnection-Related Transmission Needs resulting from its Class Year Interconnection Facilities Study and its Cluster Study Process. The NYISO proposes to include the identified Interconnection-Related Transmission Needs with its submission to the NYPSC of potential transmission needs driven by Public Policy Requirements identified by stakeholders and interested parties. The NYPSC may consider all of the submitted potential transmission needs in determining whether to identify a transmission need for which the NYISO will solicit and evaluate solutions in its Public Policy Process.

v. Right-Size Replacement Transmission Facilities

As described in Part IX.A, the NYISO proposes to establish as part of its Long-Term Transmission Planning Process requirements that provide Developers with the opportunity to propose the right-sizing of transmission facilities that the Transmission Owner anticipates replacing in-kind. The NYISO proposes that, prior to the NYISO Board's approval of the Outlook for a given planning cycle, each Transmission Owner must provide an In-Kind Replacement List that includes its identified In-Kind Replacement Transmission Facilities. The

in-kind facilities would replace transmission facilities that are at or above 200 kV, or at a lower voltage at the Transmission Owner's discretion, and that satisfy certain additional requirements.

Consistent with the NYISO's sponsorship model, a Developer may propose Right-Sized Replacement Transmission Facilities that right-size an In-Kind Replacement Transmission Facility as, or as a part of, its proposed Long-Term Transmission Project to address a Long-Term Transmission Need. The NYISO will evaluate Long-Term Transmission Projects that are, or include, a Right-Sized Replacement Transmission Facility in the same manner as other proposed transmission projects. A proposed Right-Sized Replacement Transmission Facility will be subject to a ROFR for the Transmission Owner which in-kind facility is being replaced. The Transmission Owner will be the Designated Entity responsible for the Right-Sized Replacement Transmission Facility if it is, or is a part of, the selected Long-Term Transmission Project, unless the Transmission Owner notifies the NYISO within a prescribed time period that it does not intend to serve as the Designated Entity for the facility.

vi. Voluntary Funding

As described in Part IX.B, the NYISO proposes to establish voluntary funding requirements for its Long-Term Transmission Planning Process. Consistent with the NYISO's sponsorship model, a Developer may include a Voluntary Funding Arrangement with its submission of its proposed Long-Term Transmission Project. This is a commitment to use an arrangement with a local or state governmental entity in New York and/or one or more third-party entities to fund the costs of, or a portion of the costs of, the proposed Long-Term Transmission Project in place of the costs being recoverable through the project's transmission rates. The Developer must provide with its project proposal information and documentation concerning the Voluntary Funding Arrangement. As part of its evaluation process, the NYISO will assess the extent to which the proposed Voluntary Funding Arrangement can be reasonably relied upon for purposes of its application of the selection metrics to the Long-Term Transmission Project. If the NYISO selects a Long-Term Transmission Project with a Voluntary Funding Arrangement, the Developer, and any Transmission Owner identified as a Designated Entity for a component of the project that commits to use the Voluntary Funding Arrangement: (i) must include the arrangement in its Development Agreement and (ii) must detail the arrangement with any transmission rate filing with the Commission and not seek to recover through its transmission rates the costs that it has committed to recover through the Voluntary Funding Arrangement.

vii. Miscellaneous/Conforming Changes

The NYISO's transmission planning procedures are deeply intertwined in the NYISO's planning, interconnection, and market rules in its OATT and Services Tariff. Accordingly, the planning, interconnection, and market rules include a number of references or rules that are tied to the NYISO's administration of its transmission planning process. As described in Part XII, the NYISO proposes conforming revisions to the OATT and Services Tariff that are necessary to align these rules, references, and terminology with the revisions in this compliance filing.

V. "Consistent with or Superior To" Variations

Order No. 1920 indicated that the Commission would apply the "consistent with or superior to" standard in assessing a transmission provider's proposed variations from the *pro forma* OATT provisions and from the requirements of the order not accompanied by *pro forma* OATT provisions.[59] Order No. 1920-A described the application of the standard as follows:

> The "consistent with or superior to" standard "is a tool for ensuring that a proposed tariff revision will still meet the standards of the [Federal Power Act ("FPA")]" despite varying from the "minimum provisions necessary" to ensure just, reasonable, and not unduly discriminatory or preferential Commission-jurisdictional rates. Both *pro forma* OATT provisions and requirements not accompanied by *pro forma* OATT provisions set "common starting point[s]" to ensure that Commission-jurisdictional rates satisfy the requirements of the FPA. The Commission will review proposed variations from requirements established in Order No. 1920 to ensure that they continue to meet the requirements of FPA sections 205 and 206.[60]

In this compliance filing, the NYISO requests a number of variations from the requirements in Order No. 1920. As described in greater detail in the relevant parts of this compliance filing below, the NYISO's proposed variations are "consistent with or superior to" the requirements in the order. In particular, the proposed variations achieve the objectives of the Commission's directives in Order No. 1920 through just and reasonable variations that are required in light of the NYISO's unique market, interconnection, and planning framework, its role as a single-state ISO, its use of a sponsorship model for its competitive transmission planning process, and other New York-specific considerations. The NYISO's proposed variations build on its transmission planning requirements previously accepted by the Commission, including prior "consistent with or superior to" variations.

The NYISO's requested variations are critical to the successful and timely implementation of its proposed compliance tariff reforms, which are designed to work as a whole and constitute a careful balancing of interests among interested parties that participate in the NYISO's regional transmission planning process, including the NYPSC/NYDPS, the Transmission Owners, Market Participants, developers, and other interested parties. The NYISO's proposed approach builds on its current transmission planning process and facilitates coordination with New York State to ensure a successful and efficient Long-Term Transmission Planning Process.

VI. Effective Date

The NYISO requests that the tariff revisions submitted in this compliance filing become effective on August 1, 2026, with one exception described below. This timeframe will enable the NYISO to begin implementing the new Long-Term Transmission Planning Process requirements,

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[59] Order No. 1920 at P 1772; Order No. 1920-A at PP 917, 921.
[60] Order No. 1920 at P 921 (citations omitted).

subject to any determination or modification by the Commission. In particular, the NYISO intends to commence soliciting factors and data inputs from the NYDPS, stakeholders, and interested parties for its first Long-Term Transmission Planning Process cycle in the third quarter of 2026. This will enable the NYISO to establish an extended information collection time period for the first application of the rules concerning the solicitation and identification of factors and data inputs for the new process. It will also enable the NYISO to align the first start date of the new process with its other transmission planning processes and the anticipated commencement of the next cycle of the CGPP. In addition, the requested effective date will allow the NYISO to apply the new Interconnection-Related Transmission Needs requirements as part of the next planning cycle for its Public Policy Process, which will commence in August 2026. The NYISO's requested timeframe will enable it to immediately implement the requirements adopted in response to Order No. 1920. A later effective date would delay for an uncertain, but potentially lengthy, time the NYISO's ability to implement these requirements and commence its first Long-Term Transmission Planning Process cycle.[61] The NYISO has informed stakeholders that it intends to begin implementing the new requirements in August 2026 and has provided them with substantial notice concerning these proposed new tariff requirements and processes.[62]

The NYISO separately requests that its proposed revisions to the local transmission planning requirements in its OATT become effective on September 15, 2026. The NYISO intends to commence Transmission Owners' first LTP annual update process in accordance with the new Order No. 1920 requirements in the second half of September 2026, starting with the Assumptions Meeting. The requested effective date allows for an orderly transition from the LTP tariff rules in effect to the new requirements with the commencement of the annual LTP update process in September 2026. The requested time period will also provide sufficient time for the NYISO to develop internal processes to account for the new requirements and to coordinate with the Transmission Owners concerning the application of these requirements.

VII. Proposed Tariff Revisions for Long-Term Transmission Planning Process

A. Long-Term Transmission Planning Process Overview

i. Long-Term Transmission Planning Process Overview

Order No. 1920 requires that a transmission provider must participate in a regional transmission planning process that includes Long-Term Regional Transmission Planning, meaning regional transmission planning on a sufficiently long-term, forward-looking, and comprehensive basis to identify Long-Term Transmission Needs, identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those

[61] In addition, if the NYISO is unable to implement its Interconnection-Related Transmission Needs rules for the upcoming Public Policy Process planning cycle, which commences in August 2026, it will have to wait to implement these rules until the next Public Policy Process planning cycle, which will not commence until August 2028.

[62] *See* NYISO Order No. 1920 Long-Term Regional Transmission Planning Presentation, Business Issues Committee (June 10, 2026) at Slide 21; *available at:* https://www.nyiso.com/documents/20142/58183290/Order_1920_Update_06_10_2026_BIC.pdf/befe91bf-dbe7-bbb1-d2f5-e890eec07538.

transmission facilities for potential selection in the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective transmission facilities to meet Long-Term Transmission Needs.[63]

The NYISO proposes to establish a new Long-Term Transmission Planning Process as a part of its CSPP to address the Long-Term Regional Transmission Planning requirements set forth in Order No. 1920.[64] The process requirements will be primarily located in Section 31.6 of Attachment Y of the OATT and the related cost allocation and cost recovery requirements will be primarily located in Section 6.10 (Rate Schedule 10) and Section 31.5.6 of Attachment Y of the OATT. The NYISO proposes to relocate, without modification, the requirements currently located in Section 31.6 to Section 31.1 to enable the NYISO to make use of Section 31.6 for the new process requirements.

The NYISO proposes to define the new process as follows:

> **Long-Term Transmission Planning Process:** Pursuant to Sections 31.6 and 31.5.6, the Long-Term Transmission Planning Process is the process by which the ISO: (i) conducts the System & Resource Outlook to assess the New York State Transmission System over a 20-year Study Period using at least three Long-Term Scenarios and an Extreme Weather Sensitivity to identify transmission expansion opportunities on the BPTFs that are included in a Catalog of Transmission Expansion Opportunities, and (ii) if a Long-Term Transmission Need is identified by the NYPSC, conducts the Long-Term Transmission Selection Process to solicit and evaluate Long-Term Transmission Projects and Other Long-Term Projects for purposes of selecting, or electing not to select, the more efficient or cost-effective transmission project to address the Long-Term Transmission Need for purposes of cost allocation and cost recovery under the ISO OATT.[65]

The NYISO requests that the Commission accept this definition as consistent with or superior to the definition of Long-Term Regional Transmission Planning Process included in Order No. 1920.[66] The NYISO's proposed definition more accurately reflects the requirements of its proposed new process and is consistent with how it defines its other transmission planning processes in Attachment Y.[67]

As indicated in the definition, the NYISO's proposed process includes two components. The first component is the expanded System & Resource Outlook, which the NYISO proposes to define as follows:

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[63] Order No. 1920 at P 224.

[64] Proposed OATT Attach. Y § 31.1.1 (definition of CSPP). The NYISO proposes to include a high-level summary of the scope of this new process in Sections 31.1.4.1 and 31.6.1 of Attachment Y of the OATT.

[65] *Id.* § 31.1.1 (definition of Long-Term Transmission Planning Process).

[66] Order No. 1920 at P 38.

[67] *Cf.* OATT Attach. Y § 31.1.1 (definition of Public Policy Transmission Planning Process, Reliability Planning Process).

> **System & Resource Outlook ("Outlook"):** The Outlook shall mean: (i) the first stage of both the Long-Term Transmission Planning Process and the Economic Planning Process and (ii) the resulting report that the ISO produces pursuant to Section 31.6 of this Attachment Y: (A) to summarize the current assessments, evaluations, and plans in the Comprehensive System Planning Process and the information and sources relied upon by the ISO; and (B) to assess the New York State Transmission System over a twenty-year Study Period using at least three Long-Term Scenarios and an Extreme Weather Sensitivity to identify: (i) the potential future resource mix(es), (ii) potential transmission needs that drive the need for expansion or upgrades to the BPTFs, which are included in a Catalog of Transmission Expansion Opportunities, and (iii) economic transmission expansion opportunities for purposes of the Economic Planning Process.[68]

The NYISO describes the requirements of the Outlook component of its proposed process in Part VII.B.

The second component is the Long-Term Transmission Selection Process, which the NYISO will administer if the NYPSC identifies a Long-Term Transmission Need for the planning cycle as described in Part VII.B.vi below. The NYISO proposes to define this component as follows:

> **Long-Term Transmission Selection Process:** Pursuant to Sections 31.6.9 through 31.6.11 of this Attachment Y, the process by which the ISO will: (i) solicit and evaluate proposed Long-Term Transmission Projects and Other Long-Term Projects to address a Long-Term Transmission Need identified by the NYPSC, (ii) select, or elect not to select, the more efficient or cost-effective Long-Term Transmission Project, if any, for eligibility for cost allocation and cost recovery under the ISO OATT; and (iii) designate a Designated Entity or Designated Entities to be responsible for developing the Designated Long-Term Transmission Project(s) that compose the selected Long-Term Transmission Project.[69]

The NYISO describes the requirements of the Long-Term Transmission Selection Process component of its proposed process in Parts VII.C to VII.F of this filing letter.

ii. Alignment with Reliability and Economic Transmission Planning Processes

Order No. 1920 does not require the transmission provider to replace or change its existing reliability or economic planning processes, except for limited reforms set forth in the order.[70] The order, however, permits the transmission provider to propose a process that simultaneously plans for shorter-term reliability and economic transmission needs, as well as

[68] Proposed OATT Attach. Y § 31.1.1 (definition of System & Resource Outlook).
[69] *Id.* (definition of Long-Term Transmission Selection Process).
[70] Order 1920 at P 241; Order 1920-A at P 217.

Long-Term Transmission Needs, through a combined process.[71] In such case, the transmission provider must demonstrate that the unified process continues to comply with Order No. 1000, as well as Order No. 1920, by demonstrating that such a combined process is consistent with or superior to the requirements of both Order Nos. 1000 and 1920.

a. Short-Term Reliability Process and Reliability Planning Process

The NYISO does not propose revisions to its Short-Term Reliability Process or its Reliability Planning Process, except for: (i) the revisions required to address the Order No. 1920 directives concerning Alternative Transmission Technologies as described in Part XI.B and (ii) certain limited conforming revisions as described in Part XII.

b. Economic Planning Process

The NYISO's System & Resource Outlook is currently performed as part of its Economic Planning Process, but serves more broadly as the NYISO's comprehensive report concerning transmission planning on the New York State Transmission System. For the Outlook, the NYISO currently assesses the New York State Transmission System over a 20-year study period using multiple scenarios developed with input from the NYDPS, stakeholders, and interested parties. The Outlook both: (i) summarizes the current assessments, evaluations, and plans in the CSPP and the information and sources relied upon by the NYISO, and (ii) identifies economic transmission planning expansion opportunities for consideration in the Economic Planning Process in compliance with the Order No. 890 economic transmission planning principle.

The NYISO proposes to revise the existing requirements for the Outlook – which requirements will be relocated from OATT Section 31.3.1 to OATT Section 31.6 – to address the transmission study requirements established by Order No. 1920, including expanding the scope of the transmission study to also identify transmission expansion opportunities that are the basis for Long-Term Transmission Needs. The NYISO describes in detail how the revised Outlook complies with the Order No. 1920 directives in Part VII.B.

The NYISO requests a consistent with or superior to variation to use the unified Outlook for purposes of both its Long-Term Transmission Planning Process and Economic Planning Process. The NYISO's performance of a single 20-year transmission study using multiple scenarios and sensitivities for both its long-term and economic transmission planning processes will ensure a more efficient and useful, comprehensive transmission planning study and report, in place of the NYISO having to administer separate overlapping studies addressing the same 20-year planning horizon. Notwithstanding its expanded scope, the Outlook will continue to serve as the transmission study for the NYISO's Economic Planning Process and to identify economic transmission planning expansion opportunities.[72] Developers may pursue these expansion opportunities by proposing Regulated Economic Transmission Projects, which remain subject to the NYISO's existing Economic Transmission Project Evaluation component of its Economic

[71] Order 1920 at P 244.

[72] Proposed OATT Attach. Y §§ 31.1.1 (definition of Economic Planning Process), 31.1.4.2 (revising high-level summary of Economic Planning Process to align with revisions to Outlook).

Planning Process.[73] The NYISO is not proposing changes to its Economic Planning Process that modify the basis of the NYISO's compliance with the economic transmission planning requirements or principle established in Order Nos. 890 and 1000 or the evaluation and selection requirements for proposed Regulated Economic Transmission Projects.[74]

The NYISO proposes the following limited changes to its Economic Planning Process.

First, the NYISO is currently performing the 2025-2044 System & Resource Outlook as part of its Economic Planning Process, which the NYISO anticipates completing by the end of July 2026. The NYISO proposes to include transition language in Section 31.3.1 that establishes that following the completion of the 2025-2044 System & Resource Outlook, the NYISO will no longer apply the requirements set forth in Section 31.3.1 for the Outlook.[75] In its place, the NYISO will apply the requirements located in Section 31.6 for the Outlook that are adopted in this proceeding.

Second, the NYISO proposes to revise the timeframe by which a Developer may propose a Regulated Economic Transmission Project to eliminate duplication with projects that are addressing Long-Term Transmission Needs resulting from the same Outlook and to ensure that project proposals are near in time to the identification of economic transmission expansion opportunities. In particular, the NYISO proposes that the Developer may propose a Regulated Economic Transmission Project to address constraint(s) on the BPTFs identified in the Outlook within 180 days of the earlier of the following dates: (i) the date the NYPSC issues an order that identifies or elects not to identify a Long-Term Transmission Need for the planning cycle of the Outlook that identified the constraint, and (ii) the deadline by which the NYPSC may issue an order for the planning cycle.[76] For purposes of the currently ongoing Outlook, a Developer may propose a Regulated Economic Transmission Project up to the start date of the first planning cycle of the Long-Term Transmission Planning Process.[77]

Finally, the NYISO proposes revisions required to address the Order No. 1920 directives concerning Alternative Transmission Technologies as described in Part XI.B.

iii. Alignment with Public Policy Transmission Planning Process

Order No. 1920 indicates that the Commission would deem the transmission provider to be in compliance with existing public policy transmission planning requirements by its conducting long-term planning in accordance with the requirements in Order No. 1920.[78] The order, however, permits the transmission provider to continue to use some or all aspects of its existing public policy process, so long as that process does not supplant, interfere with or

[73] *See id.* §§ 31.1.1 (definition of Regulated Economic Transmission Project), 31.3.2, 31.3.3.1, 31.5.4.1, 31.5.4.2.1.

[74] Order No. 1920 did not require the transmission provider to modify or replace the selection criteria used in its existing reliability and economic planning processes. Order No. 1920 at P 915.

[75] Proposed OATT Attach. Y §§ 31.1.1 (definition of System & Resource Outlook); 31.3.1.

[76] *Id.* §§ 31.3.2.1; 31.3.2.2.3.

[77] *Id.*

[78] Order No. 1920 at PP 242-243; Order No. 1920-A at PP 210, 212.

undermine compliance with the long-term transmission planning requirements in Order No. 1920.[79]

The NYISO proposes to retain its existing Public Policy Process with limited changes described below from the existing requirements previously determined by the Commission to be just and reasonable and compliant with Order Nos. 890 and 1000. The NYISO's proposed modifications do not change its continued compliance with those requirements.

As described in Part III.B above and as supported by the Affidavit of Yachi Lin, NYISO Director, System Planning, included as Attachment I to this filing letter ("Lin Affidavit"),[80] the NYISO's Public Policy Process has been a successful mechanism for identifying and addressing transmission needs in New York since its implementation in 2014. Retaining this recurring two-year process will provide an additional tool by which the NYISO, in coordination with the NYPSC/NYDPS, stakeholders, and other interested parties, can assess and address transmission needs in New York in concert with the other NYISO and state transmission planning processes.

The NYISO's Public Policy Process does not include requirements that would supplant, interfere with, or undermine the new Long-Term Transmission Planning Process. Instead, the Public Policy Process establishes an additional mechanism for identifying and addressing transmission needs driven specifically by Public Policy Requirements.[81] In addition, the NYISO proposes a modification to the Public Policy Process to ensure that the processes complement each other. Specifically, the NYISO proposes to modify the scope of the potential transmission needs that it solicits from stakeholders at the start of the Public Policy Process to focus on proposed transmission need(s) "that may arise within ten (10) years" that it believes are being driven by Public Policy Requirements.[82] With this revision, the Public Policy Process will primarily focus on near-term transmission needs, while the Long-Term Transmission Planning Processes assesses transmission needs that may arise over the entire longer planning horizon.

The NYISO proposes the following additional requirements to its Public Policy Process. First, the NYISO proposes to insert requirements in its Public Policy Process to address the Order No. 1920 directives concerning Interconnection-Related Transmission Needs as described in Part XI.C. Second, the NYISO proposes revisions required to address the Order No. 1920 directives concerning Alternative Transmission Technologies as described in Part XI.B.

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[79] *Id.*

[80] *See* Lin Affidavit at ¶ 21.

[81] In the absence of the Public Policy Process, the NYISO will no longer have a mechanism for timely addressing transmission needs driven by Public Policy Requirements that may be identified outside of the requirements or the timeframes for identifying transmission needs of the Long-Term Transmission Planning Process. For example, the NYPSC is nearing the completion of the first planning cycle of its Coordinated Grid Planning Process, which may identify transmission needs for which the NYPSC would request in the near term the NYISO to solicit and evaluate proposed transmission solutions.

[82] Proposed OATT Attach. Y §§ 31.1.1 (definition of Public Policy Transmission Planning Process), 31.1.5 (revising high-level summary of Public Policy Process to account for proposed revisions), 31.4.2.1.

iv. Long-Term Transmission Planning Cycle and Process Duration

Order No. 1920 establishes a Long-Term Regional Transmission Planning cycle.[83] This cycle begins with the development of Long-Term Scenarios using best available data inputs, and proceeds to identifying Long-Term Transmission Needs, measuring the benefits of Long-Term Regional Transmission Facilities to address those needs, and evaluating and deciding whether to select Long-Term Regional Transmission Facilities.[84] The order establishes two duration requirements concerning the planning cycle. First, the Long-Term Regional Transmission Planning cycle must conclude no later than five years after the date it began, with the transmission provider required to reassess and revise the Long-Term Scenarios used in long-term planning at least once every five years.[85] Second, the transmission provider must complete the steps of the Long-Term Regional Transmission Planning cycle, including the selection decision, no later than three years from the date that the planning cycle began.[86]

The NYISO proposes to establish start and end dates and study timeframes for its Long-Term Transmission Planning Process as described below and as supported by the Lin Affidavit included as Attachment I to this filing letter.[87] The NYISO requests certain variations that are consistent with or superior to Order No. 1920's study timeframe requirements based on the NYISO's extensive experience in performing similar study work in New York, the unique elements of the NYISO's proposed Long-Term Transmission Planning Process, including the role of the NYPSC, and the alignment of the new process with the NYISO's other transmission planning processes and state planning processes.

a. Scope of Long-Term Transmission Planning Process Cycles

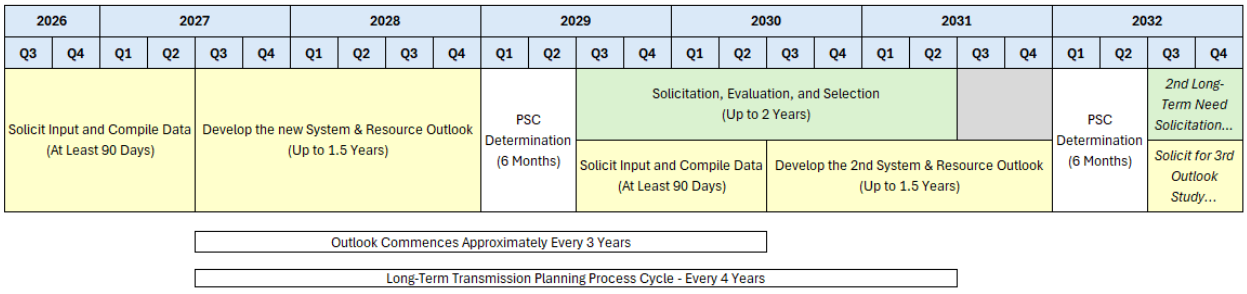
Order No. 1920 requires that the transmission provider conclude a Long-Term Regional Transmission Planning cycle before developing Long-Term Scenarios at the beginning of the next Long-Term Regional Transmission Planning cycle.[88] That is, the order envisions a head-to-tail process by which the transmission provider develops Long-Term Scenarios, identifies any Long-Term Transmission Needs, solicits and evaluates proposed solutions to those needs, and makes a selection determination prior to commencing a new planning cycle to develop updated Long-Term Scenarios.

The NYISO proposes instead to perform an overlapping process by which it will commence its Long-Term Transmission Planning Process cycle and perform its Outlook on a recurring basis that commences approximately every three years. If a Long-Term Transmission Need is identified by the NYPSC for a planning cycle, the NYISO will conduct a Long-Term Transmission Selection Process for that planning cycle, which evaluation and selection process

[83] Order No. 1920 at P 378.
[84] *Id.*
[85] *Id.* at PP 377-378; Order No. 1920-A at P 256.
[86] Order No. 1920 at P 379.
[87] *See* Lin Affidavit at ¶¶ 6-13.
[88] Order No. 1920 at PP 381-382.

will be performed in parallel with the Outlook for the next planning cycle.[89] This process is illustrated in the figure below.

The Outlook provides state entities, stakeholders and other interested parties with comprehensive transmission planning information concerning the New York State Transmission System. As described in the Lin Affidavit,[90] the NYISO's proposed timing rules ensure a regular cadence for its performance of the Outlook that can be relied upon by these entities, enables the NYISO to update assumptions and identify transmission expansion opportunities on a more frequent basis, and provides for clear timing interactions with other NYISO transmission planning processes. In addition, the recuring timeframe enables the NYISO to align its Outlook process with parallel state planning processes. If the NYISO were required to hold off commencing the Outlook until the prior planning cycle, including any evaluation and selection process, was completed, the start date for the performance of a future Outlook would be variable, ranging from every three to five years depending on whether a transmission need was identified in the planning cycle. Further, as permitted by Order No. 1920, the NYISO proposes requirements that permit it to update assumptions during the Long-Term Transmission Planning Process, which will allow it to account for any issues that could arise due to the overlapping study components.[91]



b. Long-Term Transmission Planning Process Cycle Start Date

Order No. 1920 requires that the transmission provider must propose on compliance a date, no later than two years from the date on which initial filings to comply with Order No. 1920 are due, on which it will commence the first Long-Term Regional Transmission Planning cycle.[92] Further, the transmission provider must explain why the proposed date on which it will commence the first Long-Term Regional Transmission Planning cycle is necessary and appropriately tailored for their transmission planning region.[93]

The NYISO proposes that the start date of its Long-Term Transmission Planning Process cycle also serve as the start date for the Outlook component of that process.[94] The NYISO

[89] Proposed OATT Attach. Y § 31.6.2.1.1.2.
[90] *See* Lin Affidavit ¶ 12.
[91] Proposed OATT Attach. Y §§ 31.6.5.2.1.3, 31.6.10.1. *See* Order No. 1920-A at P 257.
[92] Order No, 1920-A at PP 507-508, 925.
[93] *Id.* at PP 507-508.
[94] Proposed OATT Attach. Y § 31.6.2.1.1.

proposes to establish that the start date for the first planning cycle of its Long-Term Transmission Planning Process and its first Outlook will be on a date no later than June 1, 2027.[95] To set the specific start date, the NYISO will provide notice to its stakeholders at least 30 days prior to the start date.[96] The NYISO's proposed start date will be within two years of June 12, 2025, which was the date set by Order No. 1920 for transmission providers to submit their initial filings to comply with the order's regional transmission planning requirement.[97]

The NYISO's proposed requirements for the first start date provide it with flexibility to align the specific start date with ongoing NYISO and state planning processes, while providing interested parties with certainty that the first start date will be no later than the tariff-prescribed June 1, 2027, deadline. Further, as described in Part VI, the NYISO will commence its pre-start date work in the third quarter of 2026 concerning the solicitation and identification of factors and data inputs for use in its first Long-Term Transmission Planning Process cycle.

The NYISO also proposes to establish requirements for setting the start dates for subsequent Long-Term Transmission Planning Processes.[98] The NYISO proposes to determine, and to notify stakeholders of, the start date for a subsequent Long-Term Planning Process cycle following the NYISO Board's approval of the Outlook for the prior cycle.[99] Consistent with the Order No. 1920 requirements, the start date for the subsequent cycle can be no later than five years following the start date of the prior cycle.[100] In setting the next start date, the NYISO will consider, and address in its notice to stakeholders the alignment of the next Long-Term Transmission Planning Process with the timeframes for the NYISO's other transmission planning processes and with state planning processes.[101] The process for setting the start date ensures that the NYISO will commence a new Long-Term Transmission Planning Process at least once every five years, and, as permitted by Order No. 1920, may commence the process more frequently than every five years.[102] As described above, the NYISO expects that the start dates will be on an approximate three-year recurring timeframe. In addition, the timing requirements will enable the NYISO to ensure that its Long-Term Transmission Planning

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[95] *Id.* §§ 31.6.2.1.1, 31.6.2.1.1.1. As described in Part VI, the NYISO requests an effective date for its proposed Long-Term Transmission Planning Process tariff provisions of August 1, 2026, to enable the NYISO to commence soliciting and collecting factors and data inputs to achieve its proposed start date for the first Long-Term Transmission Planning Process cycle.

[96] Proposed OATT Attach. Y § 31.6.2.1.1.1.

[97] Order No. 1920 directed transmission providers to submit their compliance in two parts with the regional requirements for a Long-Term Regional Transmission Planning process to be filed within 10 months of the effective date of the final order—i.e., on or before June 12, 2025—and the interregional coordination requirements for a Long-Term Regional Transmission Planning process to be filed within 12 months of the effective date of the order—i.e., on or before August 12, 2025. Order No. 1920 at PP 1768–74. Order No. 1920 was published in the *Federal Register* on June 12, 2024, with an effective date of August 12, 2024.

[98] Proposed OATT Attach. Y §§ 31.6.2.1.1, 31.6.2.1.1.2.

[99] *Id.* § 31.6.2.1.1.2.

[100] *Id.*

[101] *Id.*

[102] Order No. 1920 at P 384 ("[T]o the extent that transmission providers believe that a shorter Long-Term Regional Transmission Planning cycle is appropriate for their transmission planning region and circumstances, they may propose on compliance to conduct Long-Term Regional Transmission Planning more frequently than every five years.")

Process can continue to benefit from close and ongoing alignment with other planning processes in New York that run in parallel.

c. End Date for Long-Term Transmission Planning Process Cycle

Order No. 1920 requires that the transmission provider designate a point in the evaluation process at which it will decide to either select or not select the relevant Long-Term Regional Transmission Facility along with a point in time or action that concludes a Long-Term Regional Transmission Planning cycle.[103]

The NYISO proposes to establish that the end date of its Long-Term Transmission Planning Process for a planning cycle will be the date on which one of the following actions occurs for that cycle:

(i) the NYPSC's determination not to identify a Long-Term Transmission Need for that planning cycle, which shall include it not issuing an order for that cycle within the time period set forth in the OATT;

(ii) if the NYPSC identified one or more Long-Term Transmission Need(s), the NYPSC's determination to withdraw all of the transmission needs it identified for that cycle; or

(iii) if the NYPSC identified a Long-Term Transmission Need, the NYISO Board's approval of the Long-Term Transmission Planning Report indicating its determination to select or not to select a Long-Term Transmission Project to address a Long-Term Transmission Need identified in that cycle.[104]

d. Duration of Long-Term Transmission Planning Process Cycle

Order No. 1920 requires that the transmission provider complete the steps of the long-term transmission planning cycle – i.e., the steps from developing Long-Term Scenarios to making a selection decision on a transmission solution – no later than three years from the date that the planning cycle began.[105] The NYISO proposes an up to four-year duration for its Long-Term Transmission Planning Process cycle if a Long-Term Transmission Need is identified for that planning cycle.

The NYISO requests a consistent with or superior to variation for its proposed timeframe. As detailed below, the NYISO's proposed timeframe is just and reasonable and achieves the Order No. 1920 objectives in line with NYISO-specific circumstances. The NYISO is proposing a four-year duration based on its extensive experience in administering its transmission planning processes in New York and its assessment, with input from the NYDPS, of a reasonable period of time for NYPSC review and action concerning the identification of Long-Term Transmission Needs. The NYISO performed an assessment of the comparable work it currently performs for

[103] *Id.* at P 381; Order No. 1920-A at P 251.
[104] Proposed OATT Attach. Y § 31.6.2.1.2.
[105] Order No. 1920 at P 379.

both its existing Outlook process and for the similar solicitation, evaluation, and selection process in its Public Policy Process. Based on these assessments, as detailed in the Lin Affidavit,[106] the four-year period constitutes a reasonable period of time for performing the Long-Term Transmission Planning Process and provides needed flexibility to enable the NYISO to align this process with parallel state processes and requirements. This four-year period is made up of the following elements.

First, the NYISO proposes that, as part of its notice establishing the start date for the Long-Term Transmission Planning Process cycle and the Outlook, it will include a schedule for the Outlook component of the process.[107] The NYISO proposes that the scheduled duration of the Outlook component be a time period of up to one year and six months from the start date of the planning cycle to the NYISO Board's approval of the Outlook for that cycle. As described in the Lin Affidavit,[108] the NYISO developed this timeframe based on its review of the work and timeframes required for its prior Outlook cycles, its assessment of the additional work required to account for the new Order No. 1920-related requirements, and its required coordination with the NYDPS, Transmission Owners, stakeholders, and other interested entities in this process.

Second, the NYISO proposes that the NYPSC then have a period of up to 180 days to review the Outlook, including the Catalog of Transmission Expansion Opportunities, and to issue an order identifying, or electing not to identify, Long-Term Transmission Need(s) for that cycle.[109] This duration is required as the NYPSC must comply with the timing requirements of New York's State Administrative Procedures Act and must assess the proposed transmission opportunities and consider and address any filed comments. The NYISO proposes to permit a 30-day extension of this period at NYDPS's request to accommodate instances in which the NYPSC requires a limited amount of additional time.[110] The NYISO proposes to provide that any further extensions be at its discretion and, in such instances, the NYDPS must include, for posting on the NYISO's website, its request that specifies the additional requested time period and describes the need for the extension.[111]

Third, if the NYPSC issues an order identifying one or more Long-Term Transmission Need(s), the NYISO proposes to determine, and notify stakeholders, of the start date for its Long-Term Transmission Selection Process for that planning cycle.[112] As part of this notice, the NYISO would include a schedule for the Long-Term Transmission Selection Process.[113] The NYISO proposes that the scheduled duration of the selection process component be a time period of up to two years from the start date of the process to the NYISO Board's approval of the Long-Term Transmission Planning Report, indicating its determination to select or not to select a

[106] *See* Lin Affidavit ¶¶ 6-12.
[107] Proposed OATT Attach. Y § 31.6.2.1.3.
[108] *See* Lin Affidavit ¶¶ 7-8.
[109] Proposed OATT Attach. Y § 31.6.8.1.
[110] *Id.* § 31.6.8.1.
[111] *Id.* §§ 31.1.8.7, 31.6.8.1.
[112] *Id.* § 31.6.9.1.1.
[113] *Id.* § 31.6.9.1.1.

Long-Term Transmission Project for that cycle.[114] As described in the Lin Affidavit,[115] the NYISO developed this timeframe based on its review of the work and timeframes for the similar solicitation, evaluation, and selection requirements in its Public Policy Process that it has conducted and completed for three prior Public Policy Transmission Needs. Notably, unlike in regions that use a bid-based model that identify transmission projects and then subsequently solicit bids to develop such projects, the NYISO's two-year process uses a sponsorship model that provides for its one-time selection of the complete, consolidated transmission project, including the project design, developer, and cost estimate.

In developing its compliance proposal, the NYISO identified and is proposing certain process efficiencies and enhancements to achieve the four-year timeframe, which it included in its compliance proposal. For example, as described in Part VII.B.ii, the NYISO proposes requirements to enable it to commence soliciting and collecting factors and data inputs prior to the process start date to reduce the process timeframe once the NYISO commences the development of Long-Term Scenarios. In addition, as described in Part VII.C, the NYISO proposes certain differences from its solicitation, evaluation, and selection process in its Public Policy Process based on lessons learned to reduce the duration of the evaluation and selection process for the Long-Term Transmission Process. Moreover, as described above, the NYISO is proposing to perform overlapping Outlook and Long-Term Transmission Selection Processes in instances in which a Long-Term Transmission Need is identified. This will ensure that the NYISO is updating its Outlook approximately every three years and, if transmission needs are identified, that the NYISO is selecting projects on approximately that same timeframe.

Finally, the NYISO proposes to notify stakeholders of any extensions or delays in meeting the scheduled durations of the Outlook or the Long-Term Transmission Selection Process that require extending the scheduled duration of these processes.[116] In such case, the NYISO will provide stakeholders with an updated schedule and an explanation concerning the extension or delay.[117]

e. Interaction of Initial Long-Term Transmission Planning Process with Existing Transmission Planning Processes

Order No. 1920 requires that the transmission provider explain how the initial timing sequence for Long-Term Regional Transmission Planning interacts with existing regional transmission planning processes.[118] In particular, the transmission provider must address the possible interaction between the transmission planning cycle for Long-Term Regional Transmission Planning and existing Order No. 1000 regional transmission planning processes.[119]

[114] Proposed OATT Attach. Y § 31.6.9.1.1.

[115] *See* Lin Affidavit ¶¶ 10-11.

[116] Proposed OATT Attach. Y §§ 31.6.2.1.4, 31.6.9.1.2. For example, the NYISO has certain flexibility concerning its deadlines in Attachment Y as set forth in Section 31.1.8.6 of Attachment Y and proposes flexibility for extending certain other party's deadlines as set forth in Section 31.1.8.7, consistent with the related timeframes in its other transmission planning processes.

[117] Proposed OATT Attach. Y §§ 31.6.2.1.4, 31.6.9.1.2.

[118] Order No. 1920 at P 1071.

[119] *Id.*

In addition, the transmission provider must address the possible displacement of regional transmission facilities from the existing regional transmission planning processes.[120] The order also encourages the transmission provider to address how its proposed Long-Term Regional Transmission Planning would facilitate moving beyond piecemeal transmission expansion to address relatively near-term transmission needs and toward a more robust, well-planned transmission system.[121]

The NYISO's transmission planning processes that make up its CSPP operate on different schedules and run in parallel with each other. The transmission planning studies make use of several common data sources which provide for data consistency across processes and the results of the studies feed into and complement each other. The NYISO currently performs its Reliability Planning Process, Economic Planning Process, and Public Policy Process on approximate two-year cycles, which studies commence on different schedules.[122]

The NYISO proposes to retain the two-year cycles for its reliability and public policy processes. In addition, as described above, the NYISO proposes to perform the Outlook approximately every three years as the transmission study for both its new Long-Term Transmission Planning Process and its Economic Planning Process. This regular cadence for the Outlook will enable the NYISO to better coordinate the interactions of the Outlook with its other transmission planning processes and with state planning processes. The NYISO proposes to revise the timeframe requirements for the CSPP in Attachment Y to address the updated schedules and timeframes for these studies.[123]

The NYISO's proposed Long-Term Transmission Planning Process will build on its existing Outlook process to continue to provide New York State entities, stakeholders, and other interested parties with a forward-looking transmission study over a 20-year planning horizon to enable robust long-term planning. The Outlook study results currently serve as an important input for identifying and addressing potential Public Policy Transmission Needs in New York and, going forward, will also facilitate identifying and addressing Long-Term Transmission Needs. The remaining planning processes will continue to enable the NYISO to assess and address reliability concerns and other nearer-term transmission needs that may not be captured in the long-term process or may arise in between cycles.

The NYISO will perform the initial and subsequent cycles of its Long-Term Transmission Planning Process in parallel with its other transmission planning processes. In developing the Foundation Case for the Long-Term Transmission Planning Process as described in Part VII.B.ii upon which the Long-Term Scenarios are built, the NYISO will assume a reliable system using input from its most recent Reliability Planning Process and Short-Term Reliability Process.[124] The NYISO will also solicit and identify factors and data inputs for the development of the

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[120] *Id.*

[121] *Id.* at P 1073.

[122] *See* OATT Attach. Y §§ 31.1.8.2, 31.4.1. The NYISO also performs the Short-Term Assessment of Reliability for its Short-Term Reliability Process on a quarterly basis. *See id.* § 38.2.

[123] Proposed OATT Attach. Y § 31.1.8.2.

[124] *Id.* § 31.6.4.1.2.

Long-Term Scenarios that can account for data inputs developed in its other planning processes. As described in Parts VII.B.iii and VII.D.ii below and consistent with Order No. 1920, the NYISO will also have the ability to update assumptions during the Long-Term Transmission Planning Process, which will enable it to account for the results of its parallel transmission planning processes. The new process will not displace transmission facilities previously selected by the NYISO in its transmission planning processes as more efficient or cost-effective transmission solutions, which facilities are assumed to be part of the transmission system for purposes of subsequent planning studies.[125]

v. Coordination with State Planning Processes

As described in Part III.C, the NYPSC established the CGPP as a long-term transmission planning process in New York to plan for and identify distribution, local transmission, and bulk system upgrades to facilitate state goals. As noted above, the NYPSC has indicated that significant ratepayer benefits can be gained by aligning the CGPP with the NYISO's process adopted in response to Order No. 1920.[126] In developing its proposed Long-Term Transmission Planning Process, the NYISO held discussions with the NYDPS and the state utilities to identify mechanisms by which the NYISO's and state's processes can support and complement each other. The NYISO proposes to establish in its Long-Term Transmission Planning Process requirements that it will coordinate its performance of this process with the NYDPS concerning New York State planning processes to the extent reasonably practicable.[127] In addition, the NYISO's proposed process timeframes include certain built-in flexibility as described above to accommodate this interaction of processes. This coordination will enhance the processes' identification of transmission needs and local and bulk transmission solutions without impeding the NYISO's performance of its Long-Term Transmission Planning Process in compliance with the Order No 1920 requirements.

B. Outlook and Identification of Long-Term Transmission Needs

Order No. 1920 requires the transmission provider to develop Long-Term Scenarios for purposes of identifying Long-Term Transmission Needs and evaluating Long-Term Regional Transmission Facilities to address those needs.[128] Specifically, the transmission provider must develop at least three plausible and diverse Long-Term Scenarios, using the best available data inputs about the future electric power system over a horizon of no less than 20 years.[129] Transmission providers must incorporate factors drawn from seven specific categories of factors in the development of the Long-Term Scenarios.[130]

[125] As indicated in Part III.B, there is presently only one transmission project selected in the NYISO's CSPP that is under development, but not yet in service.

[126] *See* footnote 53 above.

[127] Proposed OATT Attach. Y § 31.6.1.1.

[128] Order No. 1920 at 298.

[129] *Id.* at PP 302, 344; Order No. 1920-A at PP 138, 237.

[130] Order No. 1920 at PP 409, 410; Order No. 1920-A at P 263.

The NYISO proposes to expand the scope of and enhance its existing Outlook to serve as the transmission study for both its Long-Term Transmission Planning Process and its Economic Planning Process. As revised, the Outlook will: (A) summarize the current assessments, evaluations, and plans in the CSPP and the information and sources relied upon by the NYISO; and (B) assess the New York State Transmission System over a 20-year Study Period using at least three Long-Term Scenarios and an Extreme Weather Sensitivity (i) to identify the potential future resource mix(es); (ii) to identify potential Long-Term Transmission Needs that drive the need for expansion or upgrades to the BPTFs, and (iii) to identify economic transmission expansion opportunities for purposes of the Economic Planning Process.[131] The NYISO's proposed requirements for the revised Outlook are described in this Part VII.B of the filing letter and fully satisfy Order No. 1920's directives.

i. NYISO Stakeholder Participation

Order No. 1920 requires that the NYISO conduct an open and transparent process in accordance with the requirements in Order Nos. 890 and 1000.[132] The NYISO proposes to perform the Long-Term Transmission Planning Process, including the development of the Outlook, in consultation with the NYPSC/NYDPS, Market Participants, stakeholders, and all other interested parties.[133] Consistent with its existing transmission planning processes, the NYISO will establish and maintain coordination and communication between itself and the TPAS and ESPWG stakeholder forums to allow all interested parties to participate in a meaningful way during the process through these open and transparent forums.[134] The NYISO will, therefore, fully comply with the Commission's requirements in this area.

ii. Process Requirements Prior to Start Date

a. NYISO Solicitation and Collection of Factors and Data Inputs

Order No. 1920 requires that the transmission provider include an open and transparent process that provides interested parties with a meaningful opportunity to propose timely input on how and what information to incorporate in Long-Term Scenarios. This includes the opportunity to propose factors, provide information and identify sources of best available data, propose how a factor may affect Long-Term Transmission Needs, and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors on Long-Term Transmission Needs.[135] The transmission provider may rely on stakeholders to identify the factors;[136] however, a transmission provider has an independent obligation to identify the factors in factor categories four, five, and six, regardless of whether any such factors are identified by stakeholders.[137]

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[131] Proposed OATT Attach. Y §§ 31.1.1 (definition of System & Resource Outlook), 31.6.1, 31.6.7.
[132] Order No 1920 at PP 224, 305, 528, 560, 634, 956.
[133] Proposed OATT Attach. Y § 31.6.3. This provision is consistent with the existing requirements for the NYISO's Outlook process in Section 31.3.1.2 of Attachment Y to the OATT.
[134] Proposed OATT Attach. Y § 31.6.3.
[135] Order No. 1920 at PP 528-529.
[136] *Id.* at P 508.
[137] Order No. 1920-A at P 349.

States must also have a meaningful opportunity to provide timely input on the development of Long-Term Scenarios, including factors and data inputs, and to explain how their own policies and planning affect Long-Term Transmission Needs.[138] The transmission provider may include appropriate confidentiality protections to account for the interested parties' submission of confidential information with their submitted information.[139]

The NYISO proposes to establish a process step that precedes the start date for a Long-Term Transmission Planning Process cycle that provides for the solicitation and identification of factors and data inputs that it will use for the development of the Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities in the Outlook.[140] In particular, the NYISO proposes to establish a period of no fewer than 90 days during which any stakeholder or interested party may: (i) propose factors based on the categories of factors set forth in the OATT, (ii) propose data inputs required by the NYISO pursuant to its procedures, (iii) provide feedback on additional data inputs and assumptions required for the development of the scenarios and sensitivities, (iv) identify sources of best available data, (v) propose which future outcomes are probable and can be captured through assumptions made in the development of Long-Term Scenarios; and (vi) propose how a factor may affect Long-Term Transmission Needs and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors.[141] Within this same time period, the NYISO may independently identify factors and additional data inputs and must identify factors for factor categories four, five, and six, regardless of whether stakeholders or interested parties provide input on these categories of factors.[142] Finally, for purposes of the Long-Term State Scenario described in Part VII.B.iii, the NYDPS will provide the NYISO during the same time period with assumptions required for the development of that scenario.[143] Any information provided by stakeholders and interested parties that is classified as Confidential Information or Critical Energy Infrastructure Information ("CEII") will be subject to the NYISO's existing requirements in its transmission planning processes concerning the protection and disclosure of such information.[144]

b. Categories of Factors

For purposes of developing Long-Term Scenarios, Order No. 1920 requires that transmission providers incorporate factors drawn from the following seven categories of factors: (1) federal, federally-recognized Tribal, state, and local laws and regulations affecting the

[138] *Id.* at PP 344, 345.
[139] Order No. 1920 at P 466; Order No 1920-A at P 310.
[140] Proposed OATT Attach. Y § 31.6.4.2.
[141] *Id.* § 31.6.4.2.1.
[142] *Id.* § 31.6.4.2.2.
[143] *Id.* § 31.6.4.2.2.
[144] *Id.* § 31.6.4.2.3. S*ee also* OATT Attach. Y § 31.1.8.1 (establishing that Confidential Information and CEII exchanged through the NYISO's transmission planning process shall be subject to the protections for such information contained in the NYISO's tariffs and procedures, including in OATT Attachment Y and in the NYISO's Code of Conduct in OATT Attachment F). The Commission accepted these confidentiality and CEII requirements as compliant with the Order No. 890 requirements. *See N.Y. Indep. Sys. Operator, Inc.,* 125 FERC ¶ 61,068 at P 41 (2008).

resource mix and demand; (2) federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification; (3) state-approved integrated resource plans and expected supply obligations for load-serving entities; (4) trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies; (5) resource retirements; (6) generator interconnection requests and withdrawals; and (7) utility commitments and federal, federally-recognized Tribal, state, and local policy goals that affect Long-Term Transmission Needs.[145]

The NYISO proposes to adopt the seven categories prescribed in Order No. 1920, as such factors will be further described in the NYISO's procedures, with the following limited variations.[146] First, the NYISO proposes to revise the third factor category as follows: "State approved supply obligations for load serving entities as well as any NYPSC or state approved plans for generation procurements developed and reviewed pursuant to applicable state law."[147] The revised factor category replaces the reference in the Order No. 1920 language to integrated resource plans with requirements for the NYISO to account for state approved supply obligations or generation procurements, which is more relevant to New York-specific circumstances as only one of the New York utilities performs such a plan. The NYPSC or state approved obligations and procurements can be reasonably relied upon by NYISO as legally binding requirements for inclusion in its scenarios that would not be subject to discount due to their inclusion in the third factor category.

Second, the NYISO proposes to revise the sixth category to remove the word "generator" from the description of interconnection requests.[148] As revised, the NYISO will also be able to account for transmission projects that submit interconnection requests in the NYISO's interconnection processes.[149]

Third, the NYISO also proposes to clarify that, for purposes of these factors, the term "Federally-Recognized Tribal laws and regulations" means "legally binding obligations, incentives, and/or restrictions promulgated by Federally-Recognized Tribes that will affect new or existing generators, or demand."[150] This is consistent with the description of this term in Order No. 1920.[151] Further, consistent with its current transmission planning process requirements,[152] the NYISO proposes to clarify for purposes of these factors that a state law and

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[145] Order No. 1920 at PP 409, 412.

[146] Proposed OATT Attach. Y § 31.6.4.3.

[147] *Id.* § 31.6.4.3.1.3.

[148] *Id.* § 31.6.4.3.1.6.

[149] For example, an Interconnection Customer may submit an Interconnection Request for a transmission project as a Cluster Study Transmission Project in the NYISO's Cluster Study Process. *See* OATT Attach. HH § 40.2.3.1.

[150] Proposed OATT Attach. Y § 31.6.4.3.2. The NYISO also proposes to define Federally-Recognized Tribes as "[t]hose tribes listed in the most recent notice provided by the Bureau of Indian Affairs and published in the Federal Register." *Id.* § 31.1.1 (definition of Federally-Recognized Tribes). This is consistent with the Order No. 1920 definition. Order No. 1920 at P 46.

[151] Order No. 1920 at P 434; Order No. 1920-A at P 324.

[152] *See* OATT Attach. Y § 31.1.1 (definition of Public Policy Requirement).

regulation includes "an NYPSC order adopting a rule or regulation subject to and in accordance with the State Administrative Procedure Act."[153]

Finally, Order No. 1920 permits a transmission provider to incorporate additional categories of factors in the development of Long-Term Scenarios provided that each scenario remains plausible.[154] Accordingly, the NYISO proposes that it may, at its discretion and in consultation with the ESPWG and the NYDPS, identify additional categories of factors for a given planning cycle.[155]

The NYISO's proposed variations should all be accepted under the consistent with or superior to standard as they facilitate achieving the Order No. 1920 requirements within New York-specific circumstances.

c. Foundation Case

For purposes of its Outlook, the NYISO establishes a Foundation Case which represents a "business as usual" scenario throughout the study period of the Outlook.[156] The NYISO uses the Foundation Case as a starting point for the development of the Long-Term Scenarios and for informational purposes in the NYISO's performance of the Outlook.[157] The NYISO proposes to retain this requirement from its existing Outlook and to commence the development of the Foundation Case prior to the start date of the Long-Term Transmission Planning Process cycle to facilitate the development of the Long-Term Scenarios. As permitted by Order No. 1920,[158] the Foundation Case is an additional "scenario" that is not required to meet the order's requirements for Long-Term Scenarios, including accounting for the required factors.[159] Consistent with its current Outlook requirements, the NYISO will account in the Foundation Case for a reliable system throughout the study period used in the most recent reliability planning process, which is up to the first 10 years of the 20-year study period used in the Long-Term Transmission Planning Process.[160] If there are unresolved reliability needs in that initial 10-year period, the NYISO will use compensatory MWs to resolve those needs. The NYISO is not required to project reliability needs or compensatory MW for the remainder of the 20-year study period, but may adjust load and resources to approximate a reliable system as determined in the NYISO's procedures and in consultation with stakeholders.[161]

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[153] Proposed OATT Attach. Y § 31.6.4.3.3.
[154] Order No. 1920 at PP 482, 493; Order No. 1920-A at P 331.
[155] Proposed OATT Attach. Y §§ 31.1.1 (definition of Additional Factor Category), 31.6.4.3.1.8.
[156] *Id.* §§ 31.1.1 (definition of Foundation Case), 31.6.4.1.1.
[157] *Id.* §§ 31.6.4.1.1, 31.6.5.2.1.2.
[158] *See* Order No. 1920-A at P 364.
[159] Proposed OATT Attach. Y § 31.6.4.1.1.
[160] *Id.* § 31.6.4.1.2. *Cf.* OATT Attach. Y § 31.3.1.3.2.
[161] *See* NYISO Manual 26: Reliability Planning Process Manual at Section 4.8 (Issued: June 2026) (describing Compensatory MW); *available at:* https://www.nyiso.com/documents/20142/2924447/rpp_mnl.pdf/67e1c2ea-46bc-f094-0bc7-7a29f82771de.

iii. Development of the Outlook

Order No. 1920 requires transmission providers to develop at least three plausible and diverse Long-Term Scenarios for the Long-Term Regional Transmission Planning cycle.[162] The transmission provider must use best available data inputs to develop Long-Term Scenarios,[163] and must provide stakeholders an opportunity to provide timely and meaningful input into how Long-Term Scenarios are developed.[164] The order also requires that the transmission provider develop at least one sensitivity, applied to each Long-Term Scenario, to account for the impacts of extreme weather.[165]

The NYISO proposes to establish a process in its Outlook by which it will develop, in consultation with the ESPWG and the NYDPS, at least three, plausible and diverse Long-Term Scenarios and an Extreme Weather Sensitivity that will be applied to each Long-Term Scenario.[166] For purposes of developing the assumptions, the Long-Term Scenarios, and the Extreme Weather Sensitivity under this process, the NYISO will use its professional and engineering judgment and the best available data inputs.[167] Consistent with the requirements in Order No. 1920, the "best available data inputs" are data inputs adopted in the Outlook process that are timely, developed using best practices and diverse and expert perspectives that reflect, as applicable, the list of factors accounted for in the Long-Term Scenarios.[168]

a. Development of Assumptions

Order No. 1920 requires the transmission provider to establish assumptions for its Long-Term Scenarios by incorporating factors from the seven categories of factors.[169] The transmission provider must determine how a factor (or group of factors) is likely to affect Long-Term Transmission Needs and must account for the factors that are likely to affect the transmission needs.[170] Each Long-Term Scenario must account for and be consistent with, and not discount, factors from the first three categories of factors.[171] The transmission provider has discretion in how to account for each factor in the last four categories of factors.[172] Where

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[162] Order No. 1920 at PP 414, 559, 575; Order No. 1920-A at P 224.

[163] Order No. 1920 at PP 633-634.

[164] *Id.* at P 560. The transmission provider must, with the input of its customers and other stakeholders, craft coordination requirements that work for those transmission providers and its customers and other stakeholders. *Id.*

[165] *Id.* at P 593.

[166] Proposed OATT Attach. Y § 31.6.5.2.

[167] *Id.* § 31.6.5.2.1.1.

[168] *Id.* Order No. 1920 defines "best available data inputs" as "data inputs that are timely, developed using best practices and diverse and expert perspectives, and adopted via a process that satisfies the transmission planning principles of Order Nos. 890 and 1000, and reflect the list of factors that transmission providers account for in their Long-Term Scenarios." Order No. 1920 at PP 42, 633. As detailed in this compliance filing, the NYISO's Long-Term Transmission Planning Process complies with the transmission planning principles in Order Nos. 890 and 1000.

[169] Order No. 1920 at PP 409, 412.

[170] *Id.* at P 415.

[171] *Id.* at P 507.

[172] *Id.* at P 516.

factors may have overlapping effects on the assumptions, the transmission provider must avoid double counting the effect of those factors.[173] Where there is overlap between factors in the first three categories and the final four categories or a factor could arguably fall into one of these two sets of categories, the transmission provider must incorporate that factor in the appropriate category from the first three categories.[174] In addition, the transmission provider is required to consult with Relevant State Entities on how to account for factors relating to the laws, policies, and regulations of a state.[175] Finally, interested parties must have the right to challenge data inputs that the transmission provider develops for its process via dispute resolution.[176]

The NYISO proposes to establish that it will develop, in consultation with the ESPWG and the NYDPS, assumptions for use in the development of the Long-Term Scenarios, an Extreme Weather Sensitivity, and any additional scenarios and sensitivities.[177] In particular, the NYISO will review the information identified and collected prior to the process start date and will determine, using the best available data inputs and in consultation with the ESPWG and the NYDPS: (i) how a factor (or a group of similar factors) identified from the categories of factor is likely to affect Long-Term Transmission Needs, and (ii) how to account for the factors that it determined are likely to affect Long-Term Transmission Needs in the development of the Long-Term Scenarios.[178] In addition, the NYISO will consult with the NYDPS as to how to account for factors related to state laws, policies, and regulations when determining the assumptions.[179]

The NYISO proposes to account for factors that are likely to affect Long-Term Transmission Needs in a manner consistent with the requirements in Order No. 1920, which requirements will be set forth in the OATT and further detailed in its procedures. In particular, the assumptions developed by the NYISO will account for, be consistent with, and not discount those factors identified from the first three categories of factors.[180] Further, for assumptions based on the final four categories of factors and any additional factor category identified for that planning cycle, the NYISO may discount or put greater weight on the effects on Long-Term Transmission Needs.[181] The NYISO will make reasonable efforts to avoid double counting the effect of identified factors.[182] If an identified factor could be incorporated either into one of the first three categories of factors or one of the remaining categories, the NYISO shall incorporate the factor within the first three categories.[183] Finally, the NYISO proposes to establish that, if an interested party disputes the NYISO's determination concerning the assumptions for a Long-Term Scenario, the NYISO and the disputing party(ies): (i) should attempt to resolve the dispute

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[173] Order No. 1920 at P 440; Order No. 1920-A at P 273.
[174] *Id.*
[175] Order No. 1920-A at PP 344-345.
[176] Order No. 1920 at P 634.
[177] Proposed OATT Attach. Y §§ 31.6.5.2.1.3, 31.6.5.2.2.1.
[178] *Id.* § 31.6.5.2.2.3.
[179] *Id.* This includes whether a specific state law, policy, or regulation must be accounted for as a factor, how to account for the specific state law, policy, or regulation in the development of Long-Term Scenarios, and how to adjust the treatment of the specific state law, policy, or regulation across Long-Term Scenarios. *Id.*
[180] *Id.* § 31.6.5.2.2.4.
[181] Proposed OATT Attach. Y § 31.6.5.2.2.4.
[182] *Id.*
[183] *Id.*

through the NYISO's governance procedures in discussing the Long-Term Scenarios, and (ii) may address the dispute as provided in the NYISO's existing dispute resolution requirements for its transmission planning process, which requirements were accepted by the Commission as compliant with Order No. 890.[184]

Order No. 1920 also permits a transmission provider to update the assumptions, inputs, and factors used to inform Long-Term Scenarios during a Long-Term Regional Transmission Planning cycle.[185] As permitted by the order, the NYISO proposes that it may, at its discretion and in consultation with the ESPWG and the NYDPS, update the assumptions during the Outlook process to account for significant and material changes to the factors or data inputs underlying those assumptions.[186]

b. Long-Term Scenarios, Including Long-Term State Scenario

Order No. 1920 requires the transmission provider to develop at least three plausible and diverse Long-Term Scenarios.[187] The order strongly encourages states to participate actively in the development of Long-Term Scenarios.[188] Further, the order permits the transmission provider to rely on scenarios developed by state agencies if the relevant tariff provisions governing the development of those Long-Term Scenarios comply with the order's requirements.[189] The order also provides that the transmission provider has discretion to reflect regional differences in the development of Long-Term Scenarios.[190]

The NYISO proposes to develop a minimum of three Long-Term Scenarios for each Long-Term Transmission Planning Process cycle.[191] As permitted by Order No. 1920, the NYISO proposes to establish that one of the three required Long-Term Scenarios will be a Long-Term State Scenario if the NYDPS provides the required assumptions during the information gathering phase prior to the planning cycle start date.[192] The NYISO will develop the Long-Term State Scenario consistent with its requirements adopted in compliance with Order No. 1920

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[184] *Id.* § 31.6.5.2.2.5. *See* OATT Attach. Y § 31.1.8.4 (establishing that the NYISO's procedures will facilitate the timely identification and resolution of all substantive and procedural disputes that arise out of its transmission planning procedures, that disputing parties may seek to have their dispute resolved in accordance with the NYISO's governance procedures, and that disputing parties may invoke the formal dispute resolution procedures located in Section 11 of the NYISO Services Tariff.)

[185] Order No. 1920-A at P 257.

[186] Proposed OATT Attach. Y § 31.6.5.2.1.3.

[187] Order No. 1920 at PP 414, 559, 575; Order No. 1920-A at P 224.

[188] Order No. 1920 at P 561.

[189] *Id.* at P 306.

[190] Order No. 1920-A at P 276.

[191] Proposed OATT Attach. Y § 31.6.5.2.1.5. The NYISO proposes to define "Long-Term Scenarios" as "[s]cenarios developed by the ISO pursuant to Section 31.6.5.2 for a Long-Term Transmission Planning Process cycle that incorporate various assumptions using best available data inputs to identify potential Long-Term Transmission Needs." *Id.* § 31.1.1. The NYISO requests a consistent with or superior to variation from the Order No. 1920 definition of this term as the NYISO's proposed definition incorporates its defined terms and aligns the definition with its tariff requirements for Long-Term Scenarios. Order No. 1920 at P 40.

[192] Proposed OATT Attach. Y §§ 31.1.1 (definition of Long-Term State Scenario), 31.6.4.2.2, 31.6.5.2.1.1, 31.6.5.2.1.5, 31.6.5.2.2.2. The Long-Term State Scenario will also support the state's parallel planning process.

for the development of Long-Term Scenarios. The NYISO has used a state-specific scenario in certain prior Outlooks.

c. Extreme Weather Sensitivity

Order No. 1920 requires that the transmission provider develop at least one sensitivity concerning extreme weather, applied to each Long-Term Scenario.[193] The transmission provider may conduct this sensitivity either before or after identifying potential regional transmission solutions to the Long-Term Transmission Needs identified using those Long-Term Scenarios.[194]

The NYISO proposes to conduct an Extreme Weather Sensitivity, which will apply to each Long-Term Scenario.[195] Consistent with Order No. 1920,[196] the NYISO proposes that this sensitivity account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area.[197] The NYISO will develop and use this sensitivity as part of its analysis for the Outlook and will also use the sensitivity in determining the more efficient or cost-effective transmission solution in the Long-Term Transmission Selection Process.

d. Additional Scenarios and Sensitivities

Order No. 1920 provides that the transmission provider is not limited to using only three Long-Term Scenarios.[198] The order permits transmission providers to conduct analyses in addition to those required by Order No. 1920 — including additional scenarios or sensitivities — at the transmission provider's discretion.[199] The NYISO proposes that it may determine at its discretion and in consultation with the ESPWG and the NYDPS to develop, subject to resource availability: (1) additional Long-Term Scenarios, which must comply with the same requirements of the minimum three Long-Term Scenarios; (2) additional scenarios that may be used for informational purposes; and (3) additional sensitivities.[200]

e. Information Requirements Concerning Development of Long-Term Scenarios

Order No. 1920 requires that the transmission provider publish on the public portion of an OASIS or other public website details concerning the factors that are incorporated into the

[193] Order No. 1920 at P 593.
[194] *Id.* at P 694.
[195] Proposed OATT Attach. Y §§ 31.6.5.2, 31.6.5.2.3.1.
[196] Order No. 1920 at P 593.
[197] Proposed OATT Attach. Y §§ 31.1.1 (definition of Extreme Weather Sensitivity), 31.6.5.2.3.1.
[198] Order No. 1920 at P 562.
[199] Order No. 1920-A at P 364. The order did not preclude transmission providers from considering additional sensitivities. Order No. 1920 at P 597; Order No. 1920-A at P 368.
[200] Proposed OATT Attach. Y §§ 31.6.5.2.1.5, 31.6.5.2.3.2.

Long-Term Scenarios and those considered, but not incorporated.[201] The transmission provider must post this information before finishing the development of the Long-Term Scenarios and after stakeholders, including states, have had a meaningful opportunity to propose potential factors and to provide input on how to account for specific factors in the development of Long-Term Scenarios.[202] In addition, the order requires the transmission provider to post similar information concerning any additional categories of factors adopted by the transmission provider.[203] The NYISO proposes that – prior to its completion of the development of its Long-Term Scenarios – it will publicly post on its OASIS or public website the information required by Order No. 1920 concerning the factors and any additional categories of factors.[204]

In addition, Order No. 1920 requires that the transmission provider disclose the methodology, criteria, assumptions, data and other information that underlie transmission plans, including Long-Term Scenarios.[205] Further, the transmission provider is required to disclose (subject to appropriate confidentiality protections) information and data inputs they use to create each Long-Term Scenario.[206] The NYISO proposes to establish that it will make available to any interested party reasonable information and data inputs that the NYISO used in the creation of each Long-Term Scenario.[207] The NYISO will take appropriate steps (e.g., electronically masking, aggregation) to prevent the disclosure of Confidential Information or CEII contained in the information and data inputs that it provides.[208]

iv. Outlook Study

a. Outlook Kickoff Meeting

The NYISO proposes to commence the Outlook with the Outlook Kickoff Meeting at an ESPWG meeting.[209] This meeting will take place on the start date for each Long-Term Transmission Planning Process cycle.[210] At the meeting, the NYISO will review with its stakeholders and other interested parties its initial determination of assumptions for use in the development of the Long-Term Scenarios based on the factors, data inputs, and assumptions

[201] Order No. 1920 at PP 528, 533, 535. The transmission provider must post the following information: (1) the list of the factors in each of the seven required categories of factors that it will account for in its Long-Term Scenarios; (2) a description of each factor that it will account for in its Long-Term Scenarios; (3) a general statement explaining how it will account for each of those factors in its Long-Term Scenarios; (4) a description of the extent to which it will discount any factors in Factor Categories Four through Seven in each Long-Term Scenario; and (5) a list of the factors that it considered but did not incorporate in its Long-Term Scenarios.

[202] *Id.* at P 533; Order No. 1920-A at P 350.

[203] Order No. 1920-A at P 331.

[204] Proposed OATT Attach. Y §§ 31.6.5.2.4.1, 31.6.5.2.4.2.

[205] Order No. 1920 at PP 641-642.

[206] *Id.* at PP 560, 641-642.

[207] Proposed OATT Attach. Y § 31.6.5.2.4.3. The Outlook report will also include a summary of the assumptions, inputs, and methodology of the Outlook for that planning cycle. *Id.* § 31.6.7.

[208] *Id.* §§ 31.6.5.2.1.6, 31.6.5.2.4.3.

[209] *Id.* §§ 31.1.1 (definition of Outlook Kickoff Meeting), 31.6.5.1.

[210] *Id.* §§ 31.6.2.1.1, 31.6.5.1.

received or identified by the NYISO during the information gathering stage prior to the start date.[211]

b. Study Planning Horizon

Order No. 1920 requires that the transmission provider use a transmission planning horizon of no less than 20 years.[212] The term of this 20-year period will start at the beginning of the Long-Term Regional Transmission Planning cycle.[213] The transmission provider must plan for the entire duration of this 20-year period.[214] The NYISO proposes to use a 20-year study period for the performance of the Outlook.[215] This time period complies with the Order No. 1920 requirements and is the current study period for the NYISO's existing Outlook. The 20-year study period will be based on the start date of the Long-Term Transmission Planning Process cycle.[216] The NYISO will assess the New York State Transmission System across this entire 20-year study period.

c. Performance of Outlook Study and Determination of Transmission Expansion Opportunities

Order No. 1920 requires that the transmission provider make transparent the methods that it will use to analyze each individual Long-Term Scenario and the sensitivity or sensitivities applied to each scenario to determine the Long-Term Transmission Needs that exist in the transmission planning region.[217] As indicated in the order, the Commission generally provides transmission providers with the discretion to use engineering judgment in designing and conducting transmission planning studies.[218]

The NYISO proposes to develop and use, as appropriate, production cost, capacity expansion, power flow, and other models for purposes of its analyses in the Outlook.[219] In addition, the NYISO proposes to develop and use, as appropriate, the following metrics for assessing the New York State Transmission System and system conditions consistent with the requirements in its tariff and procedures: production cost, transmission congestion, Location Based Marginal Price ("LBMP"), emissions, and energy deliverability.[220] The NYISO may also use other metrics, including, but not limited to: load payments, generator payments, ancillary service costs, capacity costs, energy losses, energy curtailment, and unserved energy.[221] The NYISO will consult with the NYDPS and ESPWG concerning the identification of the

[211] *Id.* § 31.6.5.1.
[212] Order No. 1920 at P 344; Order No. 1920-A at P 237.
[213] Order No. 1920 at P 347.
[214] *Id.* at P 346.
[215] Proposed OATT Attach. Y § 31.6.5.2.1.4.
[216] *Id.* §§ 31.1.1 (definition of Study Period), 31.6.5.2.1.4. The NYISO uses January 1 as the start of the twenty-year Study Period.
[217] Order No. 1920 at P 956.
[218] *Id.* at P 450.
[219] Proposed OATT Attach. Y §§ 31.6.6.1, 31.6.6.2.
[220] *Id.* The NYISO will also consider for purposes of the Outlook the impacts of the needs or project proposals identified in the NYISO's other planning processes. *Id.*
[221] Proposed OATT Attach. Y § 31.6.6.2.

appropriate models and metrics for a particular planning cycle.[222] As described in the Lin Affidavit,[223] these categories of models and metrics are consistent with those that the NYISO currently develops and uses, as appropriate, for purposes of performing its Outlook process and are reasonable and appropriate tools for identifying potential transmission needs on the New York State Transmission System.

The NYISO will include in the Outlook the results of the models and metrics that it performs for that planning cycle concerning the economic and operational performance of the New York State Transmission System, along with a summary of historic actual transmission congestion metrics.[224] The NYISO will also continue to perform and detail in the Outlook its analysis concerning system congestion in support of its Economic Planning Process.[225]

The NYISO's analysis in the Outlook will support the identification of Long-Term Transmission Needs for the planning cycle.[226] In particular, the NYISO will assess the study results and, using its engineering judgment and as further detailed in its procedures, will identify as potential transmission needs the areas of significant and persistent limitations on the New York State Transmission System that drive the need for expansion or upgrades to the BPTFs.[227] In making its determination, the NYISO will consult with the NYDPS, the Transmission Owners, and the ESPWG.[228] The NYISO will include the potential transmission need(s) in the Catalog of Transmission Expansion Opportunities.[229] The Catalog will be included in the Outlook and, as described below, will be the basis for the NYPSC to identify any Long-Term Transmission Need(s). The NYISO will separately identify for purposes of the Outlook the economic transmission expansion opportunities that would serve as the basis for any proposed Regulated Economic Transmission Projects in its Economic Planning Process.[230]

v. Stakeholder Review and Board Approval of Outlook

Following the performance of its analysis, the NYISO will prepare a draft report for the Outlook.[231] The draft report will include: (A) a summary of the current assessments, evaluations, and plans in the CSPP and the information and sources relied upon by the NYISO; (B) a summary of the assumptions, inputs, and methodology of the Outlook for that planning cycle; and (C) the results of the NYISO's analyses in the Outlook including (i) the identification of potential future resource mix(es), (ii) the Catalog of Transmission Expansion Opportunities, and

[222] *Id.* § 31.6.6.1.
[223] See Lin Affidavit at ¶¶ 14-15.
[224] Proposed OATT Attach. Y § 31.6.6.3.
[225] *Id.* § 31.6.6.1.
[226] *Id.* § 31.6.6.1.
[227] *Id.* § 31.6.6.3.
[228] The NYISO's consultation with the NYDPS and the utilities will facilitate coordination and efficiencies concerning the identification of potential transmission needs that may be accounted for in the applicable Long-Term Transmission Planning Process and state planning processes.
[229] Proposed OATT Attach. Y §§ 31.1.1 (definition of Catalog of Transmission Expansion Opportunities), 31.6.6.3.
[230] Consistent with its existing Outlook, the NYISO will use the production cost savings metric for purposes of identifying economic transmission expansion opportunities. Proposed OATT Attach. Y § 31.6.6.1.
[231] Proposed OATT Attach. Y § 31.6.7.

(iii) the identification of economic transmission expansion opportunities for purposes of the Economic Planning Process.[232]

The NYISO will submit the draft Outlook to both the TPAS and the ESPWG for stakeholder review and comment.[233] Following this review, the NYISO will forward the draft Outlook reflecting the revisions from the TPAS and the ESPWG to the NYISO's stakeholder Business Issues Committee ("BIC") and the Management Committee ("MC") for discussion and action (i.e., an advisory vote).[234]

Following the MC vote, the NYISO will forward the draft Outlook, with BIC and MC input, to the NYISO Board for its review and action. Concurrently, the NYISO will provide the draft Outlook to its independent Market Monitoring Unit for its review and consideration.[235] The Board may approve the Outlook as submitted, or propose modifications on its own motion.[236] If the Board proposes material changes, the revised Outlook will be returned to the MC for comment.[237] The Board shall not make a final determination on a revised Outlook until it has reviewed the MC's comments.[238] The NYISO's proposed requirements for the review and approval of the Outlook broadly align with the existing requirements for the Outlook.[239] Upon the Board's approval of the Outlook, the NYISO will post the Outlook on its website and will submit the Outlook, including the Catalog of Transmission Expansion Opportunities, to the NYPSC.

vi. NYPSC Determination of Long-Term Transmission Needs

Order No. 1920 provides generally that Long-Term Transmission Needs be identified by "running scenarios and considering the enumerated categories of factors" and by the use of Long-Term Scenarios.[240] The NYISO requests a consistent with or superior to variation of the Order No. 1920 requirements to establish that the NYPSC will be responsible for identifying the Long-Term Transmission Need for purposes of the NYISO's Long-Term Transmission Planning Process based on the potential transmission needs identified by the NYISO in the Catalog of Transmission Expansion Opportunities.[241] The proposed collaboration between the NYISO and the NYSPC constitutes a just and reasonable approach for identifying and addressing Long-Term

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[232] *Id.*

[233] Proposed OATT Attach. Y § 31.6.7.1.1. The NYISO will make available to any interested party reasonable information and data inputs that it used to develop the draft Outlook, subject to appropriate steps (e.g., electronically masking, aggregation) to prevent the disclosure of Confidential Information or CEII. *Id.*

[234] *Id.*

[235] Proposed OATT Attach. Y § 31.6.7.1.2; proposed Services Tariff § 30.4.6.8.4.

[236] Proposed OATT Attach. Y § 31.6.7.1.2.

[237] *Id.*

[238] *Id.*

[239] *Cf.* OATT Attach. Y § 31.3.1.8.

[240] *See* Order No. 1920 at PP 39, 299, 300. The transmission expansion opportunities in the catalog constitute a range of potential transmission needs identified by running scenarios and considering the enumerated categories of factors and by the use of Long-Term Scenarios, as required by Order No. 1920.

[241] Order No. 1920 does not detail an explicit process for the transmission provider to identify the Long-Term Transmission Needs. The NYISO requests this variation out of an abundance of caution and to account for the role of the NYPSC in the process.

Transmission Needs in the single state planning region and for achieving the Order No. 1920 objectives in New York.

The NYISO's requested variation builds on its long-standing process with the NYPSC for identifying transmission needs in its Public Policy Process by establishing a similar collaborative process for the identification of Long-Term Transmission Needs.[242] As described in Part III.B above, the Public Policy Process has resulted in the most significant construction of new bulk transmission in New York in decades. The NYPSC's existing role in the identification of bulk transmission needs based on NYISO information, including its opportunity to receive and address public comments, evidences state support for addressing transmission needs and allocating costs of the required bulk transmission projects to New York ratepayers. Further, this established mechanism reduces the potential that a selected Long-Term Transmission Project will be halted due to its inability to obtain the necessary permits from the state. The proposed approach also provides greater certainty to Developers that selected projects will proceed, incentivizing their participation in the NYISO's evaluation and selection process. Moreover, as the NYISO is a single state ISO, the NYPSC's role in the process does not infringe on the interests of other states. Accordingly, the NYISO requests that the Commission accept its proposed approach as consistent with or superior to the Order No. 1920 requirements for New York-specific circumstances.

As described above, the NYISO proposes to develop as part of its Outlook a Catalog of Transmission Expansion Opportunities. This Catalog will be a product of the NYISO's analyses that are performed in the Outlook using models and applying metrics for the Long-Term Scenarios and an Extreme Weather Sensitivity across a 20-year planning horizon. Using these study results, the NYISO will identify as potential transmission needs areas of significant and persistent limitations on the New York State Transmission System that drive the need for expansion or upgrades to the BPTFs.[243] The NYISO will consult with the NYDPS, the Transmission Owners, and the ESPWG in its determination of these potential transmission needs.[244] The results of this assessment will constitute the Catalog of Transmission Expansion Opportunities and will be included in the Outlook, which is subject to stakeholder review and action and Board approval as described above.[245]

The NYISO proposes that it submit the approved Outlook, including the Catalog of Transmission Expansion Opportunities, to the NYPSC.[246] The NYPSC will then review the Catalog of Transmission Expansion Opportunities and, with input from the NYISO and interested parties, identify from the catalog the Long-Term Transmission Need(s), if any, for which the NYISO should request and evaluate transmission solutions in its Long-Term

[242] The NYISO requests a "consistent with or superior to" variation from the Order No. 1920 definition of Long-Term Transmission Need to align its definition with its proposed process for identifying the transmission need. Specifically, the NYISO proposes to define a Long-Term Transmission Need as "[a] transmission need identified by the NYPSC from the Catalog of Transmission Expansion Opportunities for the Long-Term Transmission Planning Process pursuant to Section 31.6.8.1." Proposed OATT Attach. Y § 31.1.1.

[243] Proposed OATT Attach. Y § 31.6.6.

[244] *Id.* § 31.6.6.3.

[245] *Id.* § 31.6.7.

[246] *Id.* § 31.6.7.1.2.

Transmission Planning Process.[247] Consistent with the requirements of the Public Policy Process, the NYPSC will maintain procedures to govern the process by which it will review the catalog, which procedures shall: ensure that such process is open and transparent, provide the NYISO and interested parties a meaningful opportunity to participate in such process, provide input regarding the NYPSC's considerations, and result in the development of a written determination as required by law, inclusive of the input provided by the NYISO and interested parties.[248] The NYISO will assist the NYPSC in its review of the catalog and how it relates to the results of other state planning processes as requested.[249]

The NYPSC will be responsible for issuing an order that identifies the Long-Term Transmission Need(s) or elects not to identify any Long-Term Transmission Needs and that explains why it has identified the Long-Term Transmission Need(s) for which transmission solutions will be requested by the NYISO.[250] The NYPSC's order may also provide: (i) additional criteria for the evaluation of transmission solutions and non-transmission projects, (ii) the required timeframe, if any, for completion of the proposed solution, and (iii) the type of analyses that it will request from the NYISO.[251] As described above in Part VII.A.iv, the NYISO proposes to establish certain timing requirements during which the NYPSC may act to identify any Long-Term Transmission Need, after which time, in the absence of an NYPSC order, the NYISO will conclude the Long-Term Transmission Planning Process cycle without soliciting solutions to a Long-Term Transmission Need.[252]

The NYISO also proposes requirements to make clear what action it will take if the NYPSC withdraws or modifies a Long-Term Transmission Need that it has identified for the planning cycle. The NYISO's proposed requirements are consistent with the related rules in its Public Policy Process with limited variation described below.[253]

If, at any time prior to the NYISO Board's approval of the Long-Term Transmission Planning Report, the NYPSC issues an order, subject to and in accordance with the State Administrative Procedure Act, that determines to withdraw one or more of the Long-Term Transmission Need(s) that it identified for that planning cycle, the NYISO will not perform or complete an evaluation or make a selection of a transmission solution to address the withdrawn

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[247] *Id.* § 31.6.8.1. If a dispute arises solely within the NYSPC's jurisdiction relating to its decision to accept or deny a proposed transmission need as one for which transmission solution should be requested, the dispute will be addressed through judicial review in the courts of the State of New York pursuant to Article 78 of the New York Civil Practice Law and Rules. *Id.* § 31.6.8.3. This is consistent with the related rules in the Public Policy Process. *See* OATT Attach. Y § 31.4.2.2. The NYISO will not delay its Long-Term Transmission Selection Process due to an appeal of the NYPSC's determination of a Long-Term Transmission Need unless the NYPSC's order has been stayed by a court of competent jurisdiction. Proposed OATT Attach. Y § 31.6.9.1.3.

[248] Proposed OATT Attach. Y § 31.6.8.1.

[249] *Id.*

[250] *Id.*

[251] *Id.*

[252] *Id.*

[253] *See* OATT Attach. Y § 31.4.6.7.

need.[254] If, following the withdrawal, there are no remaining Long-Term Transmission Needs for that planning cycle, the NYISO will conclude that planning cycle.[255]

In addition, if the NYPSC were to issue an order that modifies an NYPSC-identified Long-Term Transmission Need, the NYISO may take one of the following actions: (i) direct Developers to account for the modification in their proposed solutions if the solicitation window is still open, (ii) establish a period of time of at least 30 calendar days for Developers to update their proposed solutions to account for the modification if the solicitation period is completed, or (iii) re-start the Long-Term Transmission Selection Process and re-solicit solutions to address the modified Long-Term Transmission Need. In making this determination, the NYISO proposes to consider, among other things, the point in the Long-Term Transmission Selection Process in which the modification is identified, the extent of the modification to the originally identified Long-Term Transmission Need, and the potential impact to the competitive transmission evaluation and selection process of re-opening project proposals.[256] This approach reflects lessons learned from the NYISO's related Public Policy Process requirements, which only permit the NYISO to re-start the process anew if a transmission need is modified, even if the scale or timing of the change could be reasonably addressed in the ongoing process.

C. Solicitation, Evaluation, and Selection of Long-Term Transmission Facilities to Address Long-Term Transmission Needs

Order No. 1920 requires that a transmission provider include in its OATT an evaluation process, including selection criteria, to identify and evaluate Long-Term Regional Transmission Facilities for potential selection to address Long-Term Transmission Needs.[257] In particular, the transmission provider must establish a process that: (1) identifies a point in the process for accepting Long-Term Regional Transmission Facility proposals; (2) estimates the costs and measures the benefits of the proposed Long-Term Regional Transmission Facilities using the prescribed seven benefit metrics, in addition to evaluating the proposed Long-Term Regional Transmission Facilities using any qualitative or other quantitative selection criteria that the transmission provider proposes to apply; (3) designates a point in the evaluation process at which the transmission provider will determine whether to select or not select identified Long-Term Regional Transmission Facilities for purposes of cost allocation; and (4) culminates in determinations that are sufficiently detailed for stakeholders to understand why a particular Long-Term Regional Transmission Facility was selected or not selected.[258] The transmission developer of a selected Long-Term Regional Transmission Facility must be eligible to use the applicable cost allocation method for its transmission facility.[259]

The NYISO proposes to establish a Long-Term Transmission Selection Process component of its Long-Term Transmission Planning Process for soliciting, evaluating, and

[254] Proposed OATT Attach. Y § 31.6.8.2.1.
[255] *Id.* §§ 31.6.2.1.2, 31.6.8.2.1.
[256] *Id.* § 31.6.8.2.2.
[257] Order No. 1920 at PP 911, 912, 915, 918, 955.
[258] *Id.* at PP 916, 955.
[259] *Id.* at PP 911, 912, 915, 955.

selecting Long-Term Transmission Projects to address any Long-Term Transmission Needs identified by the NYPSC.[260] The NYISO proposes to base the requirements for its Long-Term Transmission Selection Process on the related solicitation, evaluation, and selection requirements in its existing Public Policy Process, with certain modifications to address the directives concerning evaluation and selection in Order No. 1920 and to account for lessons learned in the implementation of its Public Policy Process. The NYISO has included as Attachment XIII an informational blackline illustrating the differences for these requirements between its existing Public Policy Process and its proposed Long-Term Transmission Selection Process.[261]

The NYISO's Long-Term Transmission Selection Process is fully compliant with Order No. 1920 while also being designed to account for the New York-specific conditions as described in detail in Parts VII.C through VII.G below. In particular, the NYISO proposes requirements for the solicitation, evaluation, and selection of proposed solutions to Long-Term Transmission Needs and for the post-selection development of selected projects that are either explicitly required by Order No. 1920 or are necessary and appropriate to effectuate the order's requirements and objectives and comply with the applicable Order Nos. 890 and 1000 principles and requirements.[262] These include establishing requirements that are not specifically referenced in Order No. 1920, but are necessary to conduct an open and transparent transmission planning process that complies with the Order Nos. 890 and 1000 transmission planning principles and requirements. For example, while Order No. 1920 requires the transmission provider to establish a point in the process for soliciting proposed transmission solutions and then to proceed to perform its evaluation, the order does not describe requirements concerning developer qualification, required project information, study fees and agreements, and other implementation requirements needed for the process that were addressed in prior Commission orders.

As described above, the NYISO is proposing to use its Public Policy Process requirements as the template for these implementation requirements, with certain differences to comply with the Order No. 1920 directives and to address lessons learned. The Commission has determined that the requirements in the Public Policy Process comply with the requirements in Order Nos. 890 and 1000, and the NYISO is not proposing modifying the related requirements for the Long-Term Transmission Selection Process in a manner that changes the basis for these determinations by the Commission. The Commission should accept the inclusion of these process requirements and the process differences for the Long-Term Transmission Selection Process as compatible with the Order No. 1920's requirements and as limited in scope additions to the NYISO's compliance filing that are necessary to effectuate the new process and comply

[260] Proposed OATT Attach. Y §§ 31.6.9, 31.6.10, 31.6.11, 31.6.12.

[261] Note for purposes of the redline in Attachment XIII that certain provisions in the Public Policy Process that appear to have been removed from the tariff for purposes of the Long-Term Transmission Planning Process have simply been relocated elsewhere within the attachment with any revisions described in this filing letter – e.g., rules for evaluation of regional versus local solutions, consequences for other regions, evaluation of impact of recommended project on NYISO-administered markets, execution of operating agreement, and posting of approved solutions.

[262] *See, e.g.,* Order No. 1920 at PP 224, 305 (requiring Long-Term Regional Transmission Planning Process comply with Order Nos. 890 and 1000 transmission planning principles); *id.* at P 956 (requiring selection process be consistent with Order No. 890 rules); Order No 1920-A at P 393 (requiring use of additional benefits be consistent with Order Nos. 890 and 1000 transmission planning principles).

with Order Nos. 890 and 1000. The NYISO does not believe that such changes are subject to the consistent with or superior to standard because they are not variations from the order or the related *pro forma* requirements. However, to the extent the Commission deems that standard to apply, it should find that the NYISO's proposed process changes satisfy the standard as they are consistent with Order No. 1920's objectives, comply with the Order Nos. 890 and 1000 requirements and principles, and are necessary to administer the new process and facilitate the achievement of the Order No. 1920 objectives in New York.

i. Timeframe of Long-Term Transmission Selection Process

As described in Part VII.A.iv above and the Lin Affidavit,[263] the NYISO proposes a scheduled duration of the Long-Term Transmission Selection Process of up to two years from the start date of the Long-Term Transmission Selection Process to the NYISO Board's approval of the Long-Term Transmission Planning Report indicating its determination to select or not to select a Long-Term Transmission Project for that cycle.[264]

ii. Solicitation of Proposed Solutions to Address Long-Term Transmission Needs

Order No. 1920 requires that a transmission provider make clear in its OATT the point in the Long-Term Regional Transmission Planning evaluation process at which it will accept Long-Term Regional Transmission Facility proposals from stakeholders, including nonincumbent transmission developers.[265] In addition, the order provides that the transmission provider is required to consider non-transmission alternatives on a comparable basis in regional transmission planning,[266]

The NYISO proposes to establish requirements to solicit from Developers proposed solutions to address an identified Long-Term Transmission Need.[267] These requirements are consistent with the NYISO's current solicitation process for its Public Policy Process except as otherwise indicated. In particular, the NYISO proposes that, following the NYPSC's identification of a Long-Term Transmission Need, the NYISO will establish a 60 day period, which may be extended by the NYISO, for Developers to propose either a Long-Term Transmission Project or an Other Long-Term Project to address the need.[268] The NYISO proposes to define the terms "Long-Term Transmission Project" and "Other Long-Term Project" as follows, which is consistent with the related terms in its Public Policy Process:

> **Long-Term Transmission Project:** A transmission project or portfolio of transmission projects proposed by qualified Developer(s) to satisfy an identified Long-Term

[263] *See* Lin Affidavit at ¶¶ 10-11.
[264] Proposed OATT Attach. Y § 31.6.9.1.1.
[265] Order No. 1920 at P 955.
[266] *Id.* at P 970.
[267] Proposed OATT Attach. Y § 31.6.9.
[268] *Id.* §§ 31.1.8.7, 31.6.9.1.3, 31.6.9.3.2. Per existing Section 31.1.8.7, the NYISO may only extend this deadline if the extension is applied equally to all parties that are required to meet the deadline and will not result in a reliability violation.

Transmission Need and for which Developer(s) seek to be selected by the ISO for purposes of allocating and recovering the project's costs under the ISO OATT.

Other Long-Term Project: A non-transmission project or a portfolio of transmission and non-transmission projects proposed by a Developer to satisfy an identified Long-Term Transmission Need.[269]

The NYISO will perform comparable evaluations of all proposed solutions, including all resource types, provided by any Developer, including incumbent and non-incumbent transmission owners.[270] The NYISO will evaluate Long-Term Transmission Projects for purposes of its selection of the more efficient or cost-effective transmission project to address a Long-Term Transmission Need for cost allocation and cost recovery under its OATT. An Other Long-Term Project is not eligible for selection, but the NYISO will perform a comparable assessment of the proposed solution to assess its viability and sufficiency, which will inform the NYISO's selection determination.[271]

Finally, consistent with its Public Policy Process requirements, the NYISO proposes that the NYPSC may request an incumbent or non-incumbent Developer to propose a Long-Term Transmission Project.[272] If the Developer makes such a submission in response to an NYPSC request, it may recover the costs that it incurred in preparing its proposed transmission solution, regardless of whether the NYISO selects the transmission project as the more efficient or cost-effective transmission solution.[273] This requirement enables the NYPSC to ensure that there will be proposed transmission solutions to address a transmission need that it identifies.

iii. Developer Qualifications

In response to Order No. 1000,[274] the NYISO adopted requirements in its OATT under which an interested entity could submit information detailing its qualification to be a Developer eligible to propose a transmission project in the NYISO's transmission planning processes. The requirements provide an interested entity with the opportunity to demonstrate that it has the necessary financial resources, technical expertise, and experience needed to finance, develop, construct, operate, and maintain a transmission project. The NYISO must determine that a Developer is qualified for it to be eligible to propose a transmission project to address a transmission need identified in the NYISO's transmission planning processes. The NYISO applies the same Developer qualification requirements that the Commission accepted as

[269] Proposed revisions to OATT Attach. Y § 31.1.1. For the definition of "Long-Term Transmission Project," the NYISO requests a consistent with or superior to variation from the definition of "Long-Term Regional Transmission Facility" included in Order No. 1920 to align the NYISO's definition with its proposed process and for consistency with the related terms for the NYISO's other planning processes. Order No. 1920 at P 41.

[270] Proposed OATT Attach. Y § 31.6.10.2.

[271] *Id.* §§ 31.6.10.6, 31.6.11.2.2.

[272] *Id.* § 31.6.9.1.4.

[273] *Id.* § 31.6.9.1.4. Consistent with its Public Policy Process, the NYISO would allocate these costs using the default *ex ante* load ratio share methodology except as otherwise determined by the Commission. *Id.*

[274] Order No. 1000 at PP 225, 323.

compliant with Order No. 1000 for each of its individual transmission planning processes.[275] Order No. 1920 did not revise or supplement the developer qualification requirements established in Order No. 1000. Accordingly, the NYISO proposes to adopt for its Long-Term Transmission Planning Process the same requirements applicable to its other transmission planning processes for the NYISO to determine whether an interested entity is qualified to propose a Long-Term Transmission Project.[276]

iv. Developer Submission of Required Information and Additional Information

Order No. 1920 did not establish requirements for the transmission provider's administration of a Developer's submission of its project information. The NYISO proposes to include requirements consistent with the existing rules in its Public Policy Process for Developers to submit their qualification and project information in the Long-Term Transmission Planning Process.[277] Pursuant to these requirements, the NYISO will hold a technical conference with Developers and interested parties following the identification of a Long-Term Transmission Need to obtain their input on the NYISO's application of the selection metrics for purposes of soliciting solutions.[278]

The NYISO will then commence a 60-day period for Developers to submit Long-Term Transmission Projects or Other Long-Term Projects.[279] If the NYISO determines that a project submission is incomplete or that additional Developer qualification information is required, or if the NYISO determines at any time in the process that any additional information is required, the NYISO will request that the Developer provide such information.[280] The Developer must provide this information within 15 days or its project will be not be considered further in that planning cycle.[281] As part of its submission, the Developer must demonstrate, as applicable, that it has submitted its interconnection request in the NYISO's Transmission Interconnection Procedures or completed the Cluster Study Process and that its proposed project is the same as the project studied in the interconnection process.[282]

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[275] *See* OATT Attach. Y §§ 31.2.4.1 (developer qualification rules for the Reliability Planning Process), 31.3.2.2 (developer qualification rules for the Economic Planning Process), 31.4.4 (developer qualification rules for the Public Policy Process).

[276] Proposed OATT Attach. Y § 31.6.9.2.

[277] *Id.* § 31.6.9.3.

[278] *Id.* § 31.6.9.3.1. To assist with the development of project proposals, the NYISO will also present a good faith estimate of any contingency percentage and escalation factors that its independent consultant may use in formulating the capital cost estimates for the proposed projects. *Id.* § 31.6.9.3.1.

[279] Proposed OATT Attach. Y § 31.6.9.3.2.

[280] *Id.* §§ 31.6.9.3.5, 31.6.9.3.6. A Developer that the NYISO has not yet determined is qualified may submit its qualification information within 30 days of the NYISO's request for solicitation, which submittal the NYISO will assess within 30 days. *Id.* § 31.6.9.3.7.

[281] *Id.* §§ 31.6.9.3.5, 31.6.9.3.8, 31.6.9.3.9.

[282] *Id.* § 31.6.9.3.4. The NYISO proposes to supplement its existing requirements to clarify that the applications in the transmission and in the interconnection processes must include for the Long-Term Transmission Project the same transmission facilities, including Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities. *Id.* § 31.6.9.3.4. This is to ensure the same projects are being studied in the parallel processes.

The NYISO proposes to add a requirement not explicitly addressed in its Public Policy Process to permit a Developer to withdraw its proposed project from consideration at any time during the evaluation and selection process prior the NYISO Board's determination by submitting written notice to the NYISO.[283] In such case, the withdrawing Developer will be responsible for the costs the NYISO incurred in evaluating its project prior to its receipt of the withdrawal notice.[284]

Finally, the NYISO proposes to post a brief description of project proposals following the conclusion of the solicitation period and to subsequently make available, upon request, the detailed project information that is not Confidential Information.[285] Based on its experience implementing these requirements for its Public Policy Process, the NYISO proposes certain process changes concerning the treatment and publication of the project information.

First, in its Public Policy Process, if the Developer submits Confidential Information, the Developer is required to submit both a redacted and an unredacted version of its project information. However, this process has been administratively burdensome for both the NYISO and Developers. Instead, the NYISO proposes to include certain forms in its procedures through which the Developer can provide Confidential Information.[286]

Second, the NYISO proposes to extend from 5 to 15 business days its time period following the conclusion of the solicitation period to publicly post a description of the project proposals.[287] The NYISO has determined that it reasonably requires this additional time in compiling these summaries, and Developers will not be harmed by this minimal extension of time.

Third, the NYISO proposes that it will make available, upon request, the project information submitted by a Developer for its Long-Term Transmission Project within 180 days of the conclusion of the solicitation period, with the exception of information that is excluded from disclosure as Confidential Information.[288]

Fourth, the NYISO proposes to extend from 30 to 60 days its requirement to make available additional project information submitted by the Developer in response to a NYISO request for additional information, with the exception of information that is excluded from disclosure as Confidential Information.[289] Given its experience with processing the responses that contain voluminous information and responses from multiple projects submitted by a single Developer, the NYISO has determined that it reasonably requires this additional time in

[283] Proposed OATT Attach. Y § 31.6.9.3.12.
[284] *Id.*
[285] *Id.* §§ 31.6.9.3.10, 31.6.9.3.11.
[286] *Id.* § 31.6.9.3.3.
[287] *Id.* § 31.6.9.3.10.
[288] *Id.* § 31.6.9.3.11. In the Public Policy Process, the timeframe for the NYISO's provision of this information is tied to the Viability and Sufficiency Assessment. As described in Part VII.D below, the NYISO has not included that process step in the Long-Term Transmission Planning Process.
[289] Proposed OATT Attach. Y § 31.6.9.3.11.

reviewing and providing the additional information, and Developers will not be harmed by this minimal extension of time.

v. Application Fee, Deposit, and Study Costs

The NYISO will be required to perform extensive administrative and study work as part of the solicitation, evaluation, and selection process for the Long-Term Transmission Planning Process and in the development of the Development Agreement(s) for the resulting project(s). Order No. 1920 did not establish or prohibit requirements concerning whether and how a transmission provider may recover its cost in administering and evaluating project proposals. The NYISO proposes to adopt for its Long-Term Transmission Selection Process requirements consistent with the existing rules in its Public Policy Process for a Developer to provide a study fee and deposit with its project submission and to be responsible for the costs of the NYISO's evaluation of its proposed solution, with certain variations based on lessons learned as described below.

a. Application Fee and Deposit Requirements

The NYISO proposes that, at the same time as the Developer provides its project information, it must execute a study agreement with the NYISO and submit both a non-refundable fee of $10,000 and a deposit of $100,000.[290] The $100,000 deposit amount is consistent with the deposit amount in the NYISO's other transmission planning processes and constitutes a reasonable amount to secure the costs of the study work the NYISO will perform. The NYISO proposes to apply these rules to both Long-Term Transmission Projects and Other Long-Term Projects. Extending these requirements to Other Long-Term Projects is reasonable in light of the time and resources that the NYISO must commit to evaluating these project proposals, which cost would otherwise be borne by Market Participants.

b. Cost Responsibility

The NYISO proposes that the Developer of a Long-Term Transmission Project or Other Long-Term Transmission Project, as applicable, be responsible for the NYISO's actual costs, including costs associated with using subcontractors, that are incurred in reviewing project information and in evaluating the project in accordance with the requirements in the Long-Term Transmission Selection Process.[291] It is reasonable and appropriate that Developers be responsible for these costs incurred on their behalf, which costs would otherwise fall on Market Participants through the NYISO's general budget under Rate Schedule 1. In addition, the NYISO proposes that the Developer of the selected Long-Term Transmission Project be responsible for the NYISO's costs in the development of its required Development Agreement

[290] *Id.* § 31.6.9.4.1. Consistent with is existing rules, the NYISO will hold the study deposit in an interest-bearing account for which the interest earned will be associated with the Developer and shall be applied, as applicable, to study costs and subject to refund. *Id.* § 31.6.9.4.1.

[291] *Id.* §§ 31.6.9.4.1, 31.6.9.4.2. The NYISO will track its staff and administrative costs, along with any costs associated with using subcontractors. *Id.* § 31.6.9.4.2. If the NYISO or its subcontractors perform study work for multiple projects, it will allocate costs equally among the applicable Developers. *Id.* § 31.6.9.4.2.

and its appendices.[292] The NYISO has committed significant time and resources in developing the technical appendices for the Development Agreements for projects selected in its Public Policy Process, including retaining third-party consultants for the preparation of the specific scope of work, and it is reasonable that the Developer be responsible for such costs incurred on behalf of its project.[293]

Further, as described in Part VII.E, the NYISO may designate portions of a selected Long-Term Transmission Project to Transmission Owners based on their ROFR provided they do not decline the designation. In such case, the Transmission Owner must enter into a Development Agreement with the NYISO for its designated portion of the project. Accordingly, the NYISO proposes that the Transmission Owner be responsible in such instance for the NYISO's costs in the development of its required Development Agreement and its appendices in the same manner as the sponsoring Developer will be for the development of its agreement.[294] To implement this requirement, within 30 days of the NYISO's posting of the final list on its website that indicates the Designated Entities and Designated Long-Term Transmission Projects for a selected Long-Term Transmission Project, a Designated Entity that is not the Developer that proposed the selected Long-Term Transmission Project must execute a study agreement with the NYISO and submit to the NYISO (A) a non-refundable application fee of $10,000, and (B) a deposit of $50,000.[295] The NYISO only proposes to require a $50,000 deposit, as opposed to the $100,000 required for project proposals, as this deposit is for a more limited scope of work for the development of the Development Agreement.

c. Invoicing

The NYISO proposes that it will invoice Developers on a monthly basis for study costs, which Developer shall pay within 30 days of the issuance of the invoice.[296] If Developer does not make its payment, the NYISO may draw on the study deposit, in which case Developer must restore the deposit amount within 30 days or the NYISO may halt, as applicable, its evaluation or its development of a Development Agreement.[297] The NYISO will issue a final invoice after the completion of the work for which the Developer has cost responsibility and will refund any portion of the deposited amount (with interest actually earned) that exceed any outstanding amount.[298] The NYISO will refund this remaining portion within 90 days of its receipt of a

[292] Proposed OATT Attach. Y §§ 31.6.9.4.1, 31.6.9.4.2.

[293] A Developer's or Designated Entity's responsibility for the costs the NYISO incurs in connection with an effective Development Agreement or in performing a Reevaluation Process is addressed in the Development Agreement. Proposed OATT Attach. Y § 31.6.9.4.1.

[294] Proposed OATT Attach. Y § 31.6.11.5.

[295] *Id.*

[296] Proposed OATT Attach. Y § 31.6.9.4.3.

[297] *Id.*

[298] *Id.* The NYISO will issue a final invoice after any of the following actions occur: (i) its conclusion of its evaluation of a Long-Term Transmission Project that is not selected in that planning cycle or an Other Long-Term Project, (ii) its conclusion or re-start of the Long-Term Transmission Process due to the NYPSC's withdrawal or modification of the transmission need, (iii) the Developer's withdrawal of its project, (iv) the Developer's failure to pay an invoiced amount, or (v) the NYISO's and Designated Entity's full execution of a Development Agreement for the Designated Long-Term Transmission Project that is, or is a portion of, the selected Long-Term Transmission Project or the Commission's acceptance of an unexecuted version of the Development Agreement.

Developer's payment for its final invoice.[299] In the event of a dispute, Developer must timely pay the undisputed amount and pay the disputed amount into an independent escrow account.[300] Disputes will be addressed through the NYISO's existing dispute resolution procedures in its tariffs.[301]

d. Study Agreement

The NYISO proposes to include a *pro forma* study agreement form that a Developer must execute when it submits a Long-Term Transmission Project or an Other Long-Term Project in the Long-Term Transmission Selection Process, which agreement is located in Section 31.15 (Appendix L) of Attachment Y. The study agreement addresses the Developer's cost responsibility for the NYISO's review of the project information, its evaluation of the proposed solution, and, if the transmission project is selected, the NYISO's development of the Development Agreement and appendices for the selected project. The NYISO also proposes to include a *pro forma* study agreement form that a Designated Entity, other than the sponsoring Developer, must execute within 30 days of the NYISO's posting of the final list designating the components of the selected project, which agreement is located in Section 31.16 (Appendix M) of Attachment Y. This study agreement addresses the Designated Entity's cost responsibility for the NYISO's development of the Development Agreement and appendices for its portion of the project. The two study agreement forms are consistent with the study agreement forms for the NYISO's other transmission planning processes, as modified to account for the scope of work and to be consistent with the terminology and requirements of the Long-Term Transmission Selection Process.

vi. Project Information Requirements for Long-Term Transmission Projects

The NYISO proposes to require that a Developer provide the same project information concerning its proposed Long-Term Transmission Project as it requires for proposed Public Policy Transmission Projects under its Public Policy Process, with certain additional information required to address the Order No. 1920 directives as described below. In particular a Developer must submit at a minimum the following information in response to the NYISO's solicitation for proposed solutions:

- contact information;
- the lead time necessary to complete the project, including, if available, the construction windows in which the Developer can perform construction and what, if any, outages may be required during these periods;
- a description of the project, including type, size, and geographic and electrical location, as well as planning and engineering specifications as appropriate and Developer's identification of any Long-Term Transmission Upgrades included as part of its project;
- evidence of a commercially viable technology;

[299] Proposed OATT Attach. Y § 31.6.9.4.3.
[300] *Id.* § 31.6.9.4.4.
[301] *Id.* § 31.6.9.4.4.

- a detailed major milestone schedule and expected In-Service Date of the project, as well as identification of in-service dates for specific components (such as a Long-Term Transmission Upgrade) to properly sequence the project;
- a schedule for obtaining any required permits and other certifications;
- a transmission and substation routing study or studies and demonstration that the Developer already possesses the rights of way necessary to implement the project or has specified a detailed plan or approach and schedule for acquiring property rights;
- status of any contracts (other than an interconnection agreement) that are under negotiation or in place, including any contracts with third-party contractors;
- a Transmission Interconnection Application or Interconnection Request, as applicable
- status of equipment availability and procurement;
- evidence of financing or ability to finance the project;
- capital cost estimates for the project;
- any Cost Cap that the Developer voluntarily submits;
- a description of permitting requirements and other specific risks facing the project at the stage of project development, including any specific proposed mitigation to permitting risks, and evidence of the reasonableness of project capital cost estimates all based on the information available at the time of submission; and
- any other information requested by the NYISO.[302]

The NYISO developed the preceding list of required information for its compliance with Order No. 1000, as subsequently enhanced based on its experience in administering its competitive evaluation and selection process. In addition to these categories of information, the NYISO proposes that the Developer also submit the following additional information that the NYISO requires to address the directives of Order No. 1920:

- any Voluntary Funding Arrangement that the Developer voluntarily submits;
- a description of any Alternative Transmission Technologies or an explanation of Developer's determination not to propose the technologies; and
- information concerning Right-Sized Replacement Transmission Facilities with the description of the project and the in-service date of the project components.[303]

The NYISO will use this additional information as described, as applicable, in Parts IX.A, IX.B, and XI.B of this filing letter.

The NYISO also proposes to incorporate from its Public Policy Process the tariff requirements that detail the information that the Developer must submit concerning the above categories of information. These include the information required:

- to detail the capital cost estimates for the project, including itemized supporting work sheets;[304]

[302] *Id.* § 31.6.9.5.1.1.
[303] *Id.* § 31.6.9.5.1.1.
[304] *Id.* § 31.6.9.5.1.2.

- for the completed transmission or substation routing study;[305]
- to indicate the status of any required contracts;[306]
- to indicate the status of any required permits;[307]
- to indicate evidence of financing by the Developer or an Affiliate upon which it is relying for financing;[308]
- for completed interconnection or transmission expansion studies;[309] and
- for Cost Caps (as further described in Part VII.C.viii below).[310]

The NYISO proposes to supplement these tariff provisions with requirements for additional information that the Developer must submit in connection with its proposed approach concerning Alternative Transmission Technologies,[311] as further described in Part XI.B, and any proposed Voluntary Funding Arrangement,[312] as further described in Part IX.B.

vii. Project Information Requirements for Other Long-Term Projects

The NYISO proposes to require that a Developer provide the same project information concerning its proposed Other Long-Term Project as for proposed Other Public Policy Projects under its Public Policy Process. In particular, a Developer must submit the following information:

- contact information;
- the lead time necessary to complete the project, including, if available, the construction windows in which the Developer can perform construction and what, if any, outages may be required during these periods;
- a description of the project, including type, size, and geographic and electrical location, as well as planning and engineering specifications and drawings as appropriate;
- evidence of a commercially viable technology;
- a major milestone schedule;
- a schedule for obtaining any required permits and other certifications, if available;
- a demonstration of Site Control or a schedule for obtaining Site Control, as applicable;
- the status of any contracts (other than an interconnection agreement) that are under negotiation or in place;

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[305] Proposed OATT Attach. Y § 31.6.9.5.1.3. Any project alternatives other than the routing alternatives established in this section require the submission of a separate Long-Term Transmission Project. *Id.* § 31.6.9.3.2.

[306] *Id.* § 31.6.9.5.1.4.

[307] *Id.* § 31.6.9.5.1.5.

[308] *Id.* § 31.6.9.5.1.6.

[309] *Id.* § 31.6.9.5.1.8. The NYISO proposes to update in the Long-Term Transmission Planning Process the references to the transmission expansion and interconnection studies from the references included in the Public Policy Process rules to include consistent references to the transmission expansion requirements in Sections 3.7 and 4.5 of the OATT and to account for the NYISO's new Standard Interconnection Procedures in Attachment HH of the OATT, which replaces the prior processes in Attachment S and X. *Id.* § 31.6.9.5.1.2, 31.6.9.5.1.8, 31.6.9.5.2.5, 31.6.10.3.

[310] Proposed OATT Attach. Y § 31.6.9.5.1.10.

[311] *Id.* § 31.6.9.5.1.7.

[312] *Id.* § 31.6.9.5.1.9.

- the status of NYISO interconnection studies and interconnection agreement, as applicable and if available;
- the status of equipment availability and procurement, as applicable and if available;
- evidence of financing or ability to finance the project; and
- any other information required by the NYISO's procedures or requested by the NYISO.[313]

The NYISO developed this list of required information for its compliance with Order No. 1000 for purposes of evaluating the viability and sufficiency of non-transmission or partial transmission projects.

The NYISO also proposes to adopt from its Public Policy Process the tariff requirements that detail the information that the Developer must submit concerning the above categories of information. These include the information required:

- To indicate the status of any required contracts;[314]
- To indicate the status of any required permits;[315]
- To indicate evidence of financing by the Developer or an Affiliate upon which it is relying for financing;[316] and
- For completed interconnection or transmission expansion studies.[317]

viii. Cost Containment Requirements

The NYISO proposes to specify in its Long-Term Transmission Planning Process that Developers may voluntarily include cost containment measures with their transmission project proposals, which the NYISO will consider in its evaluation and selection process. The NYISO's proposed requirements are consistent with the existing cost containment rules in its Public Policy Process that the Commission has determined are just and reasonable.[318] The NYISO requests that the Commission accept these requirements as consistent to or superior to the requirements in Order No. 1920 as they will facilitate competitive transmission project bids and help to control transmission project costs, to the ultimate benefit of New York ratepayers and in light of New York-specific conditions.[319]

The NYISO proposes to incorporate in the Long-Term Transmission Planning Process the same cost containment requirements adopted for its Public Policy Process with limited variations

[313] *Id.* § 31.6.9.5.2.1.
[314] *Id.* § 31.6.9.5.2.2.
[315] *Id.* § 31.6.9.5.2.3.
[316] Proposed OATT Attach. Y § 31.6.9.5.2.4.
[317] *Id.* § 31.6.9.5.2.5.
[318] *See N.Y. Indep. Sys. Operator, Inc.,* 170 FERC ¶ 61,098 (2020) (accepting the NYISO's proposed tariff revisions incorporating voluntary cost containment measures in its Public Policy Process). All transmission project proposals for the recently completed Public Policy Process to address the Public Policy Transmission Need on Long Island included cost containment measures.
[319] The Commission elected not to adopt cost containment requirements in Order No. 1920, noting that it was examining such requirements in other proceedings. Order No. 1920 at P 1523.

to account for differences in the Long-Term Transmission Planning Process and lessons learned in implementing the Public Policy Process. Pursuant to these requirements, a Developer may voluntarily include with its project information a Cost Cap for its proposed Long-Term Transmission Project that covers its Included Capital Costs, but not its Excluded Capital Costs as those cost categories are defined in the OATT.[320] The Developer must submit any Cost Cap in the form of a hard Cost Cap or a soft Cost Cap.[321] A hard Cost Cap for Included Capital Costs is a dollar amount for those cost above which the Developer commits not to recover from ratepayers.[322] A soft Cost Cap for Included Capital Costs is a dollar amount for those costs above which the Included Capital Costs are shared between the Developer and ratepayers based on a defined percentage, which percentage must be at least 20% shared by the Developer.[323] The Developer must include with its proposal a contingency percentage and escalation factors, if any, applicable to the Included Capital Costs in the Cost Cap.[324] If the NYISO identifies a deficiency in a Cost Cap, the NYISO will request additional information from the Developer, which may provide a revised Cost Cap to address the deficiency.[325]

If the NYISO selects a Long-Term Transmission Project with a Cost Cap, the Developer shall include that cap in the Development Agreement for its Designated Long-Term Transmission Project, shall file the Cost Cap for its project at the Commission, and shall not seek to recover through its transmission rates or other means costs above the Cost Cap amount with the exception of certain permitted excusing conditions.[326] The NYISO details the application of the Cost Cap in the evaluation and selection process in Part VII.D.iii and for cost recovery in Part X.C.

The NYISO proposes the following limited variations from its existing cost containment rules for purposes of the Long-Term Transmission Planning Process. First, the NYISO proposes to include as a category of Included Capital Costs the cost related to software, as software may be required to integrate the proposed project into Developer's system (e.g., integration of certain Alternative Transmission Technologies, development of required control center).[327] Second, the NYISO proposes to include as a category of Excluded Capital Costs the costs of integrating the

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[320] Proposed OATT Attach. Y §§ 31.1.1 (definition of Cost Cap), 31.6.9.5.1.10. The cost categories that constitute Included Capital Costs are described in Section 31.6.9.5.1.10.1, with further details concerning "reasonably expected environmental site remediation and environmental mitigation costs" detailed in Sections 31.6.9.5.1.10.1.1. The cost categories that constitute Excluded Capital Costs are described in Section 31.6.9.5.1.10.2, with further details concerning "unforeseeable environmental remediation and environmental mitigation costs" detailed in Section 31.6.9.5.1.10.2.1. Except as otherwise indicated in this filing letter, the terms are defined in the same manner as in the NYISO's Public Policy Process, as previously accepted by the Commission. The NYISO proposes to add the defined terms "Included Capital Costs" and "Excluded Capital Costs" in Section 31.1.1 of Attachment Y of the OATT, which definitions will reference the tariff provisions in the Public Policy Process and the Long-Term Transmission Planning Process that define these terms.

[321] Proposed OATT Attach. Y §§ 31.6.9.5.1.10, 31.6.9.5.1.10.3.

[322] *Id.* § 31.6.9.5.1.10.3.

[323] *Id.* § 31.6.9.5.1.10.3.

[324] *Id.* § 31.6.9.5.1.10.4.

[325] *Id.* § 31.6.9.5.1.10.5.

[326] *Id.* § 31.6.9.5.1.10.

[327] Proposed OATT Attach. Y § 31.6.9.5.1.10.1.

Long-Term Transmission Project into the NYISO's energy management system(s).[328] The use of Alternative Transmission Technologies could require additional costs to integrate with the NYISO's energy management system, which costs may not be reasonably identifiable by the Developer with its project proposal.

Finally, the NYISO proposes to include as a category of Excluded Capital Costs, the costs of a Right-Sized Replacement Transmission Facility, as that project is subject to being designated to the impacted Transmission Owner to construct and would not be subject to the Cost Cap.[329] This is consistent with the NYISO's current treatment of upgrades that are subject to being designated to the Transmission Owner. In addition, consistent with the existing requirements, if the NYISO identifies that the costs of a Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility is incorrectly included with the Included Capital Costs or that Developer incorrectly identified a facility as fitting into one of these two categories, the NYISO will request that the Developer update its proposed Cost Cap to correct this deficiency.[330]

ix. Confidential Information

The NYISO proposes to use the same approach as in its Public Policy Process for the treatment of Confidential Information included with a Developer's submission of its proposed Long-Term Transmission Project or Other Long-Term Project with limited variations to account for lessons learned and to account for the potential use of a Voluntary Funding Arrangement.

The NYISO will treat Confidential Information in accordance with its Code of Conduct in Attachment F of the OATT.[331] Confidential Information includes the following non-public information submitted by the Developer and designated as Confidential Information: (i) all project cost information, (ii) all details of its financing arrangements, (iii) any non-public financial qualification information, (iv) contracts provided with the project information, and (v) the information and documents provided by the Developer for any Voluntary Funding Arrangements.[332] However, consistent with its Public Policy Process, the NYISO proposes that it may disclose in the draft Long-Term Transmission Planning Report certain details concerning a Cost Cap or Voluntary Funding Arrangement that would otherwise satisfy the definition of Confidential Information.[333] In such case, this information should be disclosed as it provides important information supporting the NYISO's analyses and conclusions in the report.

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[328] *Id.* § 31.6.9.5.1.10.2. As the Alternative Transmission Technology requirements apply to the NYISO's existing Public Policy Process as well, the NYISO proposes to also include the costs of incorporating a Public Policy Transmission Project into the NYISO's energy management system as an Excluded Capital Cost in the cost containment requirements in the Public Policy Process. *Id.* § 31.4.5.1.8.2.

[329] *Id.* § 31.6.9.5.1.10.2.

[330] *Id.* § 31.6.9.5.1.10.5.

[331] *Id.* § 31.6.15.1. The NYISO will also treat CEII in accordance with its existing procedures for such information. *Id.* § 31.6.15.1.

[332] Proposed OATT Attach. Y § 31.6.15.2. All other information will not be designated or treated as Confidential Information. *Id.* § 31.6.15.3.

[333] *Id.* § 31.6.15.2. This includes: (i) the total amount of Included Capital Costs and any cost sharing percentages contained in the Cost Cap, and (ii) the total funding among of a Voluntary Funding Arrangement, the Funding Entity, and the transmission facilities that are subject to the arrangement. *Id.* § 31.6.15.2.

Finally, as described above, the NYISO does not propose to include in its Long-Term Transmission Planning Process the requirements in its Public Policy Process that requires that, when a Developer submits Confidential Information, it must submit both a redacted and an unredacted version of its project information. This process has been administratively burdensome for both the NYISO and Developers. Instead, the NYISO proposes to include certain forms in its procedures through which the Developer can provide Confidential Information.[334]

D. Evaluation of Proposed Transmission Solutions Using Seven Benefit Metrics and Other Selection Metrics

i. Evaluation of Proposed Long-Term Transmission Projects and Other Long-Term Projects

The NYISO proposes to establish requirements concerning its evaluation of proposed Long-Term Transmission Projects based on its existing evaluation requirements in its Public Policy Process, which the Commission has determined comply with the Order Nos. 890 and 1000 requirements. The NYISO proposes certain differences from its Public Policy Process approach to address the Order No. 1920 directives and to address lessons learned in applying the evaluation process in the existing Public Policy Process. In particular, the NYISO proposes two key differences for the Long-Term Transmission Planning Process. First, as described below, the NYISO proposes to apply the seven benefit metrics required by Order No. 1920 in the evaluation process and to modify the application of its existing quantitative and qualitative selection metrics. Second, the NYISO proposes not to include in the Long-Term Transmission Planning Process the requirements in its Public Policy Process that it perform a stand-alone Viability and Sufficiency Assessment of proposed transmission solutions and permit Developers to determine based on this assessment whether their transmission projects should proceed to be evaluated for purposes of selection. These requirements have added at least five months to the evaluation process, which is not commensurate with the benefits of this stand-alone analysis. Instead, the NYISO proposes with respect to Long-Term Transmission Projects to immediately begin its evaluation of proposed transmission solutions and to assess their viability and sufficiency through the application of the selection metrics. As required by Order No. 1920, the NYISO discussed its proposed evaluation and selection approach with the Relevant State Entities for its region.[335]

[334] *Id.* § 31.6.9.3.3.

[335] Order No. 1920 at PP 924, 994, 999. The NYISO held a call with the NYDPS and LIPA on May 11, 2026, specifically to discuss both its proposed approach concerning voluntary funding and its proposed evaluation and selection requirements for the Long-Term Transmission Planning Process. The NYISO also held numerous discussions with the NYDPS concerning its overall compliance proposal, including the evaluation and selection requirements, and presented its proposed evaluation and selection requirements at numerous stakeholder meetings.

ii. Scenarios and Sensitivities for Evaluation

The NYISO proposes to use the Long-Term Scenarios, the Extreme Weather Sensitivity, and, at its discretion, any additional scenarios and sensitivities developed for the Outlook to evaluate proposed Long-Term Transmission Projects and Other Long-Term Projects.[336] Consistent with Order No. 1920,[337] the NYISO also proposes that it may develop at its discretion additional scenarios and sensitivities for purposes of the evaluation process.[338]

Order No. 1920 permits a transmission provider to update the assumptions, inputs, and factors used to inform Long-Term Scenarios during a Long-Term Regional Transmission Planning cycle.[339] The NYISO proposes to establish the requirements by which it may update assumptions and the resulting scenarios and sensitivities for purposes of the evaluation process to account for changes over time and for parallel developments in its other transmission planning processes and the state planning processes. In particular, the NYISO proposes that it may, at its discretion and in consultation with the ESPWG and the NYDPS, update the assumptions during the evaluation process to account for significant and material changes to the factors or data inputs underlying those assumptions.[340] In addition, the NYISO proposes that it may update the Foundation Case, Long-Term Scenarios, the Extreme Weather Sensitivity, or any additional scenarios or sensitivities: (i) to provide for a reliable system and (ii) to perform additional updates in accordance with its procedures. Finally, the NYISO proposes to extend the Foundation Case, Long-Term Scenarios, the Extreme Weather Sensitivity, and any additional scenarios and sensitivities, as needed, to cover the 20-year time period following the latest in-service date of the proposed Long-Term Transmission Projects for purposes of performing the required evaluation.[341]

iii. Application of Selection Metrics

Order No. 1920 requires the transmission provider to measure and use the seven benefits specified in the order when evaluating Long-Term Regional Transmission Facilities to determine whether they more efficiently or cost-effectively address Long-Term Transmission Needs.[342] The order requires that a transmission provider include in its OATT a general description of how it will measure each of the benefits and provides for flexibility concerning the method for measuring these benefits.[343] The transmission provider must calculate the benefits of Long-Term

[336] Proposed OATT Attach. Y § 31.6.10.1.
[337] *See* Order No. 1920-A at P 364.
[338] Proposed OATT Attach. Y § 31.6.10.1.
[339] Order No. 1920-A at P 257.
[340] Proposed OATT Attach. Y § 31.6.10.1.
[341] *Id.*
[342] Order No. 1920 at PP 667, 719-720; Order 1920-A at PP 223-225, 379, 392. Specifically, the seven required benefits are: (1) avoided or deferred reliability transmission facilities and aging infrastructure replacement; (2) a benefit that can be characterized and measured as either reduced loss of load probability or reduced planning reserve margin; (3) production cost savings; (4) reduced transmission energy losses; (5) reduced congestion due to transmission outages; (6) mitigation of extreme weather events and unexpected system conditions; and (7) capacity cost benefits from reduced peak energy losses. Order No. 1920 at P 720.
[343] Order No. 1920 at PP 837-838.

Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities, which time horizon must be used for the evaluation and selection of the proposed transmission facilities.[344] The order also permits the transmission provider to propose to measure and use additional benefits in Long-Term Regional Transmission Planning, so long as they do so in a manner that is consistent with their obligations under the Order No. 890 and Order No. 1000 transmission planning principles to be open and transparent in their transmission planning processes.[345] Finally, the order permits the transmission provider to use additional qualitative and quantitative selection criteria in their evaluation and selection processes.[346]

The NYISO proposes to establish requirements concerning its application of selection metrics to assess proposed Long-Term Transmission Projects consistent with its existing evaluation requirements in its Public Policy Process, which the Commission has determined comply with the Order Nos. 890 and 1000 requirements, with certain variations to address the Order No. 1920 directives and to address lessons learned in applying the evaluation process in the existing Public Policy Process.

The NYISO will evaluate any proposed Long-Term Transmission Project using the metrics established in the OATT and as further detailed in the NYISO's procedures, which metrics are described below.[347] For purposes of this evaluation and consistent with its Public Policy Process, the NYISO will review the information submitted by the Developer and determine whether it is reasonable and how such information should be used for purposes of the NYISO evaluating each metric.[348] The NYISO may engage an independent consultant to review the reasonableness and comprehensiveness of the information submitted by the Developer and may rely on the independent consultant's analysis in evaluating each metric.[349] The NYISO will also give due consideration to the status of, and any available results of, any applicable interconnection or transmission expansion studies concerning the proposed Long-Term Transmission Project.[350]

The NYISO proposes to apply the metrics using the Long-Term Scenarios, the Extreme Weather Sensitivity, and, at its discretion, any additional scenarios and sensitivities and using a time horizon that extends to 20 years from the latest in-service date of the proposed Long-Term Transmission Projects.[351] The NYISO will rank the proposed Long-Term Transmission Projects, or a subset of the projects, based on the quality of their satisfaction of the metrics.[352] In particular, the NYISO will assess the proposed projects' performance across the totality of the

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[344] *Id.* at P 859.
[345] Order No. 1920 at PP 737, 822, 837; Order No. 1920-A at P 393, 415-416.
[346] Order No. 1920 at PP 916, 955, 961; Order No. 1920-A at P 450.
[347] Proposed OATT Attach. Y §§ 31.6.10.3, 31.6.10.4.1.
[348] *Id.* § 31.6.10.3.
[349] *Id.* § 31.6.10.3. In formulating the independent consultant's estimate for the total capital costs of a Long-Term Transmission Project, the NYISO and its independent consultant may add appropriate contingency percentages and escalation factors. *Id.* § 31.6.10.3.
[350] *Id.* § 31.6.10.3.
[351] Proposed OATT Attach. Y §§ 31.6.10.1, 31.6.10.4.1.
[352] *Id.* § 31.6.10.4.1.

applied metrics to identify the more efficient or cost-effective transmission solution. For purposes of this determination, the NYISO will apply the seven benefit metrics identified in Order No. 1920 to all of the proposed Long-Term Transmission Projects. In addition, as described in the Lin Affidavit,[353] based on the projects' performance, the NYISO may apply any additional selection metrics to all or a subset of the projects.

a. Seven Benefit Metrics

The NYISO proposes to apply the following seven benefit metrics adopted in Order No. 1920 to all proposed Long-Term Transmission Projects.[354] The NYISO proposes to include additional details regarding certain of these metrics to ensure that the description is sufficient for stakeholders to understand how the NYISO will measure these benefits and to establish further details concerning the measurement of these benefits in the NYISO's procedures.[355] In particular, the NYISO proposes to include in its OATT the following descriptions of the benefit metrics.

Order No. 1920 Benefit Metric[356]	**NYISO Tariff Provisions[357]**
(1) avoided or deferred reliability transmission facilities and aging infrastructure replacement;	The reduction in costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities.
(2) a benefit that can be characterized and measured as either reduced loss of load probability or reduced planning reserve margin;	The reduction of loss of load probability or the reduction in the capital costs of generation required to meet resource adequacy requirements (i.e., reserve margin).
(3) production cost savings;	The changes in production cost due to the proposed regulated Long-Term Transmission Project.
(4) reduced transmission energy losses;	The reduction in total energy required to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to load.
(5) reduced congestion due to transmission outages;	The reduction in production costs resulting from avoided congestion during transmission outages.
(6) mitigation of extreme weather events and unexpected system conditions; and	The reduction in production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased interregional transfer

[353] *See* Lin Affidavit at ¶ 18.

[354] Proposed OATT Attach. Y § 31.6.10.4.2.

[355] Order No. 1920 does not require that further details concerning the measurement of the required benefits be included in the OATT. *See* Order No. 1920 at P 840.

[356] Order No. 1920 at P 720.

[357] Proposed OATT Attach. Y § 31.6.10.4.2.

Order No. 1920 Benefit Metric[356]	NYISO Tariff Provisions[357]
	capability, during extreme weather events and unexpected system conditions.
(7) capacity cost benefits from reduced peak energy losses	The reduction in generation capacity investment needed to meet peak load.

The proposed descriptions are fully compliant with the Order No. 1920 requirements.

b. Additional Qualitative and Quantitative Metrics

In addition to the seven required benefit metrics, the NYISO proposes to apply additional quantitative and qualitative metrics that the NYISO uses in its existing Public Policy Process.[358] As described in the Lin Affidavit,[359] these additional metrics are necessary to enable the NYISO to identify the more efficient or cost-effective transmission solution by accounting for attributes not fully captured by the seven required benefits and necessary to assess projects proposed under a sponsorship model, including the costs, operability, and constructability of the proposed project. Based on the evaluation of projects using the seven required benefits, the NYISO may apply the additional metrics to all or a subset of the proposed projects. The NYISO would determine, at its discretion and in consultation with the NYDPS and ESPWG, which of the additional metrics to apply based on the identified Long-Term Transmission Need.[360] In particular, these include the following metrics concerning a Long-Term Transmission Project, as further described in the OATT:

- the capital cost estimates;
- a qualitative and quantitative evaluation of any Cost Cap voluntarily submitted by Developer;
- the cost per MW ratio of the proposed project;
- the expandability, operability, and performance of the proposed project;
- the extent to which the Developer has the property rights, or the ability to obtain the property rights, required to implement the project;
- potential issues associated with delay in constructing the project consistent with the major milestones schedule and the schedule for obtaining any permits and other certifications as required to timely meet the need;
- application of any criteria provided by the NYPSC with its identification of the Long-Term Transmission Need and performance of analysis requested by the NYPSC, to the extent compliance with such criteria and analysis are feasible; and
- additional metrics, including LBMP, emissions, impact on transfer limits, deliverability, and other metrics appropriate based on the Long-Term Transmission Need.[361]

[358] *Id.* § 31.6.10.4.3.
[359] See Lin Affidavit at ¶¶ 16-18.
[360] Proposed OATT Attach. Y § 31.6.10.4.3.
[361] *Id.* § 31.6.10.4.3.

The NYISO's use of these additional metrics will be open and transparent. The NYISO will hold a technical conference with Developers and interested parties prior to its solicitation for proposed solutions to obtain input on the application of selection metrics for the particular Long-Term Transmission Need.[362] As described above, the NYISO will also consult with the NYDPS and ESPWG regarding whether to apply one or more of the additional metrics in a given planning cycle.[363] Finally, these metrics and the results of the analyses will be included in the draft Long-Term Transmission Planning Report provided to stakeholders for their input and action prior to the NYISO Board's approval. The NYISO's use of additional qualitative and quantitative metrics is authorized by and fully compliant with Order No. 1920.

c. Metrics Provided by the NYPSC

Order No. 1920 declined to require that the transmission provider include selection criteria requested by state public utility commissions.[364] However, the order encouraged the transmission provider to coordinate with Relevant State Entities regarding selection criteria and/or to consult with Relevant State Entities in the selection of particular Long-Term Regional Transmission Facilities.[365] Consistent with its Public Policy Process, the NYISO proposes to consult with the NYDPS regarding the application of the metrics and, when feasible, to apply the criteria and to conduct the analyses requested by the NYPSC as part of the NYPSC's identification of Long-Term Transmission Needs.[366]

d. Capital Cost/Cost Caps Evaluation

As described in Part VII.C.viii above, the NYISO proposes to include in its Long-Term Transmission Planning Process cost containment requirements consistent with those in its Public Policy Process.[367] Accordingly, the NYISO proposes to incorporate in its evaluation requirements the same requirements for performing quantitative and qualitative assessments of the Cost Cap included in its Public Policy Process and accepted by the Commission as just and reasonable.[368] As described above, the NYISO's proposed cost containment requirements are consistent with or superior to the Order No. 1920 requirements.

The quantitative requirements establish the mechanisms by which the NYISO calculates the total capital cost amount for the transmission project that is used in the NYISO's

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[362] *Id.* § 31.6.9.3.1.

[363] *Id.* § 31.6.10.4.3.

[364] Order No. 1920 at PP 963, 996.

[365] Order No. 1920-A at PP 458-459. The order further stated that "we strongly encourage transmission providers to consider any selection criteria supported by Relevant State Entities." *Id.* at P 459.

[366] Proposed OATT Attach. Y §§ 31.6.10.4.1, 31.6.10.4.3.19. *Cf.* OATT Attach. Y §§ 31.4.8.1, 31.4.8.1.10.

[367] *See N.Y. Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,098 (2020) (accepting the NYISO's proposed tariff revisions incorporating voluntary cost containment measures in its Public Policy Process, including the related evaluation requirements).

[368] Proposed OATT Attach. Y § 31.6.10.5. *Cf.* OATT Attach. Y § 31.4.8.2. Additional details concerning the quantitative and qualitative evaluation of Cost Caps are set forth in the NYISO's December 17, 2019, filing letter proposing these requirements in the Commission's Docket No. ER20-617 at pages 11-17.

performance of the metrics for the project.[369] The mechanisms for calculating the cost amount differ based on whether or not a Developer has proposed a Cost Cap and the form of Cost Cap (i.e., hard or soft Cost Cap).[370]

The qualitative requirements separately enable the NYISO to assess project cost overrun risk that is not easily quantified. For purposes of the qualitative evaluation, the NYISO will evaluate the quality of the Cost Cap considering the following risk factors:

- The effectiveness of the proposed Cost Cap in providing an incentive to the Developers to contain their Included Capital Costs, *i.e.,* how aligned is the Developer's incentive to maximize its profits by avoiding cost overruns compared to the level of risk exposure to consumers, and what degree of risk is the Developer assuming to pay for cost overruns;

- The effectiveness of the proposed Cost Cap in protecting ratepayers from Included Capital Cost overruns; and

- The magnitude of the difference between the Cost Cap and the independent cost estimate. If the cost-contained estimate provided by a Developer is significantly below the NYISO's independent cost estimate, the NYISO will consider the likelihood that the project will be constructed at the capped cost, given the Developer's financial and technical qualifications. Conversely, if the Developer's cost-contained estimate is significantly above the independent cost estimate, the NYISO will consider whether the proposed Cost Cap will meaningfully contain capital costs.[371]

In performing these assessments, the NYISO may request the Developer to provide additional project and financial qualification information.[372]

e. Impacts on NYISO's Markets and on Other Regions

Consistent with its Public Policy Process, the NYISO proposes using certain additional metrics identified for the Long-Term Transmission Need to evaluate the impacts on the NYISO-administered wholesale electricity markets of a proposed Long-Term Transmission Project (e.g., LBMP).[373] The NYISO will include the results of this analysis in its Long-Term Transmission Planning Report.[374]

In addition, Order No. 1000 required the transmission provider to identify the consequences of a transmission facility selected in the regional transmission plan on other transmission planning regions, such as upgrades that may be required in another region.[375] The

[369] Proposed OATT Attach. Y § 31.6.10.5.1.
[370] *Id.*
[371] Proposed OATT Attach. Y § 31.6.10.5.2.
[372] *Id.* § 31.6.10.5.2.
[373] *Id.* § 31.6.10.9.
[374] *Id.* § 31.6.10.9.
[375] *See* Order No. 1000 at P 657.

NYISO proposes to include requirements on the consequences of a Long-Term Transmission Project for other regions that are consistent with the requirements in its other transmission planning processes,[376] as accepted by the Commission.[377] Pursuant to these requirements, the NYISO will coordinate with its neighboring regions to identify the consequences of a Long-Term Transmission Project. The NYISO, however, will not bear the costs of required upgrades in another region.

iv. Viability and Sufficiency of Other Long-Term Projects

Order No. 1920 provides that, consistent with the Commission's existing transmission planning requirements, the transmission provider is required to consider non-transmission alternatives on a comparable basis in regional transmission planning. The NYISO proposes to comply with this requirement, consistent with its other transmission planning processes, by assessing the viability and sufficiency of any Other Long-Term Projects – i.e., non-transmission or partial transmission projects – proposed to address the Long-Term Transmission Need.[378] In particular, the NYISO will consider (i) the Developer qualification and project information data submitted by the Developer; (ii) whether the proposed solution is technically practicable; (iii) the Developer's possession of, or approach for acquiring, any necessary rights-of-way, property, and facilities that will make the proposal reasonably feasible in the required timeframe; and (iv) whether the proposed solution can be completed in the required timeframe, if any.[379] The NYISO will evaluate each Other Long-Term Project to determine whether the proposed solution independently satisfies the Long-Term Transmission Need, including any criteria provided by the NYPSC.[380] The NYISO will include the results of its assessment in the draft Long-Term Transmission Process Report for information purposes, which will inform both stakeholders and the NYISO Board in their review and action on the report, including the Board's determination on whether or not to select a transmission project.[381]

v. Comparable Analysis Regarding Bulk and Local Solutions

Order No. 1000 establishes that the transmission provider is required to evaluate alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process.[382] Order No. 1920 reiterated that the transmission provider has an affirmative obligation to identify Long-Term Regional Transmission Facilities that more efficiently or cost-effectively address Long-Term Transmission Needs, regardless of whether any stakeholder proposes potential Long-Term

[376] Proposed OATT Attach. Y § 31.6.10.8. *Cf.* OATT Attach. Y §§ 31.2.2.7 (reliability), 31.3.1.6 (economic), 31.4.9 (public policy).
[377] *See N.Y. Indep. Sys. Operator, Inc.,* 148 FERC ¶ 61,044 at PP 296-297, 335 (2014).
[378] Proposed OATT Attach. Y §§ 31.1.1 (definition of Viability and Sufficiency Assessment), 31.6.10.6.
[379] *Id.* § 31.6.10.6.
[380] *Id.* § 31.6.10.6.
[381] *Id.* § 31.6.11.2.2.
[382] Order No. 1000 at P 148.

Regional Transmission Facilities for consideration in Long-Term Regional Transmission Planning.[383]

The NYISO addressed these requirements in its reliability, economic, and public policy transmission planning processes through processes by which it reviews regional solutions as they compare to solutions in the Transmission Owners' Local Transmission Owner Plans ("LTPs") to satisfy regional and local transmission needs.[384] Specifically, the NYISO will evaluate, using its engineering judgement: (i) whether a regional transmission project on the BPTFs may address reliability, economic, or public policy transmission needs identified in the LTPs more efficiently or cost effectively than local solutions proposed in the LTPs and (ii) whether a regional transmission project might more efficiently or cost effectively address a transmission need identified on the BPTFs in the NYISO's transmission planning process that impacts more than one Transmission District than any local transmission solutions identified by the Transmission Owners in their LTPs if the solutions are included to address the same transmission needs.[385] The results of the NYISO's analysis, if any, are included for informational purposes in the applicable transmission planning report.[386] The Transmission Owners are not required to revise their LTPs based on the results of this analysis.[387]

The NYISO proposes to use the same approach for purposes of its Long-Term Transmission Planning Process. In particular, the NYISO, using engineering judgement, will evaluate whether a Long-Term Transmission Project may more efficiently or cost effectively satisfy any transmission needs on the BPTFs identified in the LTPs with the same scope as a Long-Term Transmission Need than the local solutions proposed in the LTPs.[388] In addition, the NYISO, using its engineering judgement, will evaluate whether a Long-Term Transmission Project might more efficiently or cost effectively address a Long-Term Transmission Need on the BPTFs that impacts more than one Transmission District than any local transmission solutions identified by the Transmission Owners in their LTPs if the solutions are included in the LTPs to address a transmission need on the BPTFs with the same scope as the Long-Term Transmission Needs.[389] The results of the NYISO's analysis, if any, will be included in its Long-Term Transmission Planning Report for informational purposes.[390]

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[383] Order No. 1920 at P 957.

[384] *See N.Y. Indep. Sys. Operator, Inc.,* 151 FERC ¶ 61,040 at P 54 (2015) (accepting NYISO's tariff revisions regarding affirmative obligation to plan for reliability, economic, and public policy processes).

[385] OATT Attach. Y §§ 31.2.1.3, 31.2.6.4 (requirements for Reliability Planning Process), 31.3.1.3.6 (requirements for Economic Planning Process), 31.4.7 (requirements for Public Policy Process).

[386] *Id.* §§ 31.2.1.3, 31.2.6.4 (requirements for Reliability Planning Process), 31.3.1.3.6 (requirements for Economic Planning Process), 31.4.7 (requirements for Public Policy Process).

[387] *Id.* § 31.2.1.3. *See N.Y. Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,044 at P 88 (2014) ("Order No. 1000 is 'not intended to appropriate, supplant, or impede any local transmission planning processes that public utility transmission providers undertake' and does not authorize a public utility transmission provider to require Transmission Owners to revise their local transmission plan to remove local solutions to identified transmission needs if more efficient or cost-effective solutions are identified in the regional transmission plan.") (citation omitted).

[388] Proposed OATT Attach. Y §§ 31.2.1.3, 31.6.10.7.1.

[389] *Id.* §§ 31.2.1.3, 31.6.10.7.2.

[390] *Id.* §§ 31.6.10.7.2, 31.6.11.2.5.

E. Implementation of Transmission Owners' Right of First Refusal

The NYISO proposes to incorporate in the Long-Term Transmission Planning Process requirements by which a Transmission Owner may implement its reserved rights to build, own, and recover the costs for upgrades to its own transmission facilities, including those that are, or are a part of, another Developer's proposed Long-Term Transmission Project selected by the NYISO. For purposes of the Long-Term Transmission Planning Process, such upgrades are defined as Long-Term Transmission Upgrades. These ROFR implementation requirements are consistent with the requirements in the NYISO's other transmission planning processes and in its Transmission Interconnection Procedures as accepted by the Commission.[391] The NYISO also proposes to apply these same ROFR implementation requirements for Right-Sized Replacement Transmission Facilities, including those that are, or are a part of, another Developer's proposed Long-Term Transmission Project selected by the NYISO. The requirements concerning the identification of Right-Sized Replacement Transmission Facilities are separately addressed in Part IX.A of this filing letter.

i. Background

The Transmission Owners expressly reserved certain ownership rights with regard to their existing transmission facilities in the NYISO's foundational agreements—including the *Agreement Between New York Independent System Operator and Transmission Owner*s ("ISO-TO Agreement") applicable to the Member Systems,[392] the ISO Agreement, and the operating agreements for new Transmission Owners.[393] These agreements establish that the Transmission Owners retain various rights concerning their transmission facilities as a condition of their agreement to participate in the NYISO and to turn over operational control of these facilities to the NYISO. This includes preserving, among other things, rights incident to the ownership of the facilities that they own.[394]

In their compliance filings under Order No. 1000, the NYISO and the Member Systems added Section 31.6.4 (now renumbered Section 31.1.10.4) of Attachment Y to the OATT that

[391] *See, e.g.,* OATT Attach. Y §§ 31.2.6.5.2, 31.2.7.5 (Reliability Planning Process), 31.3.2.4 (Economic Planning Process), 31.4.6.5.1, 31.4.11.3 (Public Policy Process), Attachment P § 22.9.6 (Transmission Interconnection Procedures).

[392] The Member Systems include "[t]he eight Transmission Owners that comprised the membership of the New York Power Pool, which are: (1) Central Hudson Gas & Electric Corporation, (2) Consolidated Edison Company of New York, Inc., (3) New York State Electric & Gas Corporation, (4) Niagara Mohawk Power Corporation d/b/a National Grid, (5) Orange and Rockland Utilities, Inc., (6) Rochester Gas and Electric Corporation, (7) the Power Authority of the State of New York, and (8) Long Island Lighting Company d/b/a Long Island Power Authority." OATT § 1.13 (definition of Member Systems).

[393] *See* OATT Attach. Y § 31.11 Appendix H – Form of Operating Agreement.

[394] In particular, Section 3.10(c) of the ISO-TO Agreement states that "[e]ach Transmission Owner retains all rights that it otherwise has incident to its ownership of its assets, including, without limitation, its transmission facilities including, without limitation, the right to build, acquire, sell, merge, dispose of, retire, use as security, or otherwise transfer or convey all or any part of its assets." The Transmission Owners similarly preserved these rights in Section 17.A.3 of the ISO Agreement. These rights are also included in the *pro forma* Operating Agreement that non-incumbent Transmission Owners must execute prior to energizing their transmission facilities to become a Transmission Owner. *See* OATT Attach. Y § 31.11.

provides that nothing in the CSPP affects certain rights of the Transmission Owners, which rights align with the exceptions in Order No. 1000 to the requirement to eliminate a federal ROFR in Commission-jurisdictional tariffs and agreements. This tariff section remains unchanged.

In response to a petition for declaratory order submitted by the NYISO, the Commission confirmed that "the NYISO's foundational agreements provide [the Transmission Owners] a federal ROFR for upgrades to their own existing transmission facilities, and OATT section 31.6.4 [now 31.1.10.4] reflects the Commission's finding that Order No. 1000 did not affect the right of an incumbent transmission provider to build, own, and recover the costs for upgrades to its own transmission facilities."[395] The Commission further confirmed that the federal ROFR includes the right to build, own, and recover the costs of upgrades that are part of another Developer's proposed transmission project selected by the NYISO.[396] The Commission, however, determined that at the time of the NYISO's petition, its OATT was "silent as to how to implement a federal ROFR for a [Transmission Owner's] upgrades to its own transmission facilities."[397]

Despite significant efforts, the NYISO was unable to obtain the necessary approval from its stakeholder Management Committee to submit tariff revisions to establish an implementation mechanism for the Transmission Owners' ROFR for its Public Policy Process. The NYISO, therefore, submitted an FPA Section 206 complaint in 2021 arguing that its OATT was unjust and unreasonable without a mechanism to effectuate the Transmission Owners' ROFR Rights and proposing tariff revisions specific to the Public Policy Process to implement them.[398] The Commission granted the complaint and accepted the NYISO's proposed tariff revisions.[399] The NYISO subsequently obtained stakeholder approval, without opposing votes, to file tariff revisions to incorporate ROFR implementation requirements in its Reliability Planning Process, Short-Term Reliability Process, and Economic Planning Process and to establish related requirements for certain Network Upgrade Facilities identified through the NYISO's Transmission Interconnection Procedures. The Commission accepted these implementation requirements for the remainder of the NYISO's transmission planning processes and its Transmission Interconnection Procedures.[400]

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[395] *N.Y. Indep. Sys. Operator, Inc.,* 175 FERC ¶ 61,038 at P 39 (2021).

[396] *Id.* at PP 33-34.

[397] *Id.* at P 41.

[398] *See N.Y. Indep. Sys. Operator, Inc.,* Section 206 Filing of Tariff Revisions to Implement the New York Transmission Owners' Right of First Refusal Regarding Upgrades to Their Transmission Facilities Identified in the Public Policy Transmission Planning Process, Docket No. EL22-2-000 (filed Oct. 8, 2021).

[399] *See N.Y. Indep. Sys. Operator, Inc.,* 178 FERC ¶ 61,179 (2022) ("Public Policy ROFR Order") (finding that the NYISO made the necessary showing under its Section 206 filing that its OATT was unjust and unreasonable and accepting revisions to the Public Policy Process to implement a Transmission Owner's federal ROFR to build an upgrade to its existing transmission facilities that are part of another Developer's Order No. 1000 Public Policy Transmission Project).

[400] *N.Y. Indep. Sys. Operator, Inc.,* Letter Order, Docket Nos. ER25-3361-000 and ER25-3361-001 (Dec. 9, 2025) (accepting revisions to establish the rules by which a Transmission Owner in New York can exercise a federal ROFR regarding upgrades to its existing transmission facilities identified in NYISO's Reliability Planning Process, Short-Term Reliability Process, and Economic Planning Process).

ii. Proposed Tariff Requirements

The NYISO proposes to incorporate in its Long-Term Transmission Planning Process the same mechanism used for its Public Policy Process for a Transmission Owner to implement a federal ROFR for Long-Term Transmission Upgrades. These upgrades are "[a]ny portion(s) of a Long-Term Transmission Project that satisfies the definition of upgrade in Section 31.1.10.4 of this Attachment Y."[401] The Transmission Owners possess the same reserved rights as for the NYISO's other transmission planning processes to build, own, and recover the costs for upgrades to their facilities that are, or are a part of, a proposed Long-Term Transmission Project that is selected by the NYISO.[402] It is, therefore, necessary, appropriate, and consistent with Order No. 1920 and the aforementioned precedent for the NYISO to include the same New York-specific ROFR provisions in this compliance filing.[403] The proposed process uses similar requirements to those in its reliability, economic, and public policy process which the NYISO has implemented and allows consistent treatment across its transmission planning processes. The NYISO also proposes to use the same ROFR implementation requirements for Right-Sized Replacement Transmission Facilities that are, or are a part of, a Long-Term Transmission Project selected by the NYISO.

iii. Classification of Transmission Facilities

The NYISO proposes the following requirements concerning how it will classify transmission facilities that are part of proposed Long-Term Transmission Projects for purposes of applying the ROFR requirements. First, the NYISO proposes that the Developer must identify as part of its submission of project information for its Long-Term Transmission Project any Long-Term Transmission Upgrades or any Right-Sized Replacement Transmission Facilities that are, or are a part of, the proposed project.[404]

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[401] Proposed OATT Attach. Y § 31.1.1 (definition of Long-Term Transmission Upgrade). This is consistent with the upgrade term used for the NYISO's other transmission planning processes and consistent with the Commission's definition in Order No. 1000-A.

[402] The Commission has previously stated that "the lack of clear rules implementing [Transmission Owners'] federal ROFRs for upgrades to their own existing transmission facilities in NYISO's Order No. 1000 Process in its OATT is unjust and unreasonable and will likely result in disputes at the Commission and in court, which will cause delays and potentially harm competitive transmission development in New York." Public Policy ROFR Order at P 50. Further, the Commission has determined that the "NYISO's Order No. 1000 Process in its OATT is unjust and unreasonable absent a mechanism for the [Transmission Owners] to exercise their right to implement a federal ROFR for upgrades to their own existing transmission facilities that are included in a Developer's Public Policy Transmission Project." *Id.*

[403] The NYISO believes it is appropriate to include these requirements for purpose of establishing a Long-Term Transmission Planning Process that addresses the ROFR requirements in Order No. 1920 and the prior Order No. 1000 requirements. However, if the Commission were to disagree, the NYISO requests that the Commission determine that these requirements are consistent with or superior to the Order No. 1920 requirements for NYISO-specific circumstances. As described in the filing letter, the NYISO's proposed requirements are necessary to implement Transmission Owners' ROFR concerning Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities in the NYISO's Long-Term Transmission Planning Process. The absence of such rules will result in disputes and delays concerning the implementation of ROFRs in the NYISO's process that will impede the ability of the process to achieve the Order No. 1920 objectives.

[404] Proposed OATT Attach. Y §§ 31.6.9.5.1.1(3), 31.6.9.5.1.2.

Second, the NYISO proposes that within 180 calendar days of the conclusion of the solicitation period, the NYISO will post a list of facilities that make up the proposed Long-Term Transmission Projects.[405] The list will: (i) describe which facilities are new transmission facilities, Long-Term Transmission Upgrades, and Right-Sized Replacement Transmission Facilities, and (ii) specify the Transmission Owner that owns the existing transmission facility that would be modified by an identified Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, to the extent such information is available.[406] An interested party may dispute the NYISO's classification of the facility type within 20 calendar days, which notice will be posted on the NYISO's website.[407] The dispute may be addressed through the NYISO's governance procedures or through dispute resolution.[408] The NYISO will post a final list classifying the transmission facilities no later than its posting of the draft Long-Term Transmission Planning Report, noting any pending disputes.[409]

iv. Preliminary Identification of Designated Long-Term Transmission Project and Designation of Designated Entities

The NYISO proposes to include in the draft Long-Term Transmission Planning Report a breakdown of the transmission facilities that make up the Long-Term Transmission Project recommended for selection (i.e., the new transmission facilities, Long-Term Transmission Upgrades, or Right-Sized Replacement Transmission Facilities).[410] Based on this classification, the draft report will also preliminarily identify the Designated Long-Term Transmission Project(s) that make up the recommended Long-Term Transmission Project and the Designated Entity responsible for each Designated Long-Term Transmission Project.[411] That is, the Developer that proposed the project will be identified as the Designated Entity that is responsible for and has the right to build, own, and recover the costs of the new transmission facilities that do not meet the definition of a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility.[412] If any of the project facilities are a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, the Transmission Owner owning the existing transmission facility(ies) to be upgraded or right-sized will be preliminarily identified as the Designated Entity for that applicable facility, which shall constitute a separate Designated Long-Term Transmission Project.[413]

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[405] *Id.* § 31.6.9.6. The NYISO proposes that, upon its request, a Transmission Owner will promptly provide it with the system information it requires to develop this list. *Id.*

[406] *Id.* § 31.6.9.6. The list will also include for informational purposes potential interconnection facilities identified in Developer's submission. *Id.* § 31.6.9.6.

[407] *Id.* § 31.6.9.6.

[408] Proposed OATT Attach. Y § 31.6.9.6.

[409] *Id.* § 31.6.9.6.

[410] *Id.* § 31.6.11.2.3.

[411] *Id.* §§ 31.1.1 (definitions of Designated Entity and Designated Long-Term Transmission Project), 31.6.11.1.2, 31.6.11.2.3.

[412] *Id.* § 31.6.11.2.3. If more than one Developer jointly proposes the Long-Term Transmission Project, they will collectively be the Designated Entity and jointly and severally responsible for the completion of the project. *Id.* § 31.6.11.2.3.

[413] Proposed OATT Attach. Y § 31.6.11.2.3. The NYISO will group components into Designated Long-Term Transmission Projects based on the entity that will be responsible for developing, constructing, financing,

v. Finalization of Designated Long-Term Transmission Project and Designation of Designated Entities

The NYISO proposes that, within 30 days following the posting of a Long-Term Transmission Planning Report approved by the NYISO Board that selects a Long-Term Transmission Project, a Transmission Owner that has been identified as a Designated Entity for a Designated Long-Term Transmission Project that contains Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities proposed by another Developer must provide notice to the NYISO if it does not intend to exercise its ROFR to be the Designated Entity and to build, own, and recover the costs of one or more of the facilities.[414] If the Transmission Owner provides the NYISO with notice declining to be the Designated Entity for one or more facilities, the Developer that proposed the selected Long-Term Transmission Project will be the Designated Entity for those facilities, which will be incorporated into its Designated Long-Term Transmission Project.[415] If a Transmission Owner does not take action within the 30 day period, it will be Designated Entity for the one or more Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities identified for its Designated Long-Term Transmission Project.[416] At the conclusion of this notification period, the NYISO will post a final list on its website of the Designated Entities and associated Designated Long-Term Transmission Projects identified in the final Long-Term Transmission Planning Report.[417] Each Designated Entity will be responsible for its Designated Long-Term Transmission Project, including entering into a Development Agreement with the NYISO concerning such project.[418]

vi. Designated NUFs Identified in Transmission Interconnection Procedures

The NYISO's Transmission Interconnection Procedures establish its requirements concerning the interconnection of Transmission Projects to the New York State Transmission System. Pursuant to these requirements, the NYISO will identify any Network Upgrade

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owning, operating, and maintaining the facility(ies). For example, if the selected Long-Term Transmission Project does not contain any Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities, then there would only be one Designated Long-Term Transmission Project. If a non-incumbent transmission developer proposes a regulated transmission solution that contains an entirely new transmission facility and a Long-Term Transmission Upgrade or a Right-Sized Replacement Transmission Facility, then there would be two Designated Long-Term Transmission Projects—one made up of the entirely new transmission facility and the other being the Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility. If an incumbent transmission developer (i.e., a Transmission Owner that proposes modifications to its existing transmission facilities) proposes, as a Long-Term Transmission Project, both entirely new transmission facilities and Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities for its own existing transmission facilities, then the NYISO will group all of the facilities into a single Designated Long-Term Transmission Project for which the Transmission Owner is identified as the Designated Entity.

[414] Proposed OATT Attach. Y § 31.6.11.5.

[415] *Id.* § 31.6.11.5.

[416] *Id.* § 31.6.11.5.

[417] *Id.* § 31.6.11.5.

[418] *Id.* §§ 31.6.11.5, 31.6.12.2. The Developer of the selected project is not required to provide a Designated Entity of part of the project with any additional information or resources other than the information included with its project proposal that is not Confidential Information. *Id.* § 31.6.12.1.

Facilities ("NUF") required for the reliable interconnection of the project. If a Network Upgrade Facility: (i) is identified for a Transmission Project that is, or is a part of a, transmission project triggered, selected, or approved, as applicable, in the NYISO's reliability, economic, or public policy transmission planning process and (ii) satisfies the definition of an "upgrade" as set forth in Section 31.1.10.4 (previously 31.6.4) of Attachment Y of the NYISO OATT, the applicable Connecting Transmission Owner or Affected Transmission Owner would build and own the Network Upgrade Facility, as well as be eligible to fund and allocate and recover the costs of such Network Upgrade Facility in the same manner as for the underlying transmission project triggered, selected, or approved, as applicable, in a NYISO transmission planning process.[419] If the Transmission Owner does not decline its eligibility to fund and to allocate and recover the costs of such Network Upgrade Facility within tariff-prescribed timeframes, the Transmission Owner will be the Designated Entity responsible for building, funding, owning, and recovering the costs of the Designated Network Upgrade Facility and the Designated Network Upgrade Facility would be addressed in a Development Agreement with the NYISO.[420]

The NYISO proposes to also apply these requirements concerning Network Upgrade Facilities in its Transmission Interconnection Procedures to transmission projects selected in its new Long-Term Transmission Planning Process.[421] That is, if a Network Upgrade Facility is required for the reliable interconnection of a Transmission Project that is, or is a part of, a transmission project selected in the Long-Term Transmission Planning Process and that satisfies the definition of an "upgrade" in Section 31.1.10.4, the applicable Connecting Transmission Owner or Affected Transmission Owner would be eligible to fund and allocate and recover the costs of such Network Upgrade Facility in the same manner as for the underlying transmission project selected in the Long-Term Transmission Planning Process. The NYISO's proposed revisions provide for a consistent application of the requirements for Network Upgrade Facilities across its transmission planning processes. The NYISO also proposes conforming revisions in its Long-Term Transmission Planning Process requirements to account for Designated Network Upgrade Facilities, including in its requirements concerning entering into a Development Agreement, obtaining necessary authorizations, and cost allocation and cost recovery.[422] These requirements are consistent with the requirements for its other transmission planning processes.

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[419] *See* OATT Attach. P § 22.9.6.

[420] *See id.* § 22.9.6. If the applicable Transmission Owner provides timely notice declining such responsibility and eligibility, the Transmission Owner will be responsible for constructing, owning, maintaining, and operating the Network Upgrade Facilities, while the Transmission Developer must post Security and reimburse the Transmission Owner the actual costs of the facility(ies). *Id.* The Transmission Developer and Transmission Owner will address the terms concerning the construction and payment for these Network Upgrade Facilities in a Transmission Project Interconnection Agreement or a construction agreement, as applicable. *Id.*

[421] Proposed OATT Attach. P §§ 22.1, 22.5.4.2, 22.9.6, Attach. Y § 31.1.1 (definition of Designated Network Upgrade Facilities).

[422] Proposed OATT Attach. Y §§ 31.6.11.1.3, 31.6.12.1, 31.6.12.2. The Connecting Transmission Owner and Affected System Operators identified in the Transmission Interconnection Procedures are required to act in good faith in timely performing their obligations that are required for the Designated Entity to satisfy its obligations under its Development Agreement. *Id.* § 31.6.12.2.

F. Selection Determination of More Efficient or Cost-Effective Long-Term Transmission Project

i. Order No. 1920 Requirements

Order No. 1920 requires that the transmission provider be responsible for making the selection decision in Long-Term Regional Transmission Planning.[423] The transmission provider must designate a point in the evaluation process at which it will determine whether to select or not select Long-Term Regional Transmission Facilities in the regional transmission plan for purposes of cost allocation.[424] The transmission provider's evaluation of transmission facilities must culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular Long-Term Regional Transmission Facility was selected or not selected.[425] The transmission provider must make transparent the methods that it used to analyze the Long-Term Regional Transmission Facilities that would resolve the needs, and the benefits of those Long-Term Regional Transmission Facilities for purposes of selection.[426] The transmission provider's determination must include the estimated costs and measured benefits for each alternative Long-Term Regional Transmission Facility considered in the Long-Term Regional Transmission Planning process, whether or not the transmission facility is selected.[427] Finally, the order indicated that a transmission provider that complies with the order's requirements concerning evaluation and selection has flexibility to determine how it will evaluate whether Long-Term Regional Transmission Facilities more efficiently or cost-effectively address Long-Term Transmission Needs.[428]

ii. NYISO's Proposed Selection Requirements

The NYISO proposes to establish a selection process for its Long-Term Transmission Planning Process that is consistent with the selection requirements in its Public Policy Process, with limited modifications to address Order No. 1920 directives. The NYISO's proposed selection process is an open and transparent process that fully complies with Order Nos. 1920 and 1000. Pursuant to its proposal, the NYISO will be the responsible party for identifying the Long-Term Transmission Project, if any, that is the more efficient or cost-effective transmission solution to satisfy a Long-Term Transmission Need.[429]

As described in Part VII.D.iii, for purposes of determining the more efficient or cost-effective Long-Term Transmission Project, the NYISO proposes to assess each proposed transmission project's performance across the seven benefit metrics identified in Order No. 1920.

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[423] Order No. 1920 at PP 925, 1001.

[424] *Id.* at PP 916, 955. Order No. 1920 does not require that the transmission provider select any particular Long-Term Regional Transmission Facilities – even where a particular transmission facility meets the selection criteria in its OATTs. Rather, the transmission provider must adopt an evaluation process and selection criteria that meet the order's requirements. *Id.* at PP 916, 955, 1023, 1026; Order No. 1920-A at P 468.

[425] Order No. 1920 at P 954.

[426] *Id.* at P 956.

[427] *Id.* at PP 954, 966, 969.

[428] *Id.* at P 958.

[429] Proposed OATT Attach. Y § 31.6.11.1.1.

In addition, the NYISO proposes to also assess all of the proposed transmission projects (or a subset based on their performance) across: (i) a broad range of additional cost-based metrics (*e.g.,* capital cost estimates, cost per MW ratio) and non-cost-based metrics (*e.g.,* performance, operability, and expandability of the project), (ii) any additional metrics identified by the NYISO, in consultation with the NYDPS and stakeholders, and (iii) any metrics provided by the NYPSC when identifying the Long-Term Transmission Need. Consistent with its evaluation and selection process across its transmission planning processes, the NYISO proposes to perform its evaluation and make a selection decision based on the totality of the projects' performance across all of the applied metrics.[430] The NYISO's extensive evaluation processes and criteria concerning project costs, design, performance, and benefits and its assessment of the totality of projects' performance across such metrics combine to ensure that the NYISO's evaluation and selection process for purposes of identifying the more efficient or cost-effective transmission solution will maximize benefits accounting for cost over time without over-building transmission facilities. As described below, the NYISO proposes to detail its analyses, including the estimated costs and measured benefits of the proposed projects, in materials reviewed with, and subject to comment by, stakeholders, including in the draft Long-Term Transmission Planning Report.

iii. Long-Term Transmission Planning Report

The NYISO proposes to summarize the proposed projects and the results of its analyses for the Long-Term Transmission Selection Process in a Long-Term Transmission Planning Report, which draft report will be subject to review by interested parties, stakeholders, the NYDPS, and the NYISO's independent Market Monitoring Unit and to review and approval by the NYISO Board as described below.[431] This report is consistent with the final reports developed for the NYISO's Public Policy Process, as revised to account for the process elements included in response to Order No. 1920 (e.g., information concerning any Alternative Transmission Technologies, Right-Sized Replacement Transmission Facilities, and Voluntary Funding Arrangements).

Consistent with the requirements in Order Nos. 1000 and 1920, the report, along with the stakeholder review process, provides detailed information to stakeholders and interested parties that make clear why a particular Long-Term Transmission Project was selected or not selected. This includes describing the approach the NYISO used in analyzing the proposed solutions and the estimated costs and benefits of those solutions as determined through the application of the benefit metrics and the additional qualitative and quantitative metrics that were applied. The

[430] *See* Order No. 1920 at PP 964, 969.

[431] The NYISO proposes to define the Long-Term Transmission Planning Report, consistent with the similar reports for its other transmission planning processes, as: "[t]he report approved by the ISO Board of Directors on the ISO's evaluation of all Long-Term Transmission Projects and Other Long-Term Projects proposed to satisfy an identified Long-Term Transmission Need pursuant to Section 31.6.10; the ISO's selection of a proposed Long-Term Transmission Project, if any, that is the more efficient or cost effective transmission solution to the identified Long-Term Transmission Need pursuant to Section 31.6.11; and the ISO's designation of a Designated Entity or Designated Entities to be responsible for developing the Designated Long-Term Transmission Project(s) that compose the selected Long-Term Transmission Project." Proposed OATT Attach. Y § 31.1.1.

NYISO will also make available to any interested party reasonable information to replicate the results of the draft Long-Term Transmission Planning Report.[432]

Specifically. following its evaluation of proposed Long-Term Transmission Projects and its assessment of the viability and sufficiency of Other Long-Term Projects, the NYISO proposes to prepare the draft Long-Term Transmission Planning Report, which will be posted for review and comment by stakeholders and other interested parties as described below.[433] The report will identify the information and sources relied upon by the NYISO, describe the NYISO's assumptions, inputs, methodologies, state the results of its analyses, and reflect input from the NYDPS.[434] Except as provided for in the confidentiality requirements, the NYISO proposes that the report include:

- the list of Developers and their proposed Long-Term Transmission Projects and Other Long-Term Projects;
- the Long-Term Transmission Project, if any, that NYISO staff recommends for selection as the more efficient or cost-effective transmission solution to satisfy the identified Long-Term Transmission Need;
- the findings of the Viability and Sufficiency Assessment for the proposed Other Long-Term Projects;
- the list of the facilities as classified by the NYISO that make up the proposed Long-Term Transmission Projects (i.e., new transmission facilities, Long-Term Transmission Upgrades, and Right-Sized Replacement Transmission Facilities); the preliminary identification of the Designated Long-Term Transmission Projects that make up the Long-Term Transmission Project recommended for selection, and the related Designated Entities, as further described in Part VII.E;
- the total amount of Included Capital Costs and any cost sharing percentage contained in any Cost Cap proposed by a Developer;
- a description of any Voluntary Funding Arrangement proposed by a Developer;
- a description of any Alternative Transmission Technologies that Developers propose to include as part of their Long-Term Transmission Projects, along with a summary of any Developers' explanations of their determination not to propose Alternative Transmission Technologies;
- the date by which the Long-Term Transmission Project must be in-service to address the Long-Term Transmission Need, which date is either (i) prescribed by the NYPSC order identifying the transmission need or in a subsequent order, or (ii) if not included in the order, the date proposed by the Developer and accepted by the NYISO, which date may

[432] Proposed OATT Attach. Y § 31.6.11.3. The information made available will be electronically masked and made available pursuant to a process that the NYISO reasonably determines is necessary to prevent the disclosure of any Confidential Information or CEII.

[433] Proposed OATT Attach. Y § 31.6.11.2.

[434] *Id.*

be part of the project proposal or such other date accepted by the NYISO as reasonable in light of the transmission need;[435] and

- the results of the NYISO's analysis of the Long-Term Transmission Project in comparison to local solutions.[436]

iv. Stakeholder Review and Board Action on Draft Report and Recommended Selection Determination

The NYISO proposes to establish requirements for stakeholder and Board review and action that are consistent with the requirements for its Public Policy Process. Pursuant to this process, the NYISO will submit the draft Long-Term Transmission Planning Report to both the TPAS and ESPWG for stakeholder review and comment.[437] At the same time, the NYISO will provide the draft report to its independent Market Monitoring Unit for its review and consideration of the impacts on the NYISO-administered wholesale markets of the Long-Term Transmission Project recommended for selection.[438] Following the completion of the review at TPAS and ESPWG, the NYISO will forward the draft report reflecting stakeholder input to the BIC and the MC for discussion and an advisory vote.[439]

Following the MC advisory vote, the NYISO proposes to forward the draft report, with BIC and MC input, to the NYISO Board for review and action.[440] Concurrently, the Market Monitoring Unit will provide the results of its review described above to the Board. The Board may approve the Long-Term Transmission Planning Report as submitted or propose modifications on its own motion, including a determination not to select a Long-Term Transmission Project to satisfy a Long-Term Transmission Need.[441] If any changes are proposed by the Board, the revised report will be returned to the MC for comment. The Board will not make a final determination on a revised report until it has reviewed the MC's comments, including comments regarding the Market Monitoring Unit's review.[442] Upon approval by the Board, the NYISO will post the final report on its website. If the Board determines not to select a Long-Term Transmission Project, the Board shall state the reasons for its determination.[443]

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[435] The in-service date for a selected Long-Term Transmission Project applies to all Designated Long-Term Transmission Projects that make up the selected project. The NYISO may also include in the report specific dates by which one or more of the Designated Long-Term Transmission Projects must be in service for the selected Long-Term Transmission Project to meet the overall in-service date. Proposed OATT Attach. Y § 31.6.11.2.4.

[436] Proposed OATT Attach. Y §§ 31.6.11.2.2. 31.6.11.2.3, 31.6.11.2.4, 31.6.11.2.5.

[437] *Id.* § 31.6.11.3.

[438] *Id.*; proposed Services Tariff § 30.4.6.8.7. The Market Monitoring Unit will provide the results of its review to the Management Committee prior to the Management Committee's advisory vote. *Id.*

[439] Proposed OATT Attach. Y § 31.6.11.3.

[440] *Id.* § 31.6.11.4.

[441] *Id.* § 31.6.11.4.

[442] *Id.* § 31.6.11.4.

[443] *Id.* § 31.6.11.4.

G. Cost Allocation Breakdown

Order No. 1920 requires that, once a transmission provider makes a selection decision and, if a State Agreement Process is used, once a cost allocation method is agreed upon, the transmission provider must make available, on a password-protected portion of OASIS or other password-protected website, a breakdown of how those estimated costs will be allocated, by zone and a quantification of those estimated benefits as imputed to each zone, as such benefits can be reasonably estimated.[444]

As described in Part X, the NYISO proposes to use a State Agreement Process with certain requested variations to determine the cost allocation methodology for a selected Long-Term Transmission Project. The NYISO proposes that following the later in time of: (i) the expiration of the deadlines by which the NYPSC or a Designated Entity can propose an alternative cost allocation methodology and (ii) the Commission's final determination concerning a proposed alternative cost allocation methodology, the NYISO will post a cost allocation breakdown on its website. The NYISO's proposed timeframe will enable the NYISO to develop the breakdown using either the Commission's accepted cost allocation methodology applicable to the project or, if the Commission has not accepted an alternative methodology, the default load ratio share methodology. The breakdown will indicate how the estimated costs that the NYISO used in the selection of the Long-Term Transmission Project will be allocated by Load Zone and a quantification of those estimated benefits, as such benefits can be reasonably estimated or allocated. The NYISO requests a consistent with or superior to variation to provide that the breakdown will only quantify benefits by Load Zone to the extent they can be reasonably estimated "or allocated." For example, certain qualitative benefits, such as operability, have system-wide impacts that cannot be easily broken down by Load Zone.

H. Post-Selection Process Requirements

The NYISO proposes to establish certain requirements that the Designated Entity(ies) must satisfy following the NYISO's selection of a Long-Term Transmission Project and the posting of the final list of the Designated Entities and Designated Long-Term Transmission Project for the selected project. As Order No. 1920 does not detail post-selection requirements (except regarding reevaluation), the NYISO requests a consistent with or superior variation to include such requirements for its Long-Term Transmission Planning Process. The proposed requirements are necessary for purposes of implementing and monitoring the selected projects and are consistent with the related requirements in the NYISO's other transmission planning processes, with certain variations to account for differences in the Long-Term Transmission Planning Process. The absence of these requirements could impede the development of such projects and their consistency with the proposal that was evaluated and selected. It is therefore appropriate to include them in this compliance filing.

[444] Order No. 1920-A at PP 450, 773.

i. Required Governmental Authorizations

The NYISO proposes to require that each Designated Entity submit its Designated Long-Term Transmission Project to the appropriate governmental agency(ies) and/or authority(ies) to begin the necessary approval process to site, construct, and operate the facilities.[445] The NYISO proposes to then post on its website a list of all entities that have accepted the terms and conditions of, as applicable, the Article VII or VIII certificate under New York Public Service Law, or any successor statute, or any other applicable permits to build a Designated Long-Term Transmission Project.[446]

If the appropriate federal, state or local agency(ies) either rejects a necessary authorization, or approves and later withdraws authorization, the NYISO proposes that the Designated Entity may recover all of the necessary and reasonable costs incurred and commitments made up to the final federal, state or local regulatory decision, including reasonable and necessary expenses incurred to implement an orderly termination of the project, to the extent permitted by the Commission in accordance with its regulations on abandoned plant recovery.[447] In such case, the NYISO proposes to allocate the cost among Load Serving Entities using the default load ratio share methodology, except as otherwise determined by the Commission.[448] These requirements, including the cost recovery requirements, are consistent with the NYISO's other transmission planning processes.[449] The NYISO proposes to use the default load ratio share methodology for such cost recovery, unless otherwise determined by the Commission, as the Designated Entity's failure to obtain the required authorizations may precede the identification of an alternative cost allocation methodology in the NYISO's cost allocation process for Long-Term Transmission Needs.

ii. Execution of Operating Agreement

Order No. 1000 required public utility transmission providers to have a "clear enrollment process" for entities, including non-public utility transmission providers, that seek to become part of the transmission planning region.[450] In response, the NYISO established requirements in its OATT by which an entity could become a Transmission Owner under its Tariffs.[451] As part of these requirements, the NYISO requires that, prior to energizing its designated transmission project, the Designated Entity execute, as applicable, the *Agreement Between the New York Independent System Operator and Transmission Owners* ("NYISO/TO Agreement") or, for non-incumbent transmission owners, the *pro forma* Form of Operating Agreement located in Section 31.11 of Attachment Y to the OATT. The NYISO proposes to include requirements in its Long-

[445] Proposed OATT Attach. Y §§ 31.6.11.1.4, 31.6.12.1.
[446] *Id.* § 31.6.12.5.
[447] *Id.* § 31.6.12.1.
[448] *Id.* § 31.6.12.1.
[449] *See, e.g.,* OATT Attach. Y §§ 31.2.8.1.2, 31.2.8.1.3, 31.2.8.1.4, 31.2.8.2.5, 31.2.8.2.6, 31.3.2.6.1, 31.3.2.6.1.
[450] Order No. 1000-A at P 275.
[451] OATT Attach. Y § 31.1.7.

Term Transmission Planning Process that reference these requirements to execute an operating agreement with the NYISO.[452]

iii. Development Agreement

As part of its compliance with Order No. 1000, the NYISO established requirements for a Developer to enter into a development agreement with the NYISO concerning the development of a selected transmission project to address a Reliability Need or a Public Policy Transmission Need. The purpose of the development agreement is to provide the NYISO with a mechanism for ensuring that a transmission project selected in one of its transmission processes will be constructed and placed in-service in time to satisfy the identified transmission need. Without the agreement, the Developer of the selected transmission project would not be contractually obligated to timely develop and construct its project. The agreement bridges the gap between the NYISO's tariff requirements for the selection of the project and the Developer turning over operational control of the completed transmission facilities to the NYISO in accordance with an operating agreement that the Developer enters into with the NYISO.

In the NYISO's Order No. 1000 compliance proceeding, the Commission directed the NYISO to include *pro forma* development agreements for its Reliability Planning Process and its Public Policy Process in its OATT.[453] The NYISO filed both *pro forma* agreements,[454] which were accepted by the Commission.[455] The NYISO subsequently filed, and the Commission accepted,[456] a *pro forma* development agreement for Designated Entity(ies) for an approved Regulated Economic Transmission Project in its Economic Planning Process.[457] The three *pro forma* development agreements are substantially similar to each other with a small number of differences to reflect the different purposes and procedures of the three transmission planning processes.

The NYISO proposes to require a Designated Entity of a Designated Long-Term Transmission Project that is, or is a part of, a selected Long-Term Transmission Project to enter into a development agreement with the NYISO.[458] In addition, the NYISO proposes to establish a new *pro forma* Long-Term Transmission Planning Process Development Agreement, which will be located in Section 31.9 (Appendix F) of Attachment Y of the OATT ("Development Agreement"). As with the NYISO's existing transmission planning processes, the Development Agreement is necessary to ensure that a Long-Term Transmission Project is constructed in line with the project proposal selected by the NYISO and provides a contractual mechanism for

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[452] Proposed OATT Attach. Y § 31.6.12.3. *Cf.* OATT Attach. Y § 31.4.12.4 (for Public Policy Process).

[453] *See N.Y. Indep. Sys. Operator, Inc.,* 151 FERC ¶ 61,040 at P 23 (2015) (directing NYISO to *file pro forma* development agreement for Commission review); *N.Y. Indep. Sys. Operator, Inc.,* 153 FERC ¶ 61,341 at P 19 (2015) (directing NYISO to file a pro forma development agreement for its Public Policy Process).

[454] OATT Attach. Y § 31.7 Appendices C and D (relabeled D-1).

[455] *See N.Y. Indep. Sys. Operator, Inc.,* 153 FERC ¶ 61,341 (2015); *N.Y. Indep. Sys. Operator, Inc.,*162 FERC ¶ 61,107 (2018); *N.Y. Indep. Sys. Operator, Inc.,* Letter Order, Docket Nos. ER13-102-012, -013, -014 (June 5, 2018).

[456] *See N.Y. Indep. Sys. Operator, Inc.,* Letter Order, Docket No, ER25-3361-000, -001 (Dec. 9, 2025).

[457] OATT Attach. Y § 31.7 Appendix E (relabeled D-2).

[458] Proposed OATT Attach. Y §§ 31.1.1 (definition of Development Agreement), 31.6.12.2.

implementing the NYISO's tariff procedures for selected projects, including the reevaluation requirements adopted in response to Order No. 1920.

a. Process for Entering into Development Agreement

The NYISO proposes to establish requirements in its new Long-Term Transmission Planning Process for it and a Designated Entity to negotiate and enter into a Development Agreement. The proposed process is consistent with the NYISO's existing requirements for entering into a development agreement for transmission projects in its reliability, economic, and public policy transmission planning processes.[459] The NYISO has used this process in executing multiple Development Agreements for selected Public Policy Transmission Projects since 2018.[460]

The NYISO's proposed process provides that it will tender to each Designated Entity a draft Development Agreement and appendices as soon as reasonably practicable after its posting of the list of the Designated Entity and Designated Long-Term Transmission Projects.[461] The parties must negotiate and execute the agreement within three months unless otherwise agreed by the parties.[462] The process also establishes the method by which the NYISO will file a non-conforming or unexecuted agreement with the Commission.[463] Upon the execution or filing of an unexecuted version of the agreement, the NYISO and Designated Entity will perform their respective obligations under the agreement that are not in dispute.[464]

b. Development Agreement

The NYISO proposes to include a *pro forma* Development Agreement for the Long-Term Transmission Planning Process in Attachment Y to govern the development and construction of Designated Long-Term Transmission Projects.[465] The Development Agreement is modeled on

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[459] *Cf.* OATT Attach. Y §§ 31,2.8.1.6, 31.3.2.6.2, 31.4.12.2.

[460] *See, e.g., N.Y. Indep. Sys. Operator, Inc.,* Filing of an Executed Development Agreement Among the New York Independent System Operator, Inc. and New York Power Authority and New York Transco LLC; Request for Waiver of the 60-Day Notice Period, Docket No. ER24-2165-000 (filed May 31, 2024); *N.Y. Indep. Sys. Operator, Inc,* Filing of an Executed Development Agreement Among the New York Independent System Operator, Inc. and Long Island Lighting Company d/b/a LIPA; Request for Waiver of the 60-Day Notice Period, Docket No. ER24-2820-000 (filed Aug. 21, 2024). The process is also similar to the process used for executing interconnection agreements, which process served as the basis when the NYISO originally proposed it for the Reliability Planning Process and Public Policy Process. *See N.Y. Indep. Sys. Operator, Inc.,* Proposed Tariff Revisions Regarding Public Policy Process, Docket No. ER16-966-000 at 8 (filed Feb. 18, 2016).

[461] Proposed OATT Attach. Y § 31.6.12.2.

[462] *Id.* The NYISO and Designated Entity are responsible for developing the description and dates for the milestones necessary to develop and construct the Designated Long-Term Transmission Project by the required in-service date for the selected Long-Term Transmission Project, including the milestones for obtaining all necessary authorizations and in coordination with the other Designated Long-Term Transmission Project for the selected project to the extent feasible. *Id.* Any milestones that require action by another Designated Entity, a Connecting Transmission Owner, or an Affected System Operator must be included as an Advisory Milestone in the Development Agreement. *Id.*

[463] Proposed OATT Attach. Y § 31.6.12.2.

[464] *Id.* § 31.6.12.2.

[465] *Id.* § 31.9.

and substantially similar to the *pro forma* development agreement for the Public Policy Process. The limited differences between the *pro forma* agreements reflect the different terms, purposes, and procedures of the Long-Term Transmission Planning Process and the Public Policy Process. These differences are illustrated in a blacklined versions of the two agreements included as Attachment XIV and described below.

1) Long-Term Transmission Planning Process Scope and Terminology

The Development Agreement will apply to a Designated Entity of a Designated Long-Term Transmission Project that is, or is a part of, a selected Long-Term Transmission Project. The Development Agreement replaces terminology related to the Public Policy Process with the terminology set forth in Sections 31.1 and 31.6 of the OATT that is specific to the Long-Term Transmission Planning Process. Such terms include: Long-Term Transmission Planning Process, Long-Term Transmission Need, Long-Term Transmission Project, Designated Long-Term Transmission Project, and Long-Term Transmission Planning Process Manual.

2) Modifications to In-Service Date and Project Modifications

The NYISO's development agreements include requirements by which the NYISO will assess and determine whether to consent to a Designated Entity's requested modifications to its project or its project's in-service date. The NYISO's consent will not be unreasonably withheld, conditioned, or delayed if the Designated Entity demonstrates certain factors concerning the impacts of the modification, including that the modification will not result in a significant adverse impact to the reliability of the New York State Transmission System. The NYISO proposes to specify certain factors it may consider in determining whether to consent to a change that could have a reliability impact. Specifically, if the NYISO determines that a Designated Entity's proposed modification could result in a significant adverse impact to the reliability of the New York State Transmission System, the NYISO proposes that it may consider, among other things, in determining whether to consent to the requested change: (i) whether a mitigation plan proposed by the Designated Entity or identified by the NYISO could alleviate the identified reliability impact, and (ii) whether to proceed with the Transmission Project and to address any reliability impact that could arise through the Short-Term Reliability Process or Reliability Planning Process.[466] The proposed revisions provide the NYISO with additional flexibility and tools in addressing project modifications that may be necessary (e.g., project delays for reasons outside of the control of Designated Entity) that might otherwise require the NYISO to terminate a project that is important for New York. The NYISO proposes to further require that the parties amend the Development Agreement to incorporate the requirements of any required mitigation plan.[467]

3) Reevaluation and Project Monitoring Requirements

The NYISO proposes certain requirements in the Development Agreement to account for the reevaluation requirements in the Long-Term Transmission Planning Process. In particular,

[466] *Id.* § 31.9 (Development Agreement Articles 3.4.2, 3.5)
[467] *Id.*

the NYISO proposes to insert a new Article 3.13 to require the Designated Entity to cooperate in good faith with the NYISO concerning the performance of the Reevaluation Process and the implementation of any resulting actions, including providing the NYISO with any requested information to assist it in these processes. In addition, the NYISO proposes to revise the billing and payment requirements in Article 3.6 to establish that the Designated Entity is responsible for the costs of the study work performed by the NYISO or its subcontractors as part of the Reevaluation Process. These requirements are consistent with the Developer's cost responsibility for the study work performed to evaluate its project in the Long-Term Transmission Selection Process. The NYISO also proposes to revise the project monitoring requirements in Article 3.7 to align with the proposed project monitoring requirements for the Long-Term Transmission Planning Process, including the requirement to provide updates to stakeholders. Finally, the NYISO proposes to revise the termination provisions in Article 8.1 to account for NYISO determinations to terminate or transfer a project as a result of the Reevaluation Process, as described in Part VII.H.

4) Voluntary Funding

The NYISO proposes to include certain requirements in the Development Agreement to account for any Voluntary Funding Arrangement proposed or committed to by the Designated Entity that is applicable to the Designated Long-Term Transmission Project. As described in Part IX.B, the NYISO's proposed rules for Voluntary Funding Arrangements specify that these arrangements must be memorialized in the Development Agreement and that a Designated Entity that committed to use such an arrangement cannot seek to recover through its transmission rates filed at the Commission the costs that it has committed to recover through the Voluntary Funding Arrangement. The NYISO proposes to include these requirements in Articles 7.1 and 15.3 of the Development Agreement.[468] In Article 7.1, the Breach provisions establish that a Designated Entity's failure to comply with these Voluntary Funding Arrangements constitutes a Breach of the agreement. In Article 15.3, the Designated Entity is required to detail in Appendix E of the agreement any Voluntary Funding Arrangement that the Designated Entity committed to use, and establishes that the Designated Entity agrees to file this arrangement with the Commission and not to seek to recover through its transmission rates the costs that it has committed to recover through the arrangement.

Finally, the NYISO proposes to specify in the Mobile-Sierra clause in Article 15.3 the parties' intent to require that the "public interest" application of the just and reasonable standard be met for any changes to a Voluntary Funding Arrangement committed to be the Designated Entity.[469] The requirement in the Public Policy Process version of the agreement ensures that the Designated Entity is not able to recover costs in excess of any proposed Cost Cap, which the

[468] *See also* proposed OATT Attach. Y § 31.6.12.2 (requiring Designated Entity that proposed or committed to use a Cost Cap or Voluntary Funding Arrangement to include it in the Development Agreement).

[469] Accordingly, the Designated Entity cannot, absent the NYISO's agreement, modify pursuant to FPA Section 205, the Voluntary Funding Arrangement. In addition, the Commission could not modify, on its own motion or on the request of any entity, the Voluntary Funding Arrangement associated with implementing it in Section 15.3 pursuant to its FPA Section 206 authority unless such a modification is justified under the "public interest" application of the just and reasonable standard.

NYISO accounted for in its evaluation and selection process.[470] As modified for the Development Agreement, the provision also ensures that the Designated Entity is not able to recover through transmission rates the costs that it has committed to recover through a Voluntary Funding Arrangement, which the NYISO similarly accounted for in its Long-Term Transmission Selection Process.

5) Miscellaneous

The NYISO proposes to update tariff cites throughout the Development Agreement to reference the applicable tariff requirements for the Long-Term Transmission Planning Process in place of the related rules for the Public Policy Process. In addition, the NYISO proposes the following additional updates and corrections for the Development Agreement from the Public Policy Process version.

Article	Proposed Change
Agreement	Replace the term "ISO OATT" with "OATT" throughout the agreement.
Article 7.2	Correct "date" to "dates" as term is intended to be plural
Article 9.1	Lowercase "other" as "Other Party" is not a defined term.
Article 15.2	Include reference to engineering, procurement, and construction agreements that may be required in connection with Designated Network Upgrade Facilities identified in the NYISO's Transmission Interconnection Procedures for the interconnection of the Designated Long-Term Transmission Project.
Article 15.3	Revised description of New York siting processes to account for new Article VIII of New York's Public Service Law.

I. Reevaluation

i. Requirements for Initiating the Reevaluation Process

Order No. 1920 requires that a transmission provider establish in its OATT requirements to reevaluate a selected Long-Term Regional Transmission Facility when one of the following situations occur:

> (1) delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a transmission provider's ability to meet its reliability needs or reliability-related service obligations;[471]

[470] The NYISO detailed its justification for the inclusion of Article 15.3 in the development agreement for the Public Policy Process in a December 17, 2019, tariff filing, which justifications apply equally as it relates to Developer's proposed Voluntary Funding Arrangement. *See N.Y. Indep. Sys. Operator, Inc.,* Proposed Tariff Revisions Regarding Cost Containment in the Public Policy Transmission Planning Process, Docket No. ER20-617-000 at 22-25 (filed Dec. 17, 2019); *see also N.Y. Indep. Sys. Operator, Inc,* 170 FERC ¶ 61,098 (2020).

[471] Order No. 1920 at P 1049.

> (2) the actual or projected costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the selection of a Long-Term Regional Transmission Facility;[472] or
>
> (3) significant changes in federal, federally-recognized Tribal, state, or local laws or regulations cause reasonable concern that a previously selected Long-Term Regional Transmission Facility may no longer meet the transmission provider's selection criteria.[473]

The order requires that a transmission provider include specific criteria in its OATT for determining when one of the three situations occur.[474] The transmission provider must also designate a point in time after which a selected project is not subject to this reevaluation (e.g., when developer has secured its permits and authorizations).[475] The transmission provider has flexibility concerning this criteria provided that the reevaluation criteria seek to maximize benefits accounting for costs over time without overbuilding transmission facilities.[476] The transmission provider must perform a reevaluation due to increased costs or change in law as part of a subsequent Long-Term Regional Transmission Planning cycle following selection.[477]

The NYISO proposes to establish a Reevaluation Process as part of its Long-Term Transmission Planning Process that fully complies with the requirements in Order No. 1920.[478] This process would address the reevaluation of Long-Term Transmission Projects due to increased costs or a change in law. As described below, the NYISO proposes to address project delays that could result in reliability issues in accordance with the rules in its *pro forma* Development Agreement for reviewing proposed extensions of the project's in-service date.

The NYISO proposes to determine whether a Reevaluation Process is required for a previously selected Long-Term Transmission Project prior to the start date of a subsequent Long-Term Transmission Planning Process cycle.[479] If the NYISO determines that a Reevaluation Process is required, it will perform the process in parallel with its performance of the Outlook for that planning cycle.[480] The NYISO proposes to commence a Reevaluation Process if one of the following two situations occur.

First, the NYISO will commence reevaluation if it determines that the actual or projected costs of the Long-Term Transmission Project significantly exceed the cost estimates used in the

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[472] *Id.* at P 1049.

[473] *Id*. at P 1049. The transmission provider may only reevaluate the selected facility on this basis if, during the planning cycle in which it was selected, the facility's targeted in-service date was in the latter half of the 20-year planning horizon for that cycle. *Id.* at P 1051.

[474] *Id.* at P 1050.

[475] *Id.* at P 1050.

[476] Order No. 1920 at P 1050.

[477] *Id.* at P 1052.

[478] Proposed OATT Attach. Y §§ 31.1.1 (definition of Reevaluation Process), 31.6.13.

[479] *Id.* § 31.6.13.1.

[480] *Id.* § 31.6.13.2.1.

selection of the project.[481] As the selected project may be the responsibility of several Designated Entities, the NYISO will sum up the costs of all of the project components and any Network Upgrade Facilities and assess the project costs on a project-wide basis. As will be further detailed in its procedures, the NYISO will determine that actual or projected costs of the project "significantly exceed" the costs estimates for the project if they exceed the expected upper accuracy range of the estimated costs used by the NYISO in selecting the project.[482]

Second, the NYISO will also commence reevaluation if it becomes aware of significant changes in federal, Federally-Recognized Tribal, state, or local laws or regulations that cause reasonable concern that the previously selected Long-Term Transmission Project may no longer meet the NYISO's selection criteria.[483] A change in law will only trigger reevaluation if the in-service date that the Developer proposed for its Long-Term Transmission Project in the Long-Term Transmission Selection Process in which the project was selected was in the second half of the 20-year Study Period for that planning cycle.[484]

The NYISO also proposes to designate a point in time after which it will not commence a Reevaluation Process for a selected Long-Term Transmission Project. In particular, the NYISO will not commence a reevaluation if certain of the Designated Entities responsible for the project (as described below) demonstrates prior to the start dates of the planning cycle that either (A) it has received any required Article VII or VIII certificate under the New York Public Service Law (or any successor statute) for its portion of the project or (B) if such certificate is not required, that it has procured major equipment.[485] As the selected project may include several different components with different Designated Entities, the NYISO proposes that the above requirement apply when the Designated Entity that satisfies the requirement is either the Developer that proposed the selected project or a Designated Entity for a project component that constitutes 20% or more of the cost estimate of the selected project.[486] The NYISO would, therefore, not commence a Reevaluation Process when a core element of the project has received its state siting certificate or there has otherwise been substantial investment in the project. This constitutes a reasonable balance between being able to reevaluate projects when important conditions underlying their selection have changed and not subjecting projects that have sufficiently progressed to reevaluation and uncertainty.[487]

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[481] *Id.* § 31.6.13.1(i).
[482] *Id.* § 31.6.13.1.1.
[483] *Id.* § 31.6.13.1(ii).
[484] Proposed OATT Attach. Y § 31.6.13.1(ii).
[485] *Id.* § 31.6.13.1.2.
[486] *Id.* § 31.6.13.1.2.
[487] If the NYISO was required to commence reevaluation until all project components satisfied these requirements, the project could be subject to reevaluation well into the construction of the project, particularly if certain project components concerned work near the end of the process. Conversely, if the NYISO foreclosed the Reevaluation Process when any Designated Entity with a small project component satisfied the above requirements, it is likely that no project would ever be subject to reevaluation due to increased costs or change in law.

ii. Performance of Reevaluation Process

Order No. 1920 requires the transmission provider to include in its OATT the process and procedures that it will use to reevaluate a previously selected transmission facility.[488] The transmission provider must perform a re-evaluation that is due to increased cost or change in law as part of a subsequent Long-Term Regional Transmission Planning cycle.[489] In addition, the transmission provider must take into account not only the updated costs but also the updated benefits of the selected Long-Term Regional Transmission Facility.[490] The processes and procedures must seek to maximize benefits accounting for costs over time without over-building transmission facilities.[491]

The NYISO proposes to establish a Reevaluation Process that fully complies with Order No. 1920. The process will commence if the NYISO determines that reevaluation of a selected Long-Term Transmission Project is required due to an increase in costs or change in law as described above.[492] The NYISO will perform a Reevaluation Process in parallel with its performance of the Outlook for the Long-Term Transmission Planning Process cycle that commences after the NYISO's determination of the need for the re-evaluation.[493] The NYISO will perform the reevaluation using some or all of the Long-Term Scenarios developed for the parallel Outlook and may use additional scenarios and sensitivities.[494] The NYISO will establish an updated cost estimate of the Long-Term Transmission Project and any associated Network Upgrade Facilities and will evaluate the Long-Term Transmission Project consistent with the selection metric requirements, including the updated seven benefit metrics, for its Long-Term Transmission Selection Process.[495]

For purposes of the reevaluation, the NYISO will consider the extent to which proceeding with the Long-Term Transmission Project, or portions of the project, maximize benefits accounting for the updated cost estimates determined without over-building transmission facilities.[496] In making this determination, the NYISO may consider: (i) the benefits of the Long-Term Transmission Project, or portion of the project, accounting for any changes in costs, including any Cost Cap or Voluntary Funding Arrangement, sunk costs, and the advancement of construction activities; (ii) the causes of any cost increases to the Long-Term Transmission

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[488] Order No. 1920 at PP 1052, 1057.

[489] *Id.* at P 1052.

[490] *Id.* at PP 1052, 1059; Order No. 1920-A at P 500.

[491] Order No. 1920 at P 1052.

[492] Proposed OATT Attach. Y § 31.6.13.2.

[493] *Id.* § 31.6.13.2.1. The NYISO will notify all of the Designated Entities which projects make up the selected Long-Term Transmission Project and any additional parties responsible for associated Network Upgrade Facilities of the Reevaluation Process and will post a notice of such process on its website. *Id.* The Designated Entities and the parties responsible for the associated Network Upgrade Facilities are responsible for providing the NYISO, upon its request, with the information required for the NYISO to perform the reevaluation. *Id.*

[494] Proposed OATT Attach. Y § 31.6.13.2.2.

[495] *Id.* Consistent with its evaluation and selection requirements, the NYISO may engage an independent consultant to review the reasonableness and comprehensiveness of the information submitted by the Designated Entity(ies) and NUF Responsible Party(ies) and may rely on the independent consultant's analysis in evaluating each metric. *Id.*

[496] Proposed OATT Attach. Y § 31.6.13.2.3.

Project that resulted in the reevaluation; (iii) the status of the Designated Long-Term Transmission Project(s) obtaining any required Article VII or VIII certifications; (iv) the extent to which the Designated Long-Term Transmission Project and any associated Network Upgrade Facilities have commenced or completed construction; (v) the impact of the Long-Term Transmission Project, or portions of the project, on the reliability and operations of the New York State Transmission System; (vi) whether the Long-Term Transmission Project, or portions of the project, include Right-Sized Replacement Transmission Facilities that replace In-Kind Replacement Transmission Facilities that were intended to address transmission or distribution needs; and (vii) the impact of the Long-Term Transmission Project, or portions of the project, on the NYISO's transmission planning and transmission expansion and interconnection processes.[497] These factors will enable the NYISO to assess the updated cost and benefits of the project and the impacts of any potential modifications or terminations of the project or project components.

The NYISO proposes that it will prepare a draft written summary that describes its analysis under the Reevaluation Process, any actions that it recommends concerning the Long-Term Transmission Project or portions of the project as a result of the reevaluation, and its grounds for any recommended action.[498] The actions that the NYISO may take as a result of reevaluation are described below. The NYISO will provide the draft summary to the NYDPS and the ESPWG with an opportunity for review and comment, and the NYISO will consider any comments.[499] The NYISO Board would be responsible for approving any actions recommended by NYISO staff that would modify or terminate the selected project or a portion of the project, including any modifications to a Designated Entity.[500] The NYISO would then finalize and publish the summary on its website.[501]

iii. Project Monitoring:

Order No. 1920 requires that the transmission provider include mechanisms for tracking costs to determine if the actual or projected costs of a selected Long-Term Regional Transmission Facility exceed cost estimates by the relevant threshold.[502] The NYISO proposes to expand on the project monitoring approach used for its Public Policy Process to enable it to track project costs in its Long-Term Transmission Planning Process for purposes of its reevaluation determination and to provide additional transparency to stakeholders concerning the development of a selected project. The NYISO requests that the Commission accept the additional project monitoring requirements as consistent with or superior to variations as they

[497] *Id.*
[498] Proposed OATT Attach. Y § 31.6.13.2.4.
[499] *Id.*
[500] *Id.*
[501] *Id.* A Designated Entity or NUF Responsible Party which project component or associated Network Upgrade Facilities are impacted by the NYISO's determination in the Reevaluation Process is required to cooperate with the NYISO in making any necessary amendments to, as applicable, the Development Agreement (or an interconnection or construction agreement if required for the Network Upgrade Facilities) to implement the results of the Reevaluation Process. *Id.*
[502] Order No. 1920 at P 1052, 1058.

provide additional transparency concerning the development of the selected transmission projects consistent with the Commission's requirements for an open and transparent process.

The NYISO proposes that it will monitor the Designated Long-Term Transmission Projects that make up a selected Long-Term Transmission Project, along with associated Network Upgrade Facilities, to confirm that the projects continue to develop consistent with the conditions, actions, or schedules for the projects.[503] The NYISO proposes to include as part of this requirement that it will track the cost and schedule of the projects for purposes of its Reevaluation Process requirements, as will be further detailed in the NYISO's procedures.[504] The Designated Entity or the NUF Responsible Party,[505] as applicable, will be responsible for providing the NYISO with the information required for the NYISO to monitor its project and must provide updates to the cost estimates for its project and associated Network Upgrade Facilities within 60 days of a NYISO request.[506] In addition, if the NYISO determines that a Reevaluation Process is required for a selected Long-Term Transmission Project based on a cost increase, each Designated Entity and/or NUF Responsible Party responsible for a component of the selected project and any associated Network Upgrade Facilities will be required to present at the ESPWG the updated cost estimates for its project component and describe the grounds for any increase in its project costs.[507]

The NYISO also proposes to require that the Designated Entity of a Designated Long-Term Transmission Project and/or associated Network Upgrade Facilities or the NUF Responsible Party for associated Network Upgrade Facilities present updates to stakeholders at an ESPWG meeting at least every six months until the project or Network Upgrade Facilities commence service.[508] The presentations will address the status of the development of the project, including any changes to project information included in the final Long-Term Transmission Planning Report.[509] These proposed requirements supplement the monitoring

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[503] Proposed OATT Attach. Y § 31.6.12.4.1. *Cf.* OATT Attach. Y § 31.4.13 (public policy monitoring requirements).

[504] Proposed OATT Attach. Y § 31.6.12.4.1.

[505] For purposes of a selected Long-Term Transmission Project, a "Designated Entity" includes a Transmission Owner or a Developer (that is not a Transmission Owner) that is designated to build, own, and recover the costs for the selected Long-Term Transmission Project or a portion of that project under Attachment Y of the OATT. For purposes of Network Upgrade Facilities identified for the selected project in the NYISO's Transmission Interconnection Procedures in Attachment P of the OATT, a "Designated Entity" is a Transmission Owner that is designated to be responsible for Network Upgrade Facilities that are upgrades to its system identified for the selected transmission project in the Transmission Interconnection Procedures, and an "NUF Responsible Party" is an entity other than such Designated Entity that is responsible for Network Upgrade Facilities associated with the selected transmission project identified in the Transmission Interconnection Procedures. Proposed OATT Attach. Y §§ 31.1.1 (definition of NUF Responsible Party), 31.6.12.4.1.

[506] Proposed OATT Attach. Y § 31.6.12.4.1.

[507] *Id.* § 31.6.13.1.3.

[508] *Id.* § 31.6.12.4.2.

[509] *Id.* § 31.6.12.4.2. The NYISO will coordinate with the Designated Entity or NUF Responsible Party to schedule the presentation, which will commence following, as applicable, the selection of the Long-Term Transmission Project that includes the Designated Long-Term Transmission Project or the completion of the Facilities Study pursuant to Attachment P of the OATT for the associated Network Upgrade Facilities. *Id.* § 31.6.12.4.2.

requirements in Order No. 1920 and are superior to the order's requirements as they provide for additional transparency concerning selected Long-Term Transmission Projects.

Finally, the NYISO proposes revisions to its Transmission Interconnection Procedures in Attachment P of the OATT to provide for the monitoring of the development of the Network Upgrade Facilities associated with a transmission project. These requirements are needed to facilitate the NYISO's determination concerning whether a Reevaluation Process is required for a selected Long-Term Transmission Project and to assist project tracking. In particular, the NYISO proposes that the Transmission Developer or Designated Entity, as applicable, their respective Connecting Transmission Owner(s), and any Affected Transmission Owner(s) must report on the progress of the milestones in the interconnection agreements required for the project and in the development or construction agreements for the required Network Upgrade Facilities.[510] The relevant entity must provide such report at the completion of the first calendar quarter after the applicable agreement is tendered and the conclusion of each subsequent calendar quarter.[511] The report will be in a format consistent with, and include the content required by, the NYISO's procedures.[512] These requirements are consistent with the monitoring requirements in the NYISO's Standard Interconnection Procedures.[513] The NYISO also proposes to clarify that the same entities responsible for transmission projects being evaluated under the Transmission Interconnection Procedures that are, or are a part of, a transmission project selected, triggered, or approved in accordance with the NYISO's transmission planning processes in Attachments Y or FF of the OATT must satisfy any reporting and stakeholder update requirements in Attachments Y or FF concerning the transmission projects and Network Upgrade Facilities.[514]

iv. Addressing Reliability Issues that Could Result from Project Delays

Order No. 1920 requires the transmission provider to reevaluate a selected Long-Term Regional Transmission Facility when delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a transmission provider's ability to meet its reliability needs or reliability-related service obligations.[515] The NYISO proposes to perform this reevaluation assessment through its requirements in its Development Agreement by which it must review and consent to any requested change to a project's in-service date.

As described in Part VII.G.iii, the NYISO proposes to establish a Development Agreement form for its Long-Term Transmission Planning Process.[516] The proposed Development Agreement establishes that a Designated Entity may only modify the required in-service date for a selected Long-Term Transmission Project or Designated Long-Term

[510] Proposed OATT Attach. P § 22.11.7.
[511] *Id.*
[512] *Id.*
[513] *See* OATT Attach. HH § 40.11.6.2.
[514] Proposed OATT Attach. P § 22.11.7.
[515] Order No. 1920 at P 1049.
[516] The proposed Development Agreement is substantially similar to the related agreement for the Public Policy Process, which has similar requirements concerning modifying a project's in-service date.

Transmission Project with the NYISO's written consent.[517] The NYISO's consent to extend the in-service date will not be unreasonably withheld, conditioned, or delayed if the Designated Entity demonstrates, among other things, the proposed modified date will not result in a significant adverse impact to the reliability of the New York State Transmission System.[518] If there are significant adverse impacts on reliability, the NYISO will determine whether or not to consent to the extended date in light of the impacts on reliability. As described in Part VII.G.iii, the NYISO proposes to include additional tools for use in its consideration of whether to consent to such an extension, including, among other things, (i) whether a mitigation plan could alleviate the identified reliability impact, and (ii) whether to proceed with the project and to address any reliability impact that could arise through its reliability planning processes.[519] If the NYISO does not consent to the modified in-service date and the project is unable to meet its milestones to proceed under its existing schedule, the Designated Entity may breach the Development Agreement and be subject to default and termination.[520] In such case, the NYISO would apply the requirements described below for addressing a project which Development Agreement may be terminated.

The NYISO requests that the Commission accept this approach as consistent with or superior to the Order No. 1920 requirements.[521] The NYISO's proposed approach allows it to assess both the reliability implications of a project delay and the benefits of the project proceeding with an extended in-service date and provides the NYISO with tools to potentially alleviate or address reliability issues without having to terminate a selected project.

v. NYISO Action to Address Outcome of Reevaluation Process or Inability to Complete Project

Order No. 1920 requires that a transmission provider's processes must include the potential outcomes of reevaluation, including potential mitigation measures and the conditions under which the transmission provider would remove a previously selected transmission facility from the regional transmission plan.[522]

The NYISO's existing transmission planning processes establish requirements to address a Designated Entity's inability to complete its designated project, including what actions the NYISO may take if a project does not enter into a Development Agreement or an effective Development Agreement is terminated under the terms of the agreement.[523] The requirements

[517] Proposed OATT Attach. Y § 31.9 (Development Agreement Article 3.4.1). If the project in-service date was prescribed by the NYPSC as part of its identification of a Long-Term Transmission Need, the Designated Entity must also demonstrate that the NYPSC has issued an order modifying the prescribed date. *Id.*

[518] Proposed OATT Attach. Y § 31.9 (Development Agreement Article 3.4.2).

[519] *Id.* § 31.9 (Development Agreement Article 3.4.2).

[520] *Id.* § 31.9 (Development Agreement Articles 7.1, 7.2, 8.1).

[521] Unlike for reevaluations required for cost increases or changes in law, Order No. 1920 did not require the transmission provider to perform a reevaluation due to delays as part of a subsequent Long-Term Regional Transmission Planning cycle. *See* Order No. 1920 at P 1052.

[522] Order No. 1920 at PP 1052, 1057.

[523] *See* OATT Attach. Y §§ 31.2.10 (for Reliability Planning Process), 31.4.12.3 (for Public Policy Process) 31.5.4.7 (for Economic Planning Process).

are substantially similar across the processes, but do include certain differences to account for the different purposes of the different planning processes.

The NYISO proposes to adopt these requirements with certain variations to align with the requirements of its proposed Long-Term Transmission Planning Process. Specifically, the NYISO proposes to establish requirements in its tariff for addressing: (i) the outcome of the Reevaluation Process, (ii) the Designated Entity's failure to enter into a Development Agreement, and (iii) the termination of an effective Development Agreement under the terms of the agreement prior to the completion of the term of the agreement.[524] For each case, the NYISO proposes that it may take one of the following actions based on the particular circumstances:

- terminate one or more of the Designated Long-Term Transmission Projects that constitute the selected Long-Term Transmission Project;
- direct the Designated Entity or Designated Entities to continue with the development of one or more of the Designated Long-Term Transmission Projects, including for completion beyond the in-service date required to address the Long-Term Transmission Need;
- solicit bids from qualified Developers to complete the Designated Long-Term Transmission Project; or
- offer the Developer that originally submitted the Long-Term Transmission Project the opportunity to be the Designated Entity of the Designated Long-Term Transmission Project.[525]

The NYISO also proposes that it may condition a determination that a Designated Entity proceed with its project on the use of a mitigation plan to alleviate the grounds that resulted in the reevaluation of its project or that may result in the termination of a Development Agreement.[526] This provides the parties with additional flexibility in addressing issues that may arise during the development of the project. In addition, the NYISO proposes to include requirements consistent with the requirements in its Public Policy Process for implementing its determination to offer the sponsoring Developer the opportunity to become the Designated Entity to complete a project component or to solicit bids from qualified Developers to complete a project, including requirements establishing the coordination required between the initial and the replacement Designated Entities for the transfer of the project component.[527]

The NYISO's proposed requirements are just and reasonable and are needed to ensure that the NYISO has a clear tariff mechanism for addressing the outcome of its Reevaluation Process and a Designated Entity's inability to complete a project. Further, as described above, the NYISO will include in its draft report for its Reevaluation Process its proposed course of

[524] Proposed OATT Attach. Y § 31.6.14.1. If a Development Agreement filed with and accepted by the Commission is terminated, the NYISO would file a notice of termination with the Commission. *Id.* § 31.6.14.2.

[525] *Id.* § 31.6.14.3.

[526] *Id.* § 31.6.14.3.1. In such case, the NYISO and Designated Entity will include the requirements concerning the mitigation plan in the Development Agreement for the Designated Long-Term Transmission Project. *Id.* § 31.6.14.3.1.

[527] Proposed OATT Attach. Y §§ 31.6.14.4, 31.6.14.5.

action pursuant to these requirements and the grounds for its determination, which will be subject to review and comment by stakeholders and the NYDPS before the NYISO takes such action.[528]

Finally, the NYISO proposes to establish that if it elects to terminate a Designated Entity's project as part of the Reevaluation Process, the Designated Entity may recover all of the necessary and reasonable costs incurred and commitments made up to the NYISO's publication of its final summary of the Reevaluation Process specifying the termination of the project, including reasonable and necessary expenses incurred to implement an orderly termination of the project, to the extent permitted by the Commission in accordance with its regulations on abandoned plant recovery.[529] This is consistent with the NYISO's planning requirements in other cases in which a Developer's project is terminated for grounds that may be outside of its control.[530] Consistent with the related requirements for its other transmission planning processes, the NYISO proposes to use the default load ratio share methodology for such cost recovery, unless otherwise determined by the Commission, as the termination of the project may precede the identification of an alternative cost allocation methodology in the NYISO's cost allocation process for Long-Term Transmission Needs. Consistent with its Public Policy Process, the NYISO also proposes to apply the same cost recovery rules for a Designated Entity if the NYISO terminates its Development Agreement because another Designated Entity defaulted on the development of a separate Designated Long-Term Transmission Project that is a component of the same selected Long-Term Transmission Project.[531] In such case, the adversely impacted Designated Entity's project would be terminated for reasons beyond its control.

VIII. Compliance with Order Nos. 890 and 1000 Transmission Planning Principles

Order No. 1920 requires that the transmission provider's Long-Term Regional Transmission Planning comply with the following Order Nos. 890 and 1000 transmission planning principles: (a) coordination; (b) openness; (c) transparency; (d) information exchange; (e) comparability; and (f) dispute resolution.[532] The NYISO's proposed Long-Term Transmission Planning Process fully complies with each of these transmission planning principles as detailed below. Further, as described in this filing, the components of the NYISO's Long-Term Transmission Planning Process either build upon or are otherwise modeled on elements of its existing Economic Planning Process and Public Policy Process that the Commission has previously found to be in compliance with these transmission planning principles.

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[528] *Id.* § 31.6.13.2.4.

[529] *Id.* § 31.6.13.2.6.

[530] *See, e.g.,* OATT Attach. Y §§ 31.4.12.3.1.5 (permitting cost recovery if the NYISO terminates selected transmission project to address Public Policy Transmission Need in subsequent planning cycle), 31.2.8.1.1, 31.2.8.1.3, 31.2.8.2 (permitting cost recovery for transmission projects in Reliability Planning Process not triggered or halted), 31.2.8.2.5, 31.2.8.2.6, 31.4.12.1 (permitting cost recovery if required governmental authorizations are not approved or withdrawn).

[531] Proposed OATT Attach. Y § 31.6.13.2.6. *Cf.* OATT Attach. Y § 31.4.12.3.1.5.

[532] Order No. 1920 at PP 224, 305. *See also* Order No. 1000 at PP 151-152.

A. Coordination

The coordination principle requires the transmission provider to provide customers and other stakeholders with the opportunity to participate fully in the transmission planning process.[533] The transmission planning process must provide for the timely and meaningful input and participation of customers and other stakeholders regarding the development of transmission plans, allowing customers and other stakeholders to participate in the early stages of development. Consistent with this principle, Order No. 1920 requires the transmission provider to provide stakeholders with an opportunity to provide timely and meaningful input into how Long-Term Scenarios are developed.[534]

The NYISO's proposed Long-Term Transmission Planning Process is developed on a non-discriminatory basis and provides all interested parties with an opportunity to fully participate and provide meaningful input across all phases of the new process, including in the development of Long-Term Scenarios. The tariff requirements explicitly provide for the involvement of the NYPSC, the NYDPS, Transmission Owners, Market Participants, stakeholders, and other interested parties.[535]

The NYISO will commence its Long-Term Transmission Planning Process by soliciting from all interested parties proposed factors and data inputs, along with additional information, for use in the development of the Long-Term Scenarios, including soliciting from the NYDPS assumptions for the Long-Term State Scenario.[536] Interested parties may then participate in the NYISO's ESPWG and TPAS meetings concerning the Long-Term Transmission Planning Process, for which they can review materials and provide input across all phases of the Long-Term Transmission Planning Process.[537] Meeting notices, agendas, and materials are issued in advance of meetings and stakeholders have the opportunity to provide comments and to raise items both through written comments and at the stakeholder meetings.

For purposes of the Outlook stage of the Long-Term Transmission Planning Process, the NYISO's proposed OATT requirements establish, at a minimum, that it will consult with the ESPWG concerning: (i) the review of the initial determination on assumptions at the Outlook Kickoff Meeting, (ii) the identification of any Additional Factor Categories, (iii) the development of assumptions and Long-Term Scenarios and the Extreme Weather Sensitivity, (iv) updates to assumptions to account for significant and material changes during the Outlook process, (v) the development of any additional scenarios and sensitivities, (vi) the identification of the appropriate models and metrics for the NYISO's use in the performance of its analyses for the Outlook, (vii) the identification of the transmission needs for inclusion in the Catalog of Transmission Expansion Opportunities, and (viii) the draft Outlook report.[538] The NYISO will

[533] Order No. 1920 at P 540 n. 1169. *See also* Order No. 890 at PP 451-454.
[534] Order No. 1920 at PP 560, 604.
[535] Proposed OATT Attach. Y §§ 31.6.1.2, 31.6.3.
[536] *Id.* § 31.6.4.2.
[537] *See* Order No. 890 at P 452 ("Rigid and formal meeting procedures may be one way to accomplish this goal . . . .")
[538] Proposed OATT Attach. Y §§ 31.6.5.1, 31.6.4.3.1.8, 31.6.5.2, 31.6.5.2.1.3, 31.6.5.2.1.5, 31.6.5.2.2.1, 31.6.5.2.2.3, 31.6.5.2.3.2, 31.6.6.1, 31.6.6.3, 31.6.7.1.1.

also consult with the NYDPS as part of these process steps, along with additional opportunities for NYDPS input concerning the assumptions for the Long-Term State Scenario and the assessment of how to account for factors related to state laws, policies, and regulations.[539]

For purposes of the Long-Term Transmission Selection Process stage of the Long-Term Transmission Planning Process, the NYISO's proposed OATT requirements establish, at a minimum, that it will consult with the ESPWG concerning: (i) a technical conference prior to the solicitation of solutions to obtain input on the NYISO's application of the selection metrics, (ii) updates to assumptions for the evaluation process, (iii) the determination of which additional selection metrics to apply for a given planning cycle, and (iv) the draft Long-Term Transmission Planning Report.[540] The NYISO will consult with the NYDPS regarding these process steps, along with consulting concerning the application of the metrics.[541]

The TPAS and ESPWG are also responsible for advising the BIC and MC, which are stakeholder governance committees. The NYISO will update its draft reports to reflect the input of TPAS and ESPWG for both the Outlook report and the Long-Term Transmission Planning Report and will provide them to BIC and MC for discussion in action.[542] Following a vote on the report by the MC, which is the NYISO's highest stakeholder governance committee, the NYISO presents the applicable report to the NYISO Board, with the stakeholder committees' input.[543] The NYISO Board may modify these reports, but it cannot make a final determination on the modified report until it has reviewed stakeholder comments from the MC concerning its changes.[544] In addition, stakeholders that disagree with MC action may appeal the determination to the NYISO Board. Finally, following selection, the NYISO proposes requirements for project reporting to the ESPWG and for an ESPWG role in the review of the NYISO's analyses and any proposed action in its Reevaluation Process.[545]

Accordingly, interested parties have extensive opportunities to fully participate in and provide meaningful input concerning the NYISO's Long-Term Transmission Planning Process, including in the development of the Long-Term Scenarios.[546] These opportunities are consistent with the NYISO's satisfaction of the coordination requirements across its existing transmission planning processes.

B. Openness

The openness principle requires that transmission planning meetings be open to all affected parties, including all transmission and interconnection customers, state commissions,

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[539] *Id.* §§ 31.6.4.2.2, 31.6.5.2.2.2, 31.6.5.2.2.3.
[540] *Id.* §§ 31.6.9.3.1, 31.6.10.1, 31.6.11.3.
[541] *Id.* § 31.6.10.4.1.
[542] *Id.* §§ 31.6.11.3, 31.6.7.1.1.
[543] *Id.* §§ 31.6.11.4, 31.6.7.1.2.
[544] Proposed OATT Attach. Y §§ 31.6.11.4, 31.6.7.1.2.
[545] *Id.* §§ 31.6.12.4.2, 31.6.13.1.3, 31.6.13.2.4.
[546] Further, interested parties may file comments with the NYPSC for its consideration in its proceeding under the State Administrative Procedure Act for the identification of any Long-Term Transmission Need for the planning cycle.

and other stakeholders.[547] The Order No. 890 openness principle also requires transmission providers to develop tariff provisions to manage concerns regarding disclosure of confidential information and CEII.[548]

All interested parties may participate in the Long-Term Transmission Planning Process, including through the NYISO's balanced stakeholder process that allows all interested entities the ability to fully participate in the process.[549] In particular, the NYISO's existing requirements for its CSPP, which apply to its new Long-Term Transmission Planning Process, establish that any interested entity may participate in the ESPWG and TPAS for purposes of any matter addressed in the CSPP requirements set forth in Attachment Y of the OATT.[550] Such entity may participate in these stakeholder meetings regardless of whether it enrolls for full participation in the NYISO's governance process by becoming a Party to the Independent System Operator Agreement ("ISO Agreement").[551] Since the NYISO's inception, Market Participants and other interested parties, as well as state agencies, have actively participated in the NYISO's stakeholder process. The NYISO remains independent of all Market Participants and reports to its Board, so it does not have an incentive to exclude any group or stakeholder from the planning process. As described above, the NYISO has detailed in its OATT a role for the ESPWG across all phases of the Long-Term Transmission Planning Process, along with a stakeholder role in the review of the planning reports established in the process. Further, the NYISO will commence its process by soliciting proposed factors and data inputs for use in the development of Long-Term Scenarios from any interested party, which is not limited to parties participating in the stakeholder process.[552]

The NYISO's OATT currently includes provisions for its CSPP for maintaining the confidentiality of information as appropriate, along with related provisions in its Code of Conduct in Attachment F of the OATT. [553] These provisions will apply equally to the new Long-Term Transmission Planning Process. In addition, the NYISO proposes requirements in the Long-Term Transmission Planning Process that establish how it will provide information to stakeholders and interested parties to ensure an open and transparent planning process while safeguarding Confidential Information and CEII and detailing which information concerning proposed solutions will not be subject to disclosure.[554] For example, the NYISO may

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[547] Order No. 890 at P 460.

[548] *Id.*

[549] *See* OATT Attach. Y § 31.1.8.1 ("The ISO Procedures shall provide for the open and transparent coordination of the CSPP to allow Market Participants and all other interested parties to have a meaningful opportunity to participate in each stage of the CSPP through the meetings conducted in accordance with the ISO system of collaborative governance.")

[550] OATT Attach. Y § 31.1.7.1.

[551] *Id.* Any entity may enroll in the NYISO's transmission planning region in order to fully participate in the NYISO's governance process by becoming a Party to the ISO Agreement, as set forth in Section 2.02 of the ISO Agreement. *Id.*

[552] Proposed OATT Attach. Y § 31.6.4.2.

[553] OATT Attach. Y § 31.1.8.1 ("Confidential Information and Critical Energy Infrastructure Information exchanged through the CSPP shall be subject to the protections for such information contained in the ISO's tariffs and procedures, including this Attachment Y and Attachment F of the NYISO OATT.").

[554] *See, e.g.,* proposed OATT Attach. Y §§ 31.6.4.2.3, 31.6.5.2.1.6, 31.6.7.1.1, 31.6.9.3.10, 31.6.15.

electronically mask or aggregate certain information to protect confidentiality while providing information needed for informed stakeholder review.

C. Transparency

The transparency principle requires the transmission provider to include in a written format and make available the basic methodology, criteria, assumptions, and data used to develop transmission plans.[555] The transmission provider must make sufficient information available to enable customers and other stakeholders to replicate the results of transmission planning studies. Consistent with this principle, Order No. 1920 requires that the transmission provider publicly disclose (subject to any applicable confidentiality protections) information and data inputs that they use to create each Long-Term Scenario.[556]

The NYISO's tariff requirements provide for its disclosure of information concerning the basic methodology, criteria, assumptions, and data used in its Long-Term Transmission Planning Process, subject to appropriate measures for safeguarding confidential information and CEII. As described above, commencing with its Outlook Kickoff Meeting, the NYISO will consult with stakeholders and other interested parties through ESPWG and TPAS concerning all of the process steps for the new planning process, including the development and application of assumptions, scenarios, sensitivities, models, and metrics used in the process. In addition, as required by Order No. 1920, the NYISO will publish on its website, prior to the completion of the development of the Long-Term Scenarios, the list and description of factors that will be included in the Long-Term Scenarios, a general description of how each of the factors will be accounted for or discounted, and a list of proposed factors that will not be incorporated.[557] The NYISO will also disclose in the development of its draft reports the assumptions, inputs, and methodology relied upon for the Outlook and Long-Term Transmission Selection Processes.[558]

Moreover, the NYISO will make available detailed information concerning the projects proposed to address a Long-Term Transmission Need.[559] The NYISO will also make available reasonable information and data inputs that it used for the creation of the Long-Term Scenarios and information and data inputs to enable interested parties to replicate the NYISO's study results included in its Outlook and Long-Term Transmission Planning Report.[560] Further, the NYISO proposes requirements for the party responsible for the Designated Long-Term Transmission Project or associated Network Upgrade Facilities to provide updates to stakeholders at an ESPWG meeting on a recurring basis concerning the status of the development of its project and to describe for stakeholders any cost increases that result in a reevaluation.[561] Finally, the NYISO proposes to provide for stakeholder review of its draft

[555] Order No. 1920 at P 539 n 1168. *See also* Order 890 at P 471; Order No. 1000 at P 151.
[556] Order No. 1920 at P 650.
[557] Proposed OATT Attach. Y § 31.6.5.2.4.
[558] *Id.* §§ 31.6.7, 31.6.11.2.
[559] *Id.* §§ 31.6.9.3.10, 31.6.9.3.11.
[560] *Id.* §§ 31.6.5.2.4.3, 31.6.7.1.1, 31.6.11.3.
[561] *Id.* 31.6.12.4.2, 31.6.13.1.3.

written summary in any Reevaluation Process detailing the NYISO's analysis and its recommended course of action.[562]

D. Information Exchange

The information exchange principle requires network transmission customers to submit information on their projected loads and resources on a comparable basis (e.g., planning horizon and format) as used by the transmission provider in planning for its native load.[563] Point-to-point transmission customers are required to submit their projections for need of service over the planning horizon and at what receipt and delivery points. To the extent applicable, transmission customers should also provide information on existing and planned demand resources and their impact on demand and peak demand. The transmission provider, in consultation with its customers and other stakeholders, must develop guidelines and a schedule for the submittal of such customer information. Consistent with this principle, Order No. 1920 requires load-serving entities that are taking transmission service pursuant to an OATT to provide transmission providers with information on the load-serving entities' projected loads and resources over the planning horizon.[564]

As the Commission is aware, the NYISO offers a form of open access transmission service that is materially different from the model contemplated in the *pro forma* OATT and is based on a financial reservation model, rather than physical reservation.[565] Accordingly, the NYISO's CSPP includes rules for gathering information that are not tied to the submission of information associated with physical reservations.

The NYISO will collect and use information for purposes of the Outlook for the Long-Term Transmission Planning Process in the same manner as for its existing Outlook process. In developing the Foundation Case that will serve as the starting point for the Long-Term Scenarios used in the Outlook, the NYISO will draw on numerous inputs and data sources, including information derived from public sources, developed by the NYISO, and identified by Market Participants, stakeholders, and other interested parties. Among other things, the NYISO will use information derived from: (i) its Annual Load & Capacity Report (i.e., Gold Book), including demand forecast and existing and expected transmission and resource additions and retirements based on information submitted by Transmission Owners and Market Participants and as

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[562] *Id.* § 31.6.13.2.4.

[563] Order No. 1920 at P 449 n. 1000. *See also* Order 890 at PP 486-487.

[564] Order No. 1920 at P 449.

[565] *See N.Y. Indep. Sys. Operator, Inc,* 125 FERC ¶ 61,068 at P 52 n 54 (2008). The NYISO has, in essence, point-to-point transmission service, although this service is not based on physical contract paths. Instead, under the NYISO's financial reservation model, locational marginal pricing is used to manage congestion and to operate bid-based spot markets. Transmission Service is scheduled implicitly when customers submit energy schedules via the energy markets or arrange for bilateral transactions. This allows customers more flexibility, and allows for greater use of the transmission system, than is possible under the physical reservation approach. While the NYISO tariff contains the *pro forma* Network Integration Transmission Service provisions, the NYISO does not have network customers because no Market Participant has ever requested such service under the NYISO OATT. *See, generally, N.Y. Indep. Sys. Operator, Inc.,* Compliance with Order No. 890, Docket No. OA08-13-000, at 5–7 (filed Oct. 12, 2007).

otherwise developed by the NYISO, (ii) U.S. Energy Information Administration's Annual Energy Outlook, including fuel price forecasts, (iii) NYISO-developed emissions allowance price forecast, (iv) New York State Energy Research and Development Authority's large scale renewables database, (v) FERC's Form 715, including network topology, and (vi) modeling information from neighboring regions. The NYISO will describe the sources of these inputs and share reasonable information in its stakeholder process.[566] The NYISO also incorporates information from Transmission Owner's LTPs, which will be performed consistent with the Order No. 1920 requirements, as described in this compliance filing. In addition, the NYISO makes use of the most recent base case from its reliability planning processes, which is developed with input from Market Participants.[567] In parallel with the development of the Foundation Case, the NYISO will solicit from interested parties and identify factors, data inputs, and assumptions that it will use in concert with the Foundation Case to develop the Long-Term Scenarios. As described above, the NYISO will develop these Long-Term Scenarios with the NYDPS, stakeholders, and other interested parties in an open and transparent process.

E. Comparability

The comparability principle requires that "the interests of public utility transmission providers and similarly situated customers be treated comparably in regional transmission planning."[568] Order No. 1000 further states that "transmission providers are required to identify how they will evaluate and select from competing solutions and resources such that all types of resources are considered on a comparable basis."[569] Consistent with the comparability principle, Order No. 1920 reiterated that: (i) non-incumbent developers must be able to propose transmission facilities in Long-Term Regional Transmission Planning and (ii) the transmission provider is required to consider non-transmission alternatives on a comparable basis, but is not required to consider non-transmission alternatives for potential section.[570]

The NYISO's Long-Term Transmission Planning Process establishes requirements for both the comparable treatment of project developers and project types. First, any interested entity – whether an incumbent Transmission Owner or a non-incumbent Developer – that satisfies the developer qualification requirements may propose a Long-Term Transmission Project in response to the NYISO's solicitation for proposed solutions to a Long-Term Transmission Need, and any entity may propose an Other Long-Term Project.[571] As it has with

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[566] *See, generally*, Outlook Data Catalog, NYISO 2023-2042 System & Resource Outlook; *available at*: https://www.nyiso.com/documents/20142/45816558/Outlook-Data-Catalog-2023.pdf/8db92692-9ddb-f91b-fa52-e46d0a613202; *see also* Appendix B Production Cost Model Assumptions Matrix, NYISO 2023-2042 System & Resource Outlook; *available at:* https://www.nyiso.com/documents/20142/46037616/Appendix-B-Production-Cost-Assumptions-Matrix.pdf/164afee9-b617-5445-e23f-a26258dc249e.

[567] *See* OATT Attach. Y § 31.2.2.3 (establishing requirements for developing base case for Reliability Needs Assessment).

[568] Order No. 1000 at P 153. *See also* Order No. 890 at PP 494-495.

[569] Order No. 1000 at P 155 (citations omitted).

[570] Order No. 1920 at PP 955, 970.

[571] Proposed OATT Attach. Y § 31.6.9.3.2. The NYISO's CSPP rules define Developer to include: "[a] person or entity, including a Transmission Owner, sponsoring or proposing a project pursuant to this Attachment Y." OATT Attach. Y § 31.1.1.

its Public Policy Process, the NYISO will evaluate all proposed solutions under its Long-Term Transmission Selection Process in the same manner, regardless of the project developer.

Second, an entity may propose an Other Long-Term Project that is a non-transmission solution (e.g., generation, demand response) or a combination of resource types, including with transmission.[572] The NYISO will assess the viability and sufficiency of any proposed Other Long-Term Project to address the Long-Term Transmission Need in the same general timeframe as it evaluates proposed transmission solutions.[573] The NYISO will include the results of this analysis in the Long-Term Transmission Planning Report to inform the stakeholders and the NYISO Board's review and action for that planning cycle, including whether the Board will select or elect not to select a transmission solution.[574] This is consistent with the comparable analysis the NYISO performs for non-transmission or partial transmission solutions in its other transmission planning processes.[575] As provided in Order Nos. 1000 and 1920,[576] the NYISO does not propose to select or to provide for cost allocation under its OATT for Other Long-Term Projects.[577]

Finally, the NYISO's independence ensures that it meets the comparability principle, because as an independent entity the NYISO does not have any affiliates or ownership of any assets within, or that do business with, New York's wholesale electric markets. The NYISO reports to an independent Board of Directors and has a balanced stakeholder governance process. The NYISO has no incentive to give preferential treatment to any entity. Further, as described above, any interested entity is able to remain apprised of and provide input into the NYISO's Long-Term Transmission Planning Process.

F. Dispute Resolution

The dispute resolution principle requires transmission providers to identify a process to manage disputes arising from the transmission planning process that addresses both procedural and substantive planning issues.[578] Consistent with this principle, Order No. 1920 requires that the right to challenge data inputs via dispute resolution be available for interested parties with respect to data inputs that transmission providers develop for Long-Term Regional Transmission Planning.[579]

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[572] Proposed OATT Attach. Y §§ 31.6.9.3.2, 31.6.9.5.2, 31.6.10.2.

[573] *Id.* §§ 31.6.10.2, 31.6.10.6.

[574] *Id.* § 31.6.11.2.2.

[575] *See, e.g.,* OATT Attach. Y §§ 31.2.5, 31.4.6 (establishing viability and sufficiency analyses performed in reliability and public policy processes).

[576] Order No. 1920 at P 970; Order 1000 at PP 148 n.138, 779. *See also PJM Interconnection, L.L.C.,* 142 FERC ¶ 61,214 at P 53 (2013) ("To the extent that Public Interest Organizations contend that non-transmission alternatives should be selected in the regional transmission plan for purposes of cost allocation, Order No. 1000 concluded that the issue of cost recovery associated with non-transmission alternatives is beyond the scope of Order No. 1000, which addresses the allocation of the costs of transmission facilities.") (citations omitted).

[577] *See, e.g.,* proposed OATT Attach. Y §§ 31.5.1.2, 31.5.1.6, 31.6.11.1.1.

[578] Order No. 890 at P 501; Order No. 1000 at P 151.

[579] Order No. 1920 at P 634.

The NYISO's existing requirements for its CSPP in Attachment Y establish that its procedures will facilitate the timely identification and resolution of all substantive and procedural disputes that arise out of the CSPP. These requirements apply to the Long-Term Transmission Planning Process.[580] Any party participating in the CSPP and having a dispute arising out of the CSPP may seek to have its dispute resolved in accordance with ISO governance procedures.[581] If the dispute is not resolved, the party may invoke formal dispute resolution procedures administered by the NYISO in accordance with the dispute resolution procedures established in its Services Tariff.[582] In addition, the NYISO's proposed tariff revisions explicitly provide that an interested party that disputes the NYISO's determination concerning the assumptions for a Long-Term Scenario can use this dispute resolution process.[583] Further, actions taken by the MC in the NYISO's Long-Term Transmission Planning Process are appealable to the NYISO Board.

IX. Proposed Tariff Revisions for Additional Order No. 1920 Requirements Concerning Long-Term Transmission Planning Process.

A. Right-Sizing

Order No. 1920 requires that the transmission provider must evaluate as part of each Long-Term Regional Transmission Planning cycle whether "in-kind replacement transmission facilities" identified by a transmission provider can be "right-sized"[584] such that the "right-sized replacement transmission facility" is the more efficient or cost-effective transmission solution to address a Long-Term Transmission Need.[585]

The NYISO proposes to establish in its new Long-Term Transmission Planning Process that Transmission Owners will identify "In-Kind Replacement Transmission Facilities" and Developers may propose the right-sizing of such in-kind replacement facilities with Right-Sized Replacement Transmission Facilities as, or as a part of, their proposed transmission solutions to address a Long-Term Transmission Need. The NYISO requests certain variations from the Order No. 1920 requirements concerning right-sizing that are consistent with or superior to the order's requirements as applied to the NYISO's sponsorship model. Under this model, the Developer is responsible for designing its proposed project for purposes of the NYISO's assessment of the more efficient or cost-effective transmission solution. The Developer must submit its project information at the start of the Long-Term Transmission Selection Process, which proposal is not subject to modification during the process, to ensure that the competitive project proposals are evaluated on a level-playing field. The NYISO does not design projects or project components,

[580] OATT Attach. Y § 31.1.8.4. The Long-Term Transmission Planning Process rules explicitly address certain potential disputes with reference to these general dispute resolution requirements, including disputes concerning assumptions for Long-Term Scenarios, payment obligations, and classification of transmission facilities. Proposed OATT Attach. Y §§ 31.6.5.2.2.4, 31.6.9.4.4, 31.6.9.6, 31.6.14.4, 31.6.14.5.

[581] OATT Attach. Y § 31.1.8.4.

[582] OATT Attach. Y § 31.1.8.4, Services Tariff § 11.

[583] Proposed OATT Attach. Y § 31.6.5.2.2.4.

[584] "Right-sizing" is the process of modifying a transmission provider's in-kind replacement of an existing transmission facility to increase that facility's transfer capability. Order No. 1920 at P 1678.

[585] Order No. 1920 at P 1677.

nor does it supplement or modify Developers' proposals, which would unfairly favor one or more projects in its evaluation. The NYISO proposes to establish the right-sizing requirements within this framework.

i. In-Kind Replacement Transmission Facilities

Order No. 1920 requires that the transmission provider must establish a point sufficiently early in each Long-Term Regional Transmission Planning cycle at which each individual transmission provider will submit its in-kind replacement estimates for use in that planning cycle.[586] The in-kind replacement estimates are non-binding estimates of the transmission facilities: (i) operating at and above a specific kV threshold, which threshold does not exceed 200 kV,[587] that (ii) an individual transmission provider that owns the transmission facility anticipates replacing in-kind with a new transmission facility during the next 10 years beginning at the start of each planning cycle.[588]

The NYISO proposes to require that each Transmission Owner provide the NYISO with an In-Kind Replacement List[589] of its In-Kind Replacement Transmission Facilities (as defined below) prior to the NYISO Board's approval of the Outlook.[590] The NYISO will post this list on its website, subject to any CEII restrictions or requirements.[591] This timeframe will enable interested Developers to review the list and consider right-sizing opportunities in parallel with the identification of any Long-Term Transmission Needs by the NYPSC and the NYISO's commencement of its Long-Term Transmission Selection Process.[592]

The NYISO proposes to define an In-Kind Replacement Transmission Facility in Section 31.6.6.4 of Attachment Y as a new transmission facility that:

> (1) would replace a transmission facility operating at or above 200 kV, or a transmission facility operating at a lower kV level at a Transmission Owner's discretion, that the Transmission Owner that owns the transmission facility anticipates replacing in-kind with a new transmission facility during the 10-year

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[586] *Id.* at PP 1677, 1681. The order further provides that the transmission provider may subject access to that list of in-kind replacement estimates to confidentiality provisions. However, once the transmission provider has determined, as part of Long-Term Regional Transmission Planning, that an in-kind replacement transmission facility can be right-sized to constitute a right-sized replacement transmission facility, the transmission provider must make public the underlying in-kind replacement transmission facility. *Id.* at P 1736.

[587] *Id.* at P 1677.

[588] *Id.* at PP 1677, 1683, 1685, 1688, 1736; Order No. 1920-A at P 881.

[589] The NYISO proposes to define In-Kind Replacement List as follows: "For purposes of the Long-Term Transmission Planning Process, the list that each Transmission Owner is required to provide of the In-Kind Replacement Transmission Facilities that the Transmission Owner has identified for its system in accordance with Section 31.6.6.4 of this Attachment Y." Proposed OATT Attach. Y 31.1.1.

[590] Proposed OATT Attach. Y § 31.6.6.4. The information that the Transmission Owner must include in the list concerning the replacement facilities will be detailed in NYISO procedures. *Id.*

[591] *Id.*

[592] Following the NYISO Board's approval of the Outlook and its filing of the Outlook with the NYPSC, the NYPSC will have 180 days to identify any Long-Term Transmission Needs, after which the NYISO will establish a schedule to solicit for proposed solutions.

> period following the start date of the Long-Term Transmission Planning Process, or a longer period at a Transmission Owner's discretion;
>
> (2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced, as "incidental increase" is defined below; and
>
> (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced.[593]

The NYISO's proposed definition is consistent with the requirements for "in-kind replacement transmission facility" set forth in Order No. 1920,[594] with the following requested revisions and clarifications that are consistent with or superior to the order's requirements.

First, Order No. 1920 clarified that the transmission provider may establish a threshold for the replacement facilities lower than 200 kV to ensure that a larger number of transmission facilities may be included.[595] The NYISO proposes that all Transmission Owners must include in their In-Kind Replacement Lists their transmission facilities operating at or above 200 kV that satisfy the definition of In-Kind Replacement Transmission Facilities. The NYISO also proposes to permit, but not require, Transmission Owners to include on their lists transmission facilities operating at a lower kV level. This will enable Transmission Owners the opportunity to include additional facilities on their lists, particularly those Transmission Owners which systems are predominantly composed of transmission facilities operating below 200 kV. This proposed requirement will facilitate additional right-sizing opportunities consistent with the Order No. 1920 objectives.

Second, the NYISO proposes to also permit, but not require, Transmission Owners to include on their lists transmission facilities that they anticipate replacing in-kind with a new transmission facility beyond a 10-year period following the start date of the Long-Term Transmission Planning Process. Given the timeframe for the Long-Term Transmission Planning Process and the time required to site and construct transmission facilities, it is reasonable for the Transmission Owner to look beyond 10 years in assessing anticipated in-kind replacements. In addition, the state planning process, CGPP, that identifies transmission solutions to be implemented by the Transmission Owners plans out for a 20-year horizon. This proposed requirement will facilitate additional right-sizing opportunities consistent with the Order No. 1920 objectives.

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[593] The NYISO proposes to include the defined term "In-Kind Replacement Transmission Facility" in the definitions section of Attachment Y, which term references the definition in Section 31.6.6.4. Proposed OATT Attach. Y 31.1.1.

[594] Order No. 1920 defines an "in-kind replacement transmission facility" as "a new transmission facility that: (1) would replace an existing transmission facility that a transmission provider has identified in its in-kind replacement estimate as needing to be replaced; (2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced; and (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced." Order No. 1920 at P 1678 (citations omitted).

[595] Order No. 1920 at P 1683; Order No. 1920-A at P 881.

Third, the NYISO proposes to include in its tariff a definition of "incidental increase" to provide clarity concerning what constitutes an incidental increase for purposes of applying the definitions of In-Kind Replacement Transmission Facility and Right-Sized Replacement Transmission Facility. Specifically, the NYISO proposes to define "incidental increase" as "an increase in transmission capacity achieved by advancements in technology and/or replacements consistent with current Transmission Owner design standards, industry standards, codes, laws or regulations, which is not reasonably severable from a Transmission Owner's asset management projects and activities."[596] This definition is consistent with definition accepted by the Commission for the PJM Interconnection L.L.C. ("PJM") OATT to distinguish incidental increases from transmission expansion or enhancements.[597] As the NYISO's OATT does not currently include a definition of asset management projects and activities, the NYISO proposes to define this term for purposes of the "incidental increase" definition as follows: "maintenance, compliance, work on infrastructure at or approaching the end-of-useful life, or infrastructure security projects that the Transmission Owner undertakes to maintain its existing electric transmission system and meet regulatory compliance requirements."[598] This definition is based on the Commission's description of this project type, with limited revisions to account for infrastructure "at or approaching" the end-of-useful life.[599] This revision accounts for reasonably anticipating and planning for the end of the useful life of the facility.

For the requirements for the In-Kind Replacement Transmission Facilities, the NYISO also proposes that, at any time prior the NYISO's solicitation for a proposed solution to address a Long-Term Transmission Need, a Transmission Owner:

> (i) may provide the ISO for posting on the ISO's website with an update to its In-Kind Replacement List solely for purposes of updating the information concerning the In-Kind Replacement Transmission Facilities that were included in the list provided by the Transmission Owner for that planning cycle, and (ii) may present at an ISO stakeholder meeting for informational purposes one or more right-sizing opportunities for In-Kind Replacement Transmission Facilities identified by that Transmission Owner for its system.

The proposed revisions will improve the information available to Developers in their review of right-sizing opportunities for purposes of designing their proposed solutions to a Long-Term Transmission Need.

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[596] Proposed OATT Attach. Y § 31.6.6.4.1.

[597] *See* PJM OATT Attach. M-3 Section (b)(2) ("Incidental Increase" shall mean an increase in transmission capacity achieved by advancements in technology and/or replacements consistent with current Transmission Owner design standards, industry standards, codes, laws or regulations, which is not reasonably severable from an Asset Management Project.")

[598] Proposed OATT Attach. Y § 31.6.6.4.1.

[599] *See S. Cal. Edison Co.*, 164 FERC ¶ 61,160 at P 32 (2018), *reh'g denied,* 168 FERC ¶ 61,170 (2019) ("Rather, these asset management projects and activities include such items as maintenance, compliance, work on infrastructure at the end-of-useful life, and infrastructure security, that SoCal Edison undertakes to maintain its existing electric transmission system and meet regulatory compliance requirements.")

ii. Right-Sized Replacement Transmission Facility

Order No. 1920 further requires that if the transmission provider identifies a right-sized replacement transmission facility as a potential solution to a Long-Term Transmission Need, the transmission provider must evaluate the right-sized replacement transmission facility in the same manner as any other proposed Long-Term Regional Transmission Facility, including evaluating all of the costs of, and all of the benefits provided by, the transmission facility, and consider it for selection as the more efficient or cost-effective transmission facility to address the transmission need.[600]

As described above and in the Lin Affidavit,[601] under its sponsorship model, the NYISO does not design projects or project components, nor does it supplement or modify Developers' proposals. Instead, Developers are responsible for developing and proposing their transmission solutions for the NYISO's evaluation of the more efficient or cost-effective transmission solution. Consistent with this model, the NYISO proposes to establish that a Developer may include a Right-Sized Replacement Transmission Facility as, or as a component of, its proposed Long-Term Transmission Project.[602]

The NYISO proposes to define a Right-Sized Replacement Transmission Facility as follows, which is consistent with the definition in Order No. 1920, with limited modifications indicated in italics to reflect the defined terms in the NYISO OATT and to clarify the scope of the definition.[603]

> **Right-Sized Replacement Transmission Facility**: A new transmission facility, *including an entirely new transmission facility,* that: (1) would meet the need to replace an existing transmission facility that a *Transmission Owner* has identified in its *In-Kind Replacement List as set forth in Section 31.6.6.4* as one that it plans to replace with an *In-Kind Replacement Transmission Facility* while also addressing a Long-Term Transmission Need; (2) results in more than an incidental increase in the capacity of an existing transmission facility that a *Transmission Owner* has identified for replacement in its *In-Kind Replacement List*; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of, the existing transmission facility that a *Transmission Owner* has identified for replacement in its *In-Kind Replacement List*.[604]

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[600] Order No. 1920 at PP 1681, 1721.

[601] *See* Lin Affidavit at ¶¶ 19-20.

[602] Proposed OATT Attach. Y § 31.6.9.5.1.1(3).

[603] Order No. 1920 defines a "right-sized replacement transmission facility" as a new transmission facility that: (1) would meet the need to replace an existing transmission facility that a transmission provider has identified in its in-kind replacement estimate as one that it plans to replace with an in-kind replacement transmission facility while also addressing a Long-Term Transmission Need; (2) results in more than an incidental increase in the capacity of an existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of, the existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate. Order No. 1920 at P 1679.

[604] Proposed OATT Attach. Y § 31.1.1 (definition of Right-Sized Replacement Transmission Facility).

For purposes of this definition, the NYISO proposes to use the same definition of "incidental increase" as described above. In addition, the NYISO proposes to insert "including an entirely new transmission facility" to make clear that any transmission facility that meets the definition of a Right-Sized Replacement Transmission Facility is subject to a ROFR, which for Right-Sized Replacement Transmission Facilities is not limited to upgrades to an existing transmission facility.

Under the NYISO's proposed approach, it will evaluate Long-Term Transmission Projects that are, or include components that are, Right-Sized Replacement Transmission Facilities in the same manner as any other proposed Long-Term Transmission Project. This includes applying the same selection metrics for purposes of determining the more efficient or cost-effective transmission solution to a Long-Term Transmission Need.

iii. Right of First Refusal

Order No. 1920 requires that the transmission provider establish a federal ROFR for a right-sized replacement transmission facility that is selected to meet Long-Term Transmission Needs, including those that are intended to replace transmission facilities that have reached the end of their useful life.[605] The ROFR will apply to the transmission provider that included in its in-kind replacement estimate the existing transmission facility that the right-sized replacement transmission facility would replace, and extends to any portion of the right-sized replacement facility located within that transmission provider's retail distribution service territory or footprint, recognizing that any such portion must satisfy the definition of a right-sized replacement facility.[606]

The NYISO proposes to establish in its Long-Term Transmission Planning Process requirements for implementing the ROFR requirements for Right-Sized Replacement Transmission Facilities. As described in Part VII.E above, the NYISO has established across its transmission planning processes requirements for implementing a Transmission Owner's ROFR for transmission facilities that satisfy the tariff definition of "upgrades" and is proposing in this compliance filing to include those same requirements in the Long-Term Transmission Planning Process for Long-Term Transmission Upgrades.

The NYISO proposes to apply these same ROFR implementation requirements for Right-Sized Replacement Transmission Facilities in the Long-Term Transmission Planning Process. As detailed in Part VII.E, these requirements provide for: (i) the Developer to identify any Long-Term Transmission Upgrades or Right-Sized Replacement Transmission Facilities as part of its project proposal;[607] (ii) the NYISO's review and classification of the proposed transmission facilities as new transmission facilities, Long-Term Transmission Upgrades, or Right-Sized Replacement Transmission Facilities, including interested party's ability to dispute such

[605] Order No. 1920 at PP 1702, 1709.
[606] *Id.*
[607] Proposed OATT Attach. Y § 31.6.9.5.1.1(3).

classifications;[608] (iii) the NYISO's preliminary designation in its Long-Term Transmission Planning Report of the project components into Designated Long-Term Transmission Projects for the Designated Entities responsible for the components;[609] and (iv) the Transmission Owner's opportunity to elect not to exercise its ROFR for a Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility and the NYISO's final designation of the components of a selected Long-Term Transmission Project.[610]

Order No.1920 does not establish specific requirements concerning the implementation of a ROFR for a Right-Sized Replacement Transmission Facility. The NYISO requests that the Commission accept the proposed implementation rules, to the extent necessary, as consistent with or superior to the order's rules concerning this ROFR. The implementation requirements are necessary to implement the ROFR rules for the Right-Sized Replacement Transmission Facilities required by Order No. 1920. The absence of clear rules for this ROFR will result in disputes and delays in the new process. The NYISO's proposed implementation approach is a just and reasonable approach that has been successfully used to address the ROFR rules concerning upgrades in the NYISO's Public Policy Process. The NYISO is the appropriate party to classify the transmission facilities in accordance with its applicable tariff definitions, while providing a path to address any disputes concerning such classification. The NYISO's proposed requirements also ensure that the classification and designation of the facilities aligns with its use of the sponsorship model, is consistent across its transmission planning processes, and does not impede its evaluation of proposed solutions.

Finally, the Order No. 1920 definitions of In-Kind Replacement Transmission Facilities and Right-Sized Replacement Transmission Facilities, which the NYISO proposes to incorporate in its OATT in the manner described above, refer to such transmission facilities as "new" transmission facilities. These "new" transmission facilities could be either entirely new transmission facilities or upgrades to an existing transmission facility.[611] The NYISO proposes to clearly distinguish in its transmission planning process requirements the separate avenues for considering whether a transmission facility is eligible for ROFR, in particular: (i) whether a proposed transmission facility is a Right-Sized Replacement Transmission Facility subject to a ROFR, and (ii) whether a proposed transmission facility is an "entirely new transmission facility" or is an "upgrade" that is subject for a ROFR. In particular, the NYISO proposes to clarify that the use of the term "new transmission facility" in the definitions of In-Kind Replacement Transmission Facilities and Right-Sized Replacement Transmission Facilities will not be the basis for the NYISO's determination of whether a transmission facility is an "entirely new transmission facility" or an "upgrade" for this separate tariff determination of whether the

[608] *Id.* § 31.6.9.6.

[609] *Id.* § 31.6.11.2.3.

[610] *Id.* § 31.6.11.5. A Transmission Owner that is a Designated Entity for a Right-Sized Replacement Transmission Facility would be required to enter into a Development Agreement with the NYISO for that project component. *Id.* § 31.6.12.2.

[611] In Order No. 1920, the Commission notes that "nothing in the right-sizing reform affects the right of an incumbent transmission provider to build, own, and recover the costs for upgrades to its own transmission facilities, regardless of whether an upgrade to an existing transmission facility has been identified through a right-sizing process and selected to address Long-Term Transmission Needs." Order No. 1920 at P 1708.

facility is subject to a ROFR.[612] This clarification will assist in reducing potential disputes concerning the classification of the facilities and the implementation of the separate ROFR requirements.

B. Voluntary Funding

i. Order No. 1920 Requirements

Order No. 1920 requires that the transmission provider include a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet transmission provider's selection criteria.[613] The transmission provider's OATT must address: "(1) the process by which the transmission provider will make voluntary funding opportunities available to Relevant State Entities and interconnection customers, which must ensure that Relevant State Entities and interconnection customers receive timely notice of such opportunities and provide a meaningful opportunity for Relevant State Entities and interconnection customers; (2) the period during which Relevant State Entities and interconnection customers may exercise the option to provide voluntary funding; (3) the method that the transmission provider will use to determine the amount of voluntary funding required to ensure that the Long-Term Regional Transmission Facility meets the transmission provider's selection criteria; and (4) the mechanism through which the transmission provider and Relevant State Entities or interconnection customers will memorialize any voluntary funding agreement, e.g., a *pro forma* agreement in the OATT."[614] The order provides the transmission provider with certain flexibility to propose the features of such a voluntary funding process so long as the process is transparent and not unduly discriminatory or preferential and permits the transmission provider to submit on compliance other voluntary funding approaches that are consistent with or superior to the order's requirements.[615]

ii. NYISO's Proposed Voluntary Funding Approach

The NYISO proposes to establish requirements for the use of voluntary funding in its new Long-Term Transmission Planning Process. The NYISO proposes certain variations from the Order No. 1920 requirements for voluntary funding that are consistent with or superior to the order's requirements to account for both the NYISO's use of the sponsorship model in its transmission planning processes and the manner in which it selects the more efficient or cost-effective transmission solution. In particular, as described in the Lin Affidavit,[616] under the NYISO's sponsorship model, the developer is responsible for submitting a complete project proposal, including the project's design and costs, for purposes of the NYISO's assessment of the more efficient or cost-effective transmission solution. The developer must submit this project information at the start of the NYISO's evaluation process, which proposal is not subject to

[612] Proposed OATT Attach. Y § 31.6.6.4.2.
[613] Order No. 1920 at P 1012.
[614] *Id.* at P 1013.
[615] *Id.* at P 1012; Order No. 1920-A at P 465.
[616] *See* Lin Affidavit at ¶¶ 19-20.

modification, to ensure that the competitive projects proposals are evaluated on a level-playing field. In addition, the NYISO evaluates and selects the more efficient or cost-effective transmission solution based on the totality of each project's performance across the selection metrics and does not select or trigger a project for inclusion in its regional transmission plan based on a project's meeting a particular selection criteria, including cost criteria or a benefit/cost ratio.[617] The NYISO proposes to establish voluntary funding requirements within this framework. In addition, as required by Order No. 1920,[618] the NYISO discussed the following proposed requirements concerning voluntary funding with the Relevant State Entities for its planning region – the NYDPS and LIPA.[619]

The NYISO proposes to establish that a Developer may include a "Voluntary Funding Arrangement" with its project proposal submitted in response to the NYISO's solicitation for proposed solutions to address a Long-Term Transmission Need.[620] The Voluntary Funding Arrangement would constitute the Developer's commitment to use an arrangement by which a New York State governmental entity, a local governmental entity in New York State, and/or one or more third-party entities (known as the "Funding Entity") will fund the costs, or a portion of the costs, of the proposed Long-Term Transmission Project in place of the costs being recoverable by the Developer through the project's transmission rates.[621] The NYISO proposes to define Funding Entity more broadly than "Relevant State Entities and interconnection customers" to capture other state and local entities in New York that may seek to fund transmission and to expand opportunities for third-party funding of transmission, which costs otherwise would fall on ratepayers.

The NYISO proposes that the Developer detail with its project information the scope of any proposed Voluntary Funding Arrangement and the mechanisms that support its enforceability during the 60-day period for submitting its project proposal, with a limited exception described below.[622] In particular, the Developer would be responsible for providing the following information and documentation concerning any arrangement with its project submission:

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[617] *See, e.g., N.Y. Indep. Sys. Operator, Inc.,* 148 FERC ¶ 61,044 at P 252 (2014) ("We therefore reject the assertion that cost must be the primary factor in NYISO's selection of the more efficient or cost-effective transmission solution."); *N.Y. Indep. Sys. Operator, Inc.,* 151 FERC ¶ 61,040 at P 114 (2015) ("On this basis, the Commission concluded that NYISO has shown that consideration of both cost-specific factors and factors other than those referring explicitly to transmission project costs will allow NYISO to consider 'the relative efficiency and cost-effectiveness of [any proposed transmission] solution' and to select more efficient or cost-effective solutions to regional transmission needs.") (citations omitted). *Id.* at P 116 ("Furthermore, if the Commission were to accept LS Power's arguments, we would essentially be directing NYISO to consider cost as the primary factor in its evaluation of proposed transmission solutions for selection in the regional transmission plan for purposes of cost allocation; however, Order No. 1000 does not include such a requirement.") (citations omitted).

[618] Order No. 1920 at P 1012.

[619] The NYISO held a call with the NYDPS and LIPA on May 11, 2026, to discuss both its proposed approach concerning voluntary funding and its proposed evaluation and selection requirements for the Long-Term Transmission Planning Process.

[620] Proposed OATT Attach. Y §§ 31.1.1 (definition of Voluntary Funding Arrangement), 31.6.9.5.1.1, 31.6.9.5.1.9.

[621] *Id.* §§ 31.1.1 (definition of Funding Entity), 31.6.9.5.1.1, 31.6.9.5.1.9.

[622] *Id.* §§ 31.6.9.5.1.1, 31.6.9.5.1.9.

- a list of the transmission facilities that are part of the Long-Term Transmission Project that will be subject to the Voluntary Funding Arrangement;
- the identity of the Funding Entity that has agreed to provide funding for these facilities;
- the amount of funding that the Funding Entity has agreed to provide for each of the transmission facilities in the Long-Term Transmission Project;
- the mechanism by which the Funding Entity will provide its funding and documentation confirming the source of the funding and the scope, terms, and enforceability of the mechanism (e.g., copies of contracts between the Developer and the Funding Entity; order authorizing state funding for project);
- documentation concerning the Funding Entity's current and expected capability to finance, or its experience in arranging financing for, transmission facilities in accordance with the same requirements the NYISO uses to assess a Developer's qualifications;
- a notarized certification, signed by an authorized officer of the Developer, in a form acceptable to the NYISO confirming the Developer's commitment to use the Voluntary Funding Arrangement and not to recover through its transmission rates the costs that it has committed to recover through the Voluntary Funding Arrangement; and
- a notarized certification, signed by an authorized officer of the Funding Entity or equivalent official with the authority to bind its organization or state or local entity, in a form acceptable to the NYISO confirming the Funding Entity's agreement to fund the costs, or a portion of the costs of, the Long-Term Transmission Project consistent with the description of the Voluntary Funding Arrangement provided by Developer.[623]

These proposed rules for the NYISO OATT address Order No. 1920's requirements to detail the process and timeframe for proposing a Voluntary Funding Arrangement, the amount of such arrangement, and the mechanism in which this arrangement is memorialized.

iii. Voluntary Funding Requirements for Designated Entities

As described in Part VII.E of the filing letter, the NYISO proposes to include requirements in its Long-Term Transmission Planning Process by which a selected Long-Term Transmission Project, or a portion of the project, may be designated to a Transmission Owner based on its ROFR. The NYISO proposes certain requirements concerning voluntary funding to account for the possibility that the Developer that proposes to use a Voluntary Funding Arrangement for its proposed Long-Term Transmission Project may not be the entity ultimately responsible for certain components of that project. These requirements are consistent with or superior to the Order 1920 requirements as they provide for the application of voluntary funding within the context of the NYISO's specific planning requirements.

First, as part of its project information concerning the Voluntary Funding Arrangement, the Developer must indicate whether the mechanism by which the Funding Entity will provide its funding is applicable solely to the Developer or can be applied to a Transmission Owner for which the NYISO designates a portion of the Long-Term Transmission Project.[624]

[623] *Id.* § 31.6.9.5.1.9.1.
[624] *Id.* § 31.6.9.5.1.9.1.

Second, if as part of the NYISO's review of Developer's classification of the transmission facilities that are part of its proposed Long-Term Transmission Project (i.e., new transmission facility, Long-Term Transmission Upgrade, or Right-Sized Replacement Transmission Facility), the NYISO determines that a transmission facility must be classified differently than included in Developer's project submission, the Developer will have a 30-day period following this revised classification to update the information it submitted concerning its Voluntary Funding Arrangement.[625] This will enable the Developer to review whether the change in classification to the transmission facilities impacts the scope and application of its proposed Voluntary Funding Arrangement.

Finally, the NYISO proposes the following requirements if the Developer proposes a Voluntary Funding Arrangement that is intended to apply to a transmission facility that is a Long-Term Transmission Upgrade or Right-Sized Replacement Transmission Facility, which project components are subject to being designated to a Transmission Owner. First, the Developer must coordinate in good faith with the applicable Transmission Owner concerning whether or not the Transmission Owner commits to use the Voluntary Funding Arrangement subject to its election for the ROFR.[626] If the Transmission Owner commits to use the Voluntary Funding Arrangement, the Developer must submit to the NYISO the following additional information:

- the list of Long-Term Transmission Upgrades and Right-Sized Replacement Transmission Facilities subject to the Voluntary Funding Arrangement;
- the amount of funding that the Funding Entity has agreed to provide for each of the transmission facilities;
- the mechanism by which the Funding Entity will provide this funding to the Transmission Owner or will transfer this funding from the Developer to the Transmission Owner; and
- a notarized certification, signed by an authorized officer of the Transmission Owner, in a form acceptable to the NYISO confirming the Transmission Owner's commitment to use the Voluntary Fund Arrangement and not to recover through its transmission rates the costs that it has committed to recover through the Voluntary Funding Arrangement.[627]

As the Developer and Transmission Owner will not have a reasonable amount of time to discuss and confirm this arrangement during the 60-day project solicitation period, the NYISO proposes that this additional information may be provided within 30 days of the NYISO's posting of its final list classifying the project's transmission facilities.[628] The NYISO does not propose to require the Transmission Owner to adopt the Voluntary Funding Arrangement included in the sponsoring Developer's project proposal for the project components designated to the Transmission Owner, unless the Transmission Owner provides the notarized certification committing to use this arrangement.[629]

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[625] *Id.* § 31.6.9.5.1.9.2.
[626] Proposed OATT Attach. Y § 31.6.9.5.1.9.3.
[627] *Id.*
[628] *Id.*
[629] *Id.*

iv. Application of Voluntary Funding Arrangement and Impact on Cost Allocation and Recovery

Order No. 1920 requires the transmission provider to indicate the method it will use to determine the amount of voluntary funding required to ensure that the Long-Term Regional Transmission Facility meets the transmission provider's selection criteria.[630] Consistent with its requested variations, the NYISO proposes to evaluate proposed Long-Term Transmission Projects with Voluntary Funding Arrangements in accordance with the same selection metrics applied to all proposed Long-Term Transmission Projects. The NYISO will review the information submitted by the Developer concerning its Voluntary Funding Arrangement and will assess the extent to which the proposed arrangement can be reasonably relied upon for purposes of its evaluation of each metric.[631] The NYISO will include in its Long-Term Transmission Planning Report a description of any Voluntary Funding Arrangements proposed by Developers.[632]

In addition, Order No. 1920 requires that the transmission provider indicate the mechanism for memorializing any voluntary funding arrangement.[633] The order further requires that for any portion of the costs of a selected Long-Term Regional Transmission Facility that is not voluntarily funded, such remaining costs must be allocated according to either the applicable Long-Term Regional Transmission Cost Allocation Method or a cost allocation method resulting from a State Agreement Process.[634] The NYISO proposes that, if it selects a Long-Term Transmission Project for which the Developer committed to use a Voluntary Funding Arrangement, the Developer, and any other Transmission Owner that committed to use the funding arrangement for its portion of the selected project, is responsible for including the funding arrangement in its Development Agreement for its designated portion of the selected project.[635] In addition, the Developer or Transmission Owner must detail the funding arrangement with any transmission rate filing at the Commission and not seek to recover through its transmission rates the project costs that it has committed not to recover through its funding arrangement.[636] The Developer or Transmission Owner would allocate and recover the costs of its project that is not covered by the Voluntary Funding Arrangement through the normal cost allocation and recovery requirements for a selected Long-Term Transmission Project.

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[630] Order No. 1920 at P 1013.

[631] Proposed OATT Attach. Y § 31.6.10.3.

[632] *Id.* § 31.6.11.2.

[633] Order No. 1920 at P 1013. The NYISO requires the Developer as part of its project information to detail the mechanism by which the Funding Entity will provide its funding, including applicable documentation.

[634] *Id.*

[635] Proposed OATT Attach. Y §§ 31.6.9.5.1.9.4, 31.6.11.1.3, 31.12.2, 31.9 (Development Agreement Article 15.3, Appx. E).

[636] *Id.* §§ 6.10.6, 31.6.9.5.1.9.4, 31.6.11.1.3, 31.9 (Development Agreement Article 15.3).

X. Cost Allocation and Cost Recovery Requirements for Long-Term Transmission Planning Process

A. Order No. 1920 Cost Allocation Requirements

Order No. 1920 requires that the transmission provider include in its OATT one or more *ex ante* cost allocation methods – the Long-Term Regional Transmission Cost Allocation Method(s) – for Long-Term Regional Transmission Facilities that are selected as the more efficient or cost-effective transmission solution to a Long-Term Transmission Need for purposes of cost allocation under the OATT.[637] The Long-Term Regional Transmission Cost Allocation Methods must comply with the Order No. 1000 regional cost allocation principles 1 through 5, but not principle 6.[638] The order, however, includes an exception from having to demonstrate compliance with these principles if: (i) Relevant State Entities indicate that they agreed to that method as part of the Engagement Period; or (ii) the cost allocation method results from a State Agreement Process.[639] Notwithstanding these exceptions, any cost allocation method applied to a Long-Term Regional Transmission Facility must ensure that costs are allocated in a manner that is at least roughly commensurate with the estimated benefits of the facility, consistent with cost causation and court precedent.[640]

The order also permits the transmission provider to include in its OATT a State Agreement Process to allocate the costs of Long-Term Regional Transmission Facilities, if Relevant State Entities indicate that they have agreed to such a process.[641] A State Agreement Process, however, cannot be the sole method filed for cost allocation for Long-Term Regional Transmission Facilities.[642] If a State Agreement Process fails to result in a cost allocation method agreed to by Relevant State Entities, or if the Commission ultimately finds that the cost allocation method that results from a State Agreement Process is unjust, unreasonable, or unduly discriminatory or preferential, then the relevant Long-Term Regional Transmission Cost Allocation Method on file would apply as a backstop.[643]

B. NYISO's Proposed Cost Allocation Approach

The NYISO proposes to establish in Section 31.5.6 of Attachment Y of its OATT the cost allocation approach applicable for: (i) a Designated Long-Term Transmission Project that is, or

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[637] Order No. 1920 at P 1291. If the transmission provider proposes more than one methodology, it must make clear in its OATT which method applies to which selected facility. *Id.* at P 1475.

[638] *Id.* at P 1469. These principles are: (1) the costs of selected transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits; (2) those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of those transmission facilities; (3) a benefit to cost threshold ratio, if adopted, cannot exceed 1.25 to 1; (4) costs must be allocated solely within the transmission planning region unless another entity outside the region voluntarily assumes a portion of those costs; and (5) the method for determining benefits and identifying beneficiaries must be transparent. *Id* at P 1471.

[639] *Id.* at P 1470; Order No. 1920-A at P 762.

[640] Order No. 1920 at P 1476.

[641] *Id.* at PP 1291-1292, 1402.

[642] *Id.* at PP 1291-1292.

[643] *Id.*

is a part of, a Long-Term Transmission Project selected by the NYISO as the more efficient or cost-effective transmission solution to a Long-Term Transmission Need, and (ii) any Designated Network Upgrade Facilities associated with a selected Long-Term Transmission Project that is designated to a Designated Entity under the NYISO's Transmission Interconnection Procedures.[644] Other Long-Term Projects will not be eligible for cost allocation or recovery under the NYISO tariffs.[645]

The NYISO proposes to establish both a State Agreement Process and a default *ex ante* cost allocation methodology that are consistent with its existing cost allocation approach used in its Public Policy Process, with minor modifications to account for the Order No. 1920 requirements and lessons learned in applying the approach for the Public Policy Process. Specifically, the NYISO proposes a multi-step State Agreement Process in which the NYPSC or a Designated Entity (following consultation with the NYPSC) may file a proposed cost allocation methodology with the Commission. In the absence of a methodology being filed with or accepted by the Commission, the NYISO would apply a default, *ex ante* load ratio share methodology.

The NYISO's proposed approach is supported by the Relevant State Entities in its planning region and is a just and reasonable mechanism that permits the NYPSC to identify or to coordinate with a Designated Entity on a cost allocation methodology specific to the Long-Term Transmission Need that it identifies and for which costs will be recovered by New York State ratepayers, which methodologies are ultimately subject to Commission review and acceptance. This cost allocation approach, as applied in the Public Policy Process, has helped facilitate the construction of new transmission facilities in New York by providing a clear process for establishing the cost allocation methodology in connection with a transmission need. Consistent with its application in the Public Policy Process, the NYISO's proposed approach provides flexibility to identify in connection with a specific Long-Term Transmission Need a cost allocation methodology that is at least roughly commensurate with the estimated benefits of the facility selected to address the transmission need. As described below, the NYISO requests certain "consistent with or superior to" variations to establish a cost allocation methodology consistent with the approach used in its existing Public Policy Process and agreed upon by the Relevant State Entities.

i. Engagement Period

Order No. 1920 requires that the transmission provider establish and provide notice of a six-month time period – i.e., the Engagement Period – for Relevant State Entities[646] to negotiate

[644] Proposed OATT Attach. Y §§ 31.5.1.1, 31.5.1.7, 31.5.5.1, 31.5.6.1, 31.5.6.2.1, 31.5.6.3. The applicability of the proposed cost allocation requirements to Designated Network Upgrade Facilities associated with a selected Long-Term Transmission Project is consistent with the NYISO's other transmission planning processes. *See* OATT Attach. Y § 31.5.1.1.

[645] Proposed OATT Attach. Y § 31.5.1.2. *See also* OATT Attach. Y § 31.5.1.6.

[646] Order No. 1920 defines "Relevant State Entities" as "any state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state." Order No. 1920 at P 1355 (citations omitted).

a Long-Term Regional Transmission Cost Allocation Method(s) and/or State Agreement Process.[647] In addition, upon the request of Relevant State Entities, the transmission provider must facilitate and participate in the cost allocation discussion.[648]

The NYISO has complied with the Engagement Period requirements. On November 24, 2024, the NYISO issued a notice, which it also posted on its website, commencing the Engagement Period for the Relevant State Entities in its region ("Initial Notice").[649] The Initial Notice is included as Attachment II to this filing letter. The Initial Notice included the information required by Order No. 1920: (i) establishing a six-month period for the Engagement Period running from November 25, 2024, to May 25, 2025, (ii) providing contact information and a deadline for communicating agreement among the Relevant State Entities, which deadline was no earlier than the end date of the Engagement Period, and (iii) providing a forum that could be used by the Relevant State Entities to hold discussions.[650] As further provided in the order, the NYISO did not identify the Relevant State Entities in the Initial Notice, but encouraged those entities in New York State that satisfy the definition of Relevant State Entities to contact the NYISO and to participate in the Engagement Period.[651] The NYDPS and LIPA both identified themselves as Relevant State Entities and participated in the Engagement Period process.[652] The NYISO hosted a kick-off meeting for the Engagement Period on December 9, 2024, which was attended by representatives of both the NYDPS and LIPA. The parties progress was limited during the initial six-month Engagement Period as the proposed process was still largely under development.

The NYISO subsequently requested, and the Commission granted, an extension until April 30, 2026, of its compliance filing deadline regarding the regional transmission planning requirements in Order No. 1920.[653] In light of the additional time for developing the NYISO's proposed Long-Term Transmission Planning Process, the NYISO issued a subsequent notice on June 4, 2025, that established a second six-month Engagement Period to provide the Relevant State Entities with additional time to continue to discuss the cost allocation methodology in parallel with the NYISO's further development of the proposed long-term process ("Second

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[647] Order No. 1920 at P 1354.

[648] *Id.* at P 1357; Order No. 1920-A at PP 651, 656, 684.

[649] Notice: Opening of Engagement Period for Relevant State Entities Regarding Cost Allocation Methodology for Long-Term Regional Transmission Facilities (Nov. 25, 2025); *available at*: https://www.nyiso.com/documents/20142/48303609/Notice-Order-1920-Relevant-State-Entities-Engagement-Period-final.pdf/b89e825b-6297-724d-b4dc-387960a8f7f6.

[650] *See* Order No. 1920 at 1354, 1356.

[651] Entities within a state must determine if they qualify as Relevant State Entities based on the definition the Commission provided in Order No. 1920 and based upon their interpretation of their state laws. Order No. 1920-A at P 702.

[652] Order No. 1920 permits there to be multiple Relevant State Entities for a single state. Order No. 1920 at P 1365; Order No. 1920-A at P 686.

[653] *N.Y. Indep. Sys. Operator, Inc.,* Notice of Extension of Time, Docket No. RM21-17-000 (March 24, 2025).

Notice").[654] The Second Notice is included as Attachment III to this filing letter.[655] The Second Notice also satisfied the Order No. 1920 requirements with start and end dates running from June 10, 2025, to December 10, 2025, contact information and requested deadlines for communicating agreement, and the provision of a forum for discussion. On June 10, 2025, the NYISO hosted a kick-off meeting for the second Engagement Period. In addition, the NYISO provided with its Second Notice a set schedule of meetings that it was available to host on behalf of the Relevant State Entities during the second Engagement Period. The Relevant State Entities largely discussed the cost allocation requirements between themselves without the NYISO's involvement. On December 10, 2025, the NYISO hosted a meeting on the end date of the second Engagement Period among the parties. Subsequent to this meeting, the NYDPS, LIPA, and the NYISO continued to work through a proposed cost allocation methodology and the NYISO's proposed tariff language.

On June 11, 2026, the NYDPS and LIPA submitted to the NYISO a *Notice of Agreement of Relevant State Entities on Cost Allocation Methodology for NYISO's Long-Term Transmission Planning Process* ("Cost Allocation Agreement"), which notice was executed by both the NYDPS and LIPA. This notice of agreement is included as Attachment IV to this filing letter. As detailed in the notice, the NYDPS and LIPA indicated their agreement in support of, and requested that the NYISO adopt in its compliance filing: (i) a multi-step State Agreement Process for determining the cost allocation methodology for the Long-Term Transmission Planning Process that is consistent with the NYISO's current approach used for its Public Policy Process, and (ii) a default, *ex ante* load ratio share methodology.[656] In addition, the NYDPS and LIPA confirmed in their notice that they had reviewed the NYISO's final draft tariff language for its cost allocation approach posted for the NYISO's June 1, 2026, ESWPG meeting and agreed that this tariff language is consistent with their agreed-upon approach. Finally, the NYDPS and LIPA requested that the NYISO request any "consistent with or superior to" variations required to implement this approach.

Order No. 1920 states that the transmission provider remains ultimately responsible for transmission planning and may file its preferred methodology, regardless of the outcome of the Engagement Period.[657] In addition, the order requires that the transmission provider include any proposed approach by the Relevant State Entities in the filing letter or as an attachment to that letter, including any supporting evidence or justification from the Relevant State Entities that they requested be included and any information provided during the state negotiations.[658] In this

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[654] While not required, Order No. 1920 permitted transmission providers to hold future Engagement Periods if they believe such periods would be beneficial. Order No. 1920 at P 1368.

[655] Notice: Opening of Engagement Period for Relevant State Entities Regarding Cost Allocation for Long-Term Regional Transmission Facilities (June 4, 2025); *available at:* https://www.nyiso.com/documents/20142/48303609/Notice-Order-1920-Relevant-State-Entities-Subsequent-Engagement-Period-20250604.pdf/9e2fa326-97ba-7242-09b2-38a4c37701a9.

[656] Order No. 1920 declined to define what constitutes agreement among Relevant State Entities, how such agreement is reached, and which Relevant State Entities must reach such agreement during the Engagement Period. Order No. 1920 at PP 1360-1361. In this instance, the agreement was unanimous between the two Relevant State Entities as reflected in their submitted notice.

[657] Order No. 1920 at P 1364.

[658] *Id.* at P 1359; Order No. 1920-A at PP 651, 653-655, 661.

case, the NYISO's preferred cost allocation methodology approach aligns with the Relevant State Entities' agreed-upon approach for the Long-Term Transmission Planning Process. The NYISO details this proposed methodology below.

ii. NYISO's Proposed State Agreement Process

Order No. 1920 requires that the transmission provider include in its OATT the following information concerning a State Agreement Process agreed upon by the Relevant State Entities: (i) the event triggering the beginning of the process, (ii) which entities can participate in the process, (iii) the duration of the process (not to exceed six months after selection), (iv) a description of the Long-Term Regional Transmission Facilities to which the process applies, (v) what constitutes an agreement on cost allocation in that process, (vi) how agreement is communicated to the transmission provider, and (vii) the circumstances under which, or the information necessary for, the transmission provider to file or to consider filing the agreed cost allocation method to seek Commission acceptance (i.e., whether the transmission provider voluntarily waives its FPA section 205 filing rights such that it commits itself to file with the Commission any cost allocation method that results from the State Agreement Process).[659] The order further establishes that Relevant State Entities have significant flexibility with respect to the design and implementation of any State Agreement Process, including the option to include the participation of other entities in a State Agreement Process.[660] The order provides that any State Agreement Process be completed, i.e., any resulting cost allocation method must be filed with the Commission, no later than six months after selection of the applicable Long-Term Regional Transmission Facility (or portfolio of such Facilities).[661]

The NYISO proposes to adopt a State Agreement Process for identifying a cost allocation methodology for its Long-Term Transmission Planning Process that is consistent with the related process in its Public Policy Process, with limited variations described below. The proposed process has been agreed upon by the Relevant State Entities. The NYISO will apply the cost allocation methodology determined through the process that has been filed with and accepted or approved by the Commission and incorporate the methodology into Section 31.10 (Appendix G) of Attachment Y of the OATT.[662] In the absence of such alternative methodology, the NYISO will apply a load ratio share methodology.[663] The process is as follows:

- If the NYPSC prescribes the use of a particular cost allocation and recovery methodology with its determination of the Long-Term Transmission Need, which methodology differs from the *ex ante* load ratio share methodology, then the NYISO will file that

[659] Order No. 1920 at PP 1403, 1415-1416.
[660] *Id.* at PP 1405-1406.
[661] *Id.* at PP 1405-1406.
[662] Proposed OATT Attach. Y § 31.5.6.4. The NYISO proposes to include a new OATT Section 31.10 (Appendix G) for purposes of including any cost allocation methodologies accepted or approved by the Commission for the Long-Term Transmission Planning Process. This provision is consistent with the existing Section 31.8 (Appendix E) of the OATT, which includes the cost allocation methodologies accepted or approved for the Public Policy Process.
[663] Proposed OATT Attach. Y § 31.5.6.4.3.

methodology with the Commission within 60 days of the NYPSC's issuance of its determination.[664]

- A Designated Entity responsible for a Designated Long-Term Transmission Project may also submit to the NYPSC for its consideration – no later than 60 days after the NYISO's selection of the Long-Term Transmission Project – a proposed cost allocation methodology, which may include a cost allocation based on load ratio share, adjusted to reflect, as applicable, the Long-Term Transmission Need, the party(ies) responsible for complying with the Long-Term Transmission Need, and the party(ies) who benefit from the transmission facility.[665]

- In such case, the NYPSC will have 150 days following the deadline for the Designated Entity's submission of a proposed methodology to review the proposed methodology and to inform the Designated Entity whether the NYPSC supports or does not support the methodology.[666]

- If the NYPSC supports the Designated Entity's proposed methodology, the Designated Entity will file that methodology with the Commission for its acceptance under Section 205 within 30 days of the NYPSC's response and will have the burden of demonstrating that the proposed methodology is compliant with the Order No. 1000 Regional Cost Allocation Principles 1 through 5.[667]

- If the NYPSC does not support the Designated Entity's proposed methodology, then the Designated Entity shall take reasonable steps to respond to the NYPSC's concerns and to develop a mutually agreeable methodology over a period of no more than 60 days after the NYPSC's response, which reasonable steps will include, but not be limited to, providing information to the NYPSC or NYDPS related to the proposed cost allocation methodology that they may reasonably require.[668]

- If a mutually acceptable cost allocation methodology is developed during the 60 day timeframe, the Designated Entity shall file it with the Commission for acceptance under Section 205 no later than 30 days after the conclusion of the discussion period and will have the burden of demonstrating that the proposed methodology is compliant with the Order No. 1000 Regional Cost Allocation Principles 1 through 5.[669]

- If no mutually agreeable cost allocation methodology is developed, the Designated Entity will file its preferred methodology with the Commission for acceptance under Section 205 no later than 30 days after the conclusion of the discussion period.[670] The

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[664] *Id.* § 31.5.6.4.1.
[665] *Id.* § 31.5.6.4.2.
[666] *Id.* § 31.5.6.4.2.1.
[667] *Id.* § 31.5.6.4.2.2.
[668] *Id.* § 31.5.6.4.2.3.
[669] Proposed OATT Attach. Y § 31.5.6.4.2.4.
[670] *Id.* § 31.5.6.4.2.5.

Designated Entity will have the burden of demonstrating that its proposed methodology is compliant with the Order No. 1000 Regional Cost Allocation Principles 1 through 5 and shall identify areas of disagreement with the NYPSC.[671] The filing shall include the methodology supported by the NYPSC for the Commission's consideration.[672]

- Unless the Commission has accepted an alternative methodology pursuant to this process, the NYISO will allocate the costs of the selected Long-Term Transmission Project to all Load Serving Entities in the New York Control Area ("NYCA") using the default load ratio share methodology.[673]

The NYISO's proposed multi-step approach addresses the Order No. 1920 requirements for a State Agreement Process, by detailing in its OATT the process requirements for identifying the cost allocation methodology, including what triggers the process steps, which entities can participate, the duration of the process steps, which transmission facilities are subject to the rules, what agreement is required, and who and under which circumstances would file a methodology at the Commission for its acceptance. The NYISO, however, requests a "consistent with or superior to" variation from the requirement that any methodology resulting from the process must be filed with the Commission no later than six months after selection. In instances in which a Designated Entity proposes an alternative methodology, the process may not be completed within six months of selection. The NYISO's requirements establish a reasonable amount of time and set explicit deadlines for coordination between the Designated Entity and the NYPSC to attempt to achieve consensus concerning a cost allocation methodology for the NYISO's single state region, which coordination could alleviate disputes and delays at the Commission. The Commission previously concluded that this process "will not cause unnecessary delays for transmission developers" for purposes of the Public Policy Process.[674]

The NYISO also proposes the following differences from the related requirements in its Public Policy Process. Consistent with Order No. 1920, the NYISO proposes that the entity submitting the methodology to the Commission must only address the Order No. 1000 cost allocation principles 1 through 5 in its filing and not principle 6.[675] In addition, the NYISO made the following clarifications to the process steps.[676] First, if the NYPSC identifies load ratio share as the cost allocation methodology for a particular Long-Term Transmission Need, that

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[671] *Id.* § 31.5.6.4.2.5.

[672] *Id.* § 31.5.6.4.2.5. If the Designated Entity elects to use the load ratio share methodology, the Designated Entity shall notify the Commission of its intent to do so and shall include in its notice the NYPSC-supported methodology for the Commission's consideration. *Id.* § 31.5.6.4.2.5.

[673] Proposed OATT Attach. Y § 31.5.6.4.3.

[674] *N.Y. Indep. Sys. Operator, Inc.,* 151 FERC ¶ 61,040 at P 121 (2015). The timelines of the NYISO's cost allocation approach for its current Public Policy Process and its proposed approach for the Long-Term Transmission Planning Process are substantially similar to those accepted in the 2015 Commission order. The only variation is that the NYISO subsequently extended the time period for a Designated Entity to propose a methodology from 30 to 60 days after selection.

[675] The NYISO proposes to revise its current description of the Order No. 1000 regional transmission principles to reference the requirements in Order No. 1920 for applying principles 1 through 5 and to account for Long-Term Transmission Needs. Proposed OATT Attach. Y § 31.5.2.1.

[676] Proposed OATT Attach. Y § 31.5.6.4.2.3, 31.5.6.4.2.4, 31.5.6.4.2.5.

methodology will not have to be filed with the Commission as it is already the default methodology.[677] Second, the NYISO clarifies that the NYPSC must indicate whether it supports "or does not support" a Designated Entity's proposed methodology.[678] Third, the NYISO clarifies that the reasonable steps that a Designated Entity will take to address the NYPSC's concerns with its proposed methodology include, but are not limited to, providing information to the NYPSC or NYDPS related to the proposed cost allocation that they may reasonably require.[679] Fourth, the NYISO clarifies that a Designated Entity, when filing with the Commission a disputed cost allocation methodology, must identify the areas of disagreement.[680] Finally, the NYISO proposes some non-substantive revisions to the descriptions of the process steps to improve readability.

In addition, consistent with the related rules in its Public Policy Process, the NYISO proposes to indicate that nothing in the process requirements deprives a Transmission Owner or Other Developer of any rights it may have under Section 205 of the FPA to submit filings proposing any other cost allocation methodology to the Commission or create any Section 205 filing rights for any Transmission Owner, Other Developer, the NYISO, or any other entity.[681] If a Transmission Owner or Other Developer files a different cost allocation methodology under Section 205, it will have the burden of demonstrating that its proposed methodology is compliant with the Order No. 1000 cost allocation principles 1 through 5, taking into account the methodology specified by the NYPSC.[682]

Finally, the NYISO proposes to include requirements for the cost allocation methodology for the Long-Term Transmission Planning Process that mirror those for its Public Policy Process that make clear that the methodology will align with the Order No. 1000 cost allocation principles 1 through 5, will be based on a beneficiaries pay approach, which benefits and beneficiaries will be identified in the State Agreement Process, and that such projects could proceed instead on a market basis.[683]

iii. Exceptions to the State Agreement Approach

The NYISO proposes to apply the *ex ante* load ratio share methodology, except as otherwise determined by the Commission, to allocate costs if the Developer is eligible to recover such costs because (i) the appropriate federal, state, or local agency(ies) rejects the Designated Long-Term Transmission Project's necessary authorizations, or such authorizations are withdrawn, (ii) the Designated Long-Term Transmission Project is terminated as part of the Reevaluation Process, (iii) the Development Agreement for the Designated Long-Term Transmission Project or Designated Network Upgrade Facilities is terminated as a result of another Designated Entity defaulting on the development of a separate Designated Long-Term

[677] *Id.* § 31.5.6.4.1.
[678] *Id.* § 31.5.6.4.2.1.
[679] *Id.* § 31.5.6.4.2.3.
[680] *Id.* § 31.5.6.4.2.5.
[681] *Id.* §§ 31.5.6.4, 31.5.6.4.1.
[682] Proposed OATT Attach. Y § 31.5.6.4.1.
[683] *Id.* §§ 31.5.6.2, 31.5.6.4.

Transmission Project or Designated Network Upgrade Facilities that compose the selected Long-Term Transmission Project, or (iv) the Developer proposed its Long-Term Transmission Project in response to a request by the NYPSC and was not selected by the NYISO.[684] In such instances, the project may be eligible for cost allocation and recovery prior to the determination of an alternative cost allocation methodology for a Long-Term Transmission Need through the multi-step process or, in the event a project is subject to termination, there may not be a completed process for identifying an alternative methodology. The use of the *ex ante* load ratio share methodology in such instances is consistent with the NYISO's approach for comparable cost allocation and recovery scenarios in its Public Policy Process.[685]

iv. NYISO's Proposed Ex Ante Cost Allocation Methodology

The NYISO proposes as the default, *ex ante* cost allocation methodology for its Long-Term Transmission Planning Process to allocate the costs of the selected Long-Term Transmission Project to all Load Serving Entities in the NYCA on a load ratio share basis.[686] The Relevant State Entities indicated in the Cost Allocation Agreement their support for the NYISO's use of load ratio share as the *ex ante* methodology. As described above, Order No. 1920 establishes that the transmission provider is not required to demonstrate that its proposed cost allocation methodology complies with the Order No. 1000 regional cost allocation principles 1 through 5 if the Relevant State Entities agree to the methodology.[687] The transmission provider must demonstrate that the cost allocation methodology will allocate costs in a manner that is at least roughly commensurate with the estimated benefits of the facility, consistent with cost causation and court precedent.[688]

The NYISO's proposed use of a load ratio share based *ex ante* cost allocation methodology is consistent with judicial and Commission precedent interpreting the "at least roughly commensurate" standard. Those precedents make clear that cost allocation is not an "exact science" and necessarily involves "judgement on a myriad of facts."[689] The Commission may approve a cost allocation methodology so long as there is "an articulable and plausible reason to believe" that costs and benefits will be at least roughly commensurate.[690] It does not matter if benefits to customers in a given region may be relatively minor so long as it is reasonable to anticipate that those customers will benefit to some extent.[691]

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[684] *Id.* § 31.5.6.3.

[685] *See* OATT Attach. Y § 31.5.5.3.

[686] Proposed OATT Attach. Y § 31.5.6.4.3.

[687] Order No. 1920 at P 1469.

[688] *Id.* at PP 1476, 1506.

[689] *Colo. Interstate Gas Co. v. FPC*, 324 U.S. 581, 589 (1945) ("Allocation of costs is not a matter for the slide-rule," but "involves judgment on a myriad of facts")

[690] Order No. 1920-A at n. 10 (citing *Ill. Com. Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009) (holding that, if the Commission cannot quantify the benefits of particular transmission facilities to a particular class of transmission customers, it must have "an articulable and plausible reason to believe that the benefits [of those facilities] are at least roughly commensurate with" the costs to be paid by those customers)).

[691] *See, e.g., Midcontinent Indep. Sys. Operator, Inc*., 191 FERC ¶ 61,231 at P 68 (2025) ("Accordingly, even if, as Southern Regulators contend, the JTIQ Upgrades in JTIQ Portfolio #1 were "a mere pebble" in comparison to the MISO Midwest MVPs, the record nevertheless shows that these facilities provide minor and

The Commission determined in the NYISO's Order No, 1000 compliance proceedings that the NYISO's use of a load ratio share based *ex ante* methodology in its Public Policy Process was just and reasonable "in the context of the NYISO's specific circumstances."[692] The NYISO and the Transmission Owners had explained that a load ratio share allocation was "a reasonable option in the context of a single-state Independent System Operator such as the NYISO." This was because the "New York State Transmission System is a tightly integrated grid that has been centrally administered since the formation of the New York Power Pool in 1969" and "was substantially shaped by coordinated statewide policy initiatives in the decades before that."[693]

In addition, at the time of the Order No. 1000 compliance proceeding, New York State was "pursuing public policy transmission requirements that may lead to changes to the bulk power grid on a unified statewide basis."[694] The NYISO also emphasized that the CSPP applied to New York BPTFs which formed the "highway system" over which large amounts of power can be delivered, which provided statewide benefits when used to meet Public Policy Transmission Needs. It was therefore reasonable to anticipate that Public Policy Transmission Projects would "provide some level of benefits to all consumers in New York State."[695]

The Commission also recognized that the NYISO's *ex ante* methodology in the Public Policy Process was the final step of a previously accepted framework that allowed for different methodologies to be proposed.[696] The fact that there were opportunities to propose alternatives reinforced the reasonableness of using a relatively simple load ratio share backstop.[697]

The same considerations support the NYISO's proposed use of a load ratio share based *ex ante* methodology for its Long-Term Transmission Planning Process. The NYISO continues to administer a tightly-integrated and closely coordinated single-state transmission system comprised largely of "highway" facilities. As explained throughout this filing letter, the NYPSC and NYDPS have had, and will continue to have, an important role in various aspects of the CSPP including in the Long-Term Transmission Planning Process. They are accountable to all New York State citizens and should be expected to account for the interests of all New Yorkers when fulfilling their CSPP-related roles. In particular, it is reasonable to assume that all New York customers will realize benefits, at least to some degree, when Long-Term Transmission

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incremental benefits to the transmission customers in the MISO and SPP regions and thus supports system-wide backstop cost allocation for JTIQ Portfolio #1, including to transmission customers in MISO South.")

[692] *N.Y. Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,044 at P 331 (2014).

[693] *N.Y. Indep. Sys. Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-002 (Oct. 15, 2013) at 50 ("Second NYISO Order No. 1000 Compliance Filing").

[694] *N.Y. Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,044 at P 331 (2014),

[695] *See* Second NYISO Order No. 1000 Compliance Filing at 50-51.

[696] *See N.Y. Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61.044 at P 332 (2014).

[697] The Commission more recently applied similar logic in concluding that a proposed system-wide cost recovery mechanism was just and reasonable in part because it was a backstop that was relatively unlikely to be relied upon. *See Midcontinent Indep. Sys. Operator, Inc*., 191 FERC ¶ 61,231 at P 67 (2025) (accepting backstop mechanism under the Joint Targeted Interconnection Queue framework between the Midcontinent Independent System Operator, Inc. and Southwest Power Pool, Inc.).

Needs identified by the NYPSC lead to the development of Long-Term Transmission Projects in the NYISO context. Similarly, as demonstrated above and just as in the Public Policy Process, the load ratio share *ex ante* allocation methodology will only be used in the Long-Term Transmission Planning Process if other methodologies are not adopted. Notably, the NYPSC has an explicit opportunity to identify an alternative methodology when identifying any Long-Term Transmission Need.

As described in this filing letter, there are differences between the Public Policy Process and the proposed Long-Term Transmission Planning Process. But none of those differences militate against using a load ratio share based *ex ante* methodology in the latter process. The Commission's rulings regarding the NYISO's Order No. 1000 *ex ante* allocation proposal were partially linked to assumptions about the nature of Public Policy Transmission Projects.[698] Transmission solutions selected through the Long-Term Transmission Planning Process may be driven by a wide variety of factors in addition to, or in lieu of, public policy concerns. Nevertheless, Order No. 1920, "recognized that Long-Term Regional Transmission Facilities are likely to provide a diverse array of benefits" and did not exclude public policy considerations.[699] In the NYISO context, Long-Term Transmission Needs are based on the transmission expansion opportunities that the NYISO identifies to address a wide variety of factors. And, as stated above, it is reasonable to expect that the NYPSC will identify needs whose solutions will bring at least some benefit to all New Yorkers given the integrated and coordinated nature of the NYISO system.

There is another reason why the Commission should not be concerned about the NYISO's proposed *ex ante* cost allocation methodology's consistency with the roughly commensurate standard in the Order No. 1920 context. Order No. 1920 repeatedly states that consumers in one state would never be required "to subsidize other states' public policies" because "transmission customers within a transmission planning region need only pay costs that are 'roughly commensurate' with the benefits that transmission providers estimate they will receive from a regional transmission facility."[700] "Thus, 'even if one state's public policy is a driver of a Long-Term Transmission Need, the costs of a Long-Term Regional Transmission Facility that transmission providers select will be allocated to transmission customers only to the extent that they benefit from that facility and only to a degree that is at least roughly commensurate with the benefits that facility provides to them.'"[701] The NYISO's *ex ante* cost allocation proposal does not raise any such concerns about interstate cost shifts because the NYISO is single-state region. There are no other competing or countervailing state perspectives that must be accommodated in the NYISO's Long-Term Transmission Planning Process. Accordingly, adopting a load ratio share based cost allocation methodology will not subject New York customers to costs for projects outside of New York that do not benefit them.

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[698] *See, e.g., N.Y. Indep. Sys. Operator, Inc.,* 148 FERC ¶ 61.044 at P 333 (2014) ("Additionally, in certain situations the Filing Parties' default cost allocation may be particularly appropriate for a single state such as New York, in which the state's government, which represents all of the state's citizens, has made a determination that addressing a particular transmission need driven by public policy requirements will benefit all of the state.")

[699] *See* Order No. 1920-A at P 463.

[700] Order No. 1920-A at P 108.

[701] *Id*.

There are two additional justifications for accepting the NYISO's load share ratio based *ex ante* cost allocation proposal. First, the Commission should attach significant weight to the Relevant State Entities' support for a load ratio share methodology given their responsibility to protect New York customers. Second, as discussed above in Part III.B, the Public Policy Process is responsible for the most significant transmission expansion in New York State in decades. The multi-step cost allocation regime, including the default load ratio share *ex ante* methodology, included in that process has supported this success.

In short, there are "articulable and plausible" reasons to believe that costs and benefits will be at least roughly commensurate under the NYISO's *ex ante* cost allocation proposal for its Long-Term Transmission Planning Process.

v. LIPA and NYPA Specific Variations

The NYISO proposes to include certain cost allocation requirements that are specific to NYPA and LIPA when they are Designated Entities, including to account for their status as non-Commission jurisdictional entities.[702] The NYISO's proposed rules for NYPA and LIPA are consistent with the related requirements for its Public Policy Process,[703] with limited differences described below. These requirements are consistent with or superior to the Order No. 1920 requirements to account for unique issues associated with NYPA's and LIPA's jurisdictional status.

For purposes of NYPA, the NYISO proposes to indicate that it will make any Section 205 filings required under the multi-step process rules on behalf of NYPA, which is a non-Commission jurisdictional entity, to the extent requested by NYPA.[704] NYPA will bear the burden of demonstrating that such a filing is compliant with the Order No. 1000 regional cost allocation principles 1 through 5.[705]

For purposes of LIPA, the NYISO proposes to include specific requirements for identifying the cost allocation methodology and establishing rates for a Designated Long-Term Transmission Project or Designated Network Upgrade Facility for which LIPA is the Designated Entity ("LIPA Project").[706] The requirements account for LIPA's jurisdictional responsibilities on Long Island, including the responsibilities of its Board of Trustees ("LIPA Board") for conducting transmission planning for the Long Island Transmission District and for overseeing and approving rates for LIPA-developed projects. The NYISO proposes to adopt LIPA-specific

[702] The NYISO proposes to make clear that the inclusion in the NYISO OATT or in a filing with the Commission of the cost allocation and charges for recovery of costs incurred by NYPA or LIPA related to a solution to a Long-Term Transmission Need will not be deemed to modify the treatment of such rates as non-jurisdictional pursuant to Section 201(f) of the FPA. Proposed OATT Attach. Y § 31.5.6.4.6.

[703] OATT Attach. Y §§ 31.5.5.4, 31.5.5.4.4 – 31.5.5.4.6.

[704] Proposed OATT Attach. Y §§ 31.5.6.4, 31.5.6.4.4. NYPA will be solely responsible for making any jurisdictional reservations or arguments related to its status as a non-Commission jurisdictional utility that is not subject to various provisions of the Federal Power Act. *Id.*

[705] Proposed OATT Attach. Y § 31.5.6.4.4.

[706] *Id.* § 31.5.6.4.5.

requirements that are consistent with those in its Public Policy Process, with certain limited differences. LIPA and the NYDPS, as the Relevant State Entities, reviewed the existing language from the Public Policy Process and made some clarifying revisions. The Relevant State Entities requested in their Cost Allocation Agreement that the NYISO adopt these provisions.

First, the NYISO proposes to include the process by which the LIPA Board may recommend an alternative cost allocation methodology after consulting with and considering the recommendations of the NYDPS. The LIPA Board would have 150 days from the NYISO's final designation of LIPA as the Designated Entity for a project to determine an alternative cost allocation methodology, after which it would be subject to review by the NYPSC consistent with the requirements in the multi-step process.[707] LIPA may then request that the NYISO file an alternative methodology with the Commission, including a statement of the NYPSC on the proposed alternative methodology. Any proposed methodology will be reviewed as to whether there is comparability in the derivation of the cost allocation for market participants such that LIPA has demonstrated that the proposed methodology is compliant with the Order No. 1000 regional cost allocation principles 1 through 5 and is roughly commensurate with the identified benefits.

Second, the NYISO proposes to include the process by which the LIPA Board will review and approve rates for a LIPA Project pursuant to Article 5, Title 1-A of the New York Public Authorities Law, Sections 1020-f(u) and 1020-s, following its consideration of a recommendation concerning the rate from the NYDPS.[708] Upon this approval, LIPA would request that the NYISO file such rate with the Commission for review under the same comparability standard that is applied to the review of changes to LIPA's Transmission Service Charge.[709]

Third, the NYISO proposes to clarify that LIPA will be responsible for intervening in support of the filings made by the NYISO on its behalf and for demonstrating that: (i) the cost allocation methodology or rate approved by the LIPA Board meets the applicable standard of comparability, and (ii) the Commission should accept such methodology or rate.[710]

Finally, the NYISO proposes to indicate that, for Transmission Districts other than the Long Island Transmission District, it will bill for LIPA, as a separate charge, the cost incurred by LIPA for a solution to a Long-Term Transmission Need using the methodology or rates established through the LIPA-specific rules and accepted for filing by the Commission and will

[707] *Id.* § 31.5.6.4.5.1. The NYISO proposes to include a 150 day time period for the LIPA Board to make this determination. This time period is not included in the related rules in the Public Policy Process and has been added to address the potential need for a public notice and comment process under New York's State Administrative Procedure Act in connection with this determination.

[708] Proposed OATT Attach. Y § 31.5.6.4.5.2.

[709] *Id.* If the LIPA Board does not adopt the NYDPS recommendation, the recommendation will be included in the filing for the Commission's consideration. *Id.*

[710] Proposed OATT Attach. Y § 31.5.6.4.5.3. LIPA will also be responsible for responding to, and seeking to resolve, concerns about the comments of the filing that might be raised in the proceeding. *Id.* § 31.5.6.4.5.3.

also remit the revenues collected to LIPA each Billing Period in accordance with the NYISO's billing and settlement procedures.[711]

vi. Subsequent Cost Allocation Changes

Order No. 1920 requires that the transmission provider consult with Relevant State Entities: (1) prior to amending the Long-Term Regional Transmission Cost Allocation Method(s) and/or State Agreement Process(es), or (2) if Relevant State Entities seek, consistent with their chosen method to reach agreement, for the transmission provider to amend that method or process.[712] This requirement provides a mechanism through which the transmission provider and Relevant State Entities can engage regarding possible future changes via Section 205 of the FPA to cost allocation methods accepted by the Commission in compliance with Order No. 1920.[713] The transmission provider has flexibility as to the form and duration of the required coordination with Relevant State Entities.[714]

The NYISO proposes to include in the cost allocation requirements for its Long-Term Transmission Planning Process requirements detailed below for coordination with the Relevant State Entities prior to a subsequent change to these cost allocation requirements pursuant to Section 205. The NYISO also proposes to clarify that these requirements do not limit the NYDPS's or LIPA's ability to participate in the NYISO's stakeholder process concerning proposed amendments to the cost allocation requirements or their ability to participate in any subsequent proceeding before the Commission.[715]

Proposed NYISO Changes – The NYISO proposes that prior to seeking stakeholder approval of a proposed amendment to the cost allocation requirements that would be subject to a filing with the Commission pursuant to Section 205, the NYISO will provide the NYDPS and LIPA with an opportunity to consult concerning such proposed amendments.[716] In particular, the NYISO would provide notice to the NYDPS and LIPA that establishes a period of at least 30 calendar days during which the NYISO, the NYDPS, and LIPA have the opportunity to consult concerning the proposed amendment.[717] The NYDPS and LIPA may elect not to participate or may provide written comments, including any alternative proposal, in advance of the deadline established in the notice.[718] The NYISO will post on its website its notice to the NYDPS and LIPA and any written comments, including alternative proposals, received from the NYDPS and LIPA for the NYISO's and its stakeholders' consideration.[719] The NYISO will detail in its filing

[711] *Id.* § 31.5.6.4.5.4.
[712] Order No. 1920-A at PP 691-692.
[713] *Id.*
[714] *Id.*
[715] Proposed OATT Attach. Y § 31.5.6.4.7.3.
[716] Proposed OATT Attach. Y § 31.5.6.4.7.1.
[717] *Id.* The notice will include: a description of the proposed amendment; potential meeting times to assist scheduling a meeting; contact information that the NYDPS and LIPA may use to communicate with the NYISO concerning the proposed amendment; and a deadline for the NYDPS and LIPA to provide any written comments, including any alternative proposals. *Id.*
[718] *Id.*
[719] *Id.*

of any proposed amendments to the cost allocation requirements pursuant to Section 205 its compliance with these requirements, including indicating whether the proposed amendment differs from an alternative proposal provided by the NYDPS and LIPA.[720]

Proposed Relevant State Entities' Changes – The NYISO proposes that the NYDPS and LIPA may provide notice to the NYISO at any time of a proposed amendment to the cost allocation requirements.[721] The NYISO will post this notice on its website and will commence a stakeholder process to consider the proposed amendment.[722] The NYDPS and LIPA must provide the NYISO with the materials required to support the proposed amendment for the stakeholder meetings and will be responsible for presenting and supporting the proposed amendment at stakeholder meetings.[723] If both the NYISO's MC and its Board approve the amendment consistent with the NYISO's requirements for submitting a Section 205 filing, the NYISO will file the proposed amendment with the Commission.[724] The NYDPS and LIPA must reasonably cooperate with the NYISO with respect to such filing and provide all information reasonably requested by the NYISO to support the filing, including, but not limited to, justification, affidavits, and/or testimony detailing how the proposed amendment complies with the cost allocation requirements and Commission precedent.[725] If the NYISO Board does not approve the proposed amendment, the NYISO will post on its website an explanation of its determination not to approve the amendment.[726]

C. Cost Recovery

Attachment Y and Rate Schedule 10 of the OATT establish the cost recovery requirements for transmission projects that are eligible for recovery in accordance with the requirements of the transmission planning processes in the CSPP. The NYISO proposes to revise these requirements to provide for cost recovery for transmission projects eligible for recovery under the new Long-Term Transmission Planning Process. These provisions are consistent with the existing cost recovery requirements for the Public Policy Process, except as they relate to reevaluation and voluntary funding, which are not a part of the Public Policy Process.[727] The NYISO requests to the extent necessary a consistent with or superior to variation from the Order No. 1920 requirements to include these cost recovery rules which are necessary and appropriate tariff requirements for implementing the new Long-Term Transmission Planning Process.

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[720] *Id.* *See* Order No. 1920-A at PP 691-692 (requiring the transmission provider to document on its OASIS or other public website the results of its consultation with Relevant State Entities prior to filing its amendment).

[721] Proposed OATT Attach. Y § 31.5.6.4.7.2.

[722] *Id.*

[723] *Id.* The NYISO proposes to require that the Relevant State Entities provide this material to the NYISO within a set number of days before the stakeholder meetings to ensure NYISO can meet the posting requirements for these meetings. *Id.*

[724] *Id.* *See also* Independent System Operator Agreement Art. 19; OATT § 2.10 (establishing requirements for the NYISO to submit amendments to its tariffs pursuant to Section 205 of the FPA).

[725] Proposed OATT Attach. Y § 31.5.6.4.7.2.

[726] *Id.* *See* Order No. 1920-A at PP 691-692 (requiring the transmission provider to document publicly on its OASIS or other public website the results of its consultation with Relevant State Entities, including an explanation for why it has chosen not to propose any amendments).

[727] OATT § 6.10.1.1, Attach. Y § 31.5.7.3.1 (previously 31.5.6.3.1).

Absent such requirements, Developers will not have a tariff mechanism for recovering their costs allocated under the OATT.

First, the NYISO proposes to establish that a Transmission Owner or an Other Developer is eligible to recover through the requirements in Rate Schedule 10 of the OATT the costs it incurs with respect to the implementation of a Designated Long-Term Transmission Project that is, or is a part of, a Long-Term Transmission Project selected by the NYISO as the more efficient or cost-effective transmission solution, including any Designated Network Upgrade Facilities associated with the project that are designated to the entity in the NYISO's Transmission Interconnection Procedures.[728] In addition, such transmission project will be eligible for cost recovery if it is subsequently halted due to: (i) the appropriate federal, state or local agency(ies) rejecting, or approving and later withdrawing, authorization for the project, (ii) the NYISO's termination of the project as part of the Reevaluation Process, or (iii) the NYISO's termination of the Development Agreement because another Designated Entity defaulted on the development of a separate Designated Long-Term Transmission Project that is a component of the same selected Long-Term Transmission Project.[729] In such case, the Designated Entity may recover all of the necessary and reasonable costs incurred and commitments made up to the applicable point of the project's halting, including reasonable and necessary expenses incurred to implement an orderly termination of the project, to the extent permitted by the Commission in accordance with its regulations on abandoned plant recovery.[730]

Second, the NYISO proposes that a Transmission Owner or Other Developer that submitted a proposed Long-Term Transmission Project at the NYPSC's request may recover the cost it incurs with respect to the preparation of its proposed project, regardless of whether the project is selected.[731] In such case, the developer incurs the costs at the request of the NYPSC to submit a project proposal and in reliance on recovering its proposal preparation costs.

Third, the NYISO's transmission planning processes establish that actual project cost recovery, including any issues related to cost recovery and project cost overruns, will be submitted to and decided by the Commission, except that a Designated Entity will not seek to recover through its transmission rates or other means costs for the Included Capital Costs above any agreed-upon Cost Cap proposed in the Public Policy Process, except as permitted for prescribed excusing conditions.[732] The NYISO proposes to implement these same cost recovery requirements for its Long-Term Transmission Planning Process as in its Public Policy Process, including accounting for proposed cost containment measures, with one addition.[733] The NYISO proposes to make clear that a Designated Entity that proposed or committed to use a Voluntary

[728] Proposed OATT § 6.10.1.1, Attach. Y §§ 31.5.7.4.1, 31.6.11.1.3.

[729] Proposed OATT Attach. Y §§ 31.5.7.4.2, 31.6.12.1, 31.6.14.6. If the Development Agreement of a Designated Long-Term Transmission Project is terminated on other grounds, cost recovery may be permitted as determined by the Commission. Proposed OATT Attach. Y § 31.9 (Development Agreement Art. 8.1).

[730] Proposed OATT § 6.10.1.1, Attach. Y § 31.5.7.4.1.

[731] Proposed OATT § 6.10.1.1, Attach. Y §§ 31.5.7.4.1, 31.6.9.1.4.

[732] OATT § 6.10.6.7 (previously 6.10.6.5), Attach. Y §§ 31.2.6.5.3, 31.4.8.3.3, 31.5.4.6.6.

[733] Proposed OATT Attach. Y § 31.6.11.1.3.

Funding Arrangement shall not seek to recover through its transmission rates the costs that it committed to recover through this arrangement.[734]

Finally, the NYISO proposes to revise the description of the Regulated Transmission Facilities Charge calculated pursuant to Rate Schedule 10 to insert references to the cost allocation rules for the Long-Term Transmission Planning Process that mirror the related references to its other transmission planning processes.[735]

XI. Proposed Tariff Revisions for Order No. 1920 Requirements Impacting Existing Order No. 890 and 1000 Processes

A. Local Transmission Planning Process Requirements

i. Order No. 1920 Requirements

Order No. 1920 requires that prior to the submission of local transmission planning information to the transmission planning region for inclusion in the regional transmission planning process, transmission providers in the region must convene, collectively, at least the following, three publicly noticed stakeholder meetings:

- an "Assumptions Meeting" to review the criteria, assumptions, and models related to each transmission provider's local transmission planning,
- a "Needs Meeting" to review identified reliability criteria violations and other transmission needs that drive the need for local transmission facilities, and
- a "Solutions Meeting" to review potential solutions to those reliability criteria violations and other transmission needs.[736]

The meetings must be held at least 25 calendar days apart.[737] In addition, the transmission provider must allow for a period of no fewer than 25 calendar days following the Solutions Meeting to review and consider stakeholder feedback on the identified local transmission solutions.

Order No. 1920 also requires that the transmission provider publicly post the meeting materials no fewer than five calendar days prior to each of the three publicly noticed stakeholder meetings to allow time for stakeholders to review materials in advance of each meeting.[738] Finally, the order requires that transmission providers must respond to questions or comments from stakeholders such that it allows stakeholders to meaningfully participate in the required stakeholder meetings.[739] The order indicates that any disputes concerning the local transmission

[734] Proposed OATT §§ 6.10.4.2, 6.10.5.2.2, 6.10.5.3.1, 6.10.6, Attach. Y § 31.6.11.1.3.
[735] Proposed OATT § 6.10.3.1.
[736] Order No. 1920 at PP 1625-1627.
[737] *Id.* at PP 1625-1627.
[738] *Id.* at PP 1627-1628, 1640.
[739] *Id.* at PP 1627-1628, 1640.

planning inputs should be addressed through the transmission provider's existing dispute resolution process, as established in Order No. 890, governing the transmission planning process.[740]

ii. Local Transmission Owner Planning Process in NYISO OATT

As described in Part III.A above, the Local Transmission Owner Planning Process ("LTPP") located in Section 31.2.1 of Attachment Y of the OATT establishes the existing local transmission planning requirements in the NYISO OATT, including the requirements by which each Transmission Owner presents, and obtains stakeholder input on, its Local Transmission Owner Plan ("LTP") to address the needs of its local Transmission District. The NYISO accounts for the transmission facilities included in the LTPs in its studies for the CSPP and in its interconnection and transmission expansion studies, provided that the transmission facilities also meet the inclusion rules for those studies.

Under the existing LTPP requirements, the Transmission Owner is required to post on its website the planning criteria and assumptions currently used in the LTPP for review and comment by customers, Market Participants, and other interested parties.[741] The Transmission Owner is required to take into consideration any comments received.[742] In addition, each Transmission Owner is required to post its current LTP biennially for stakeholder review at the NYISO's ESPWG/TPAS, which process is the initial stage of the CSPP and feeds into the NYISO's Reliability Planning Process.[743] The LTP will include the planning horizon covered by the plan; the data and models used; the reliability needs, needs driven by Public Policy Requirements, and other needs addressed; the potential solutions under consideration; and a description of the transmission facilities covered by the plan.[744] The NYISO must hold one or more stakeholder meetings at which the Transmission Owner's current LTP will be discussed.[745] The NYISO will post notice of the meeting and disclose the agenda and materials prior to the meeting.[746] Interested parties may submit comments within 30 days of the meeting, which comments the Transmission Owner will consider.[747] If the Transmission Owner modifies its LTP based on this input, the Transmission Owner will address the change on its website and in the next meeting on its LTP.[748] Transmission Owners may also update their LTPs through this process in between the biennial updates.

The NYISO proposes to build on the existing tariff requirements for the LTP process to incorporate the additional administrative and transparency requirements for local transmission planning required by Order No. 1920. The NYISO requests certain limited variations that are

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[740] *Id.* at P 1646. The order notes that affected entities retain any rights that they may have under FPA section 206 to file complaints with the Commission. *Id.*

[741] OATT Attach. Y § 31.2.1.1.1.

[742] *Id.* § 31.2.1.1.1.

[743] *Id.* §§ 31.2.1.2.1, 31.2.1.2.5.

[744] *Id.* § 31.2.1.2.1.

[745] *Id.* § 31.2.1.2.3.

[746] *Id.* § 31.2.1.2.3.

[747] OATT Attach. Y § 31.2.1.2.4.

[748] *Id.*

consistent with or superior to the Order No. 1920 requirements to account for how the LTPs function in the NYISO's transmission planning and interconnection and transmission expansion processes.

iii. Annual LTP Update Process

First, the NYISO proposes that each Transmission Owner be required to review its LTP with stakeholders on an annual basis in accordance with a schedule that the NYISO will set forth through its procedures, in place of the current biennial requirement.[749] Order No. 1920 does not specify how often Transmission Owners are required to bring their LTPs to stakeholders for review.[750] The NYISO's proposed approach is consistent with how often most Transmission Owners currently update their LTPs in New York and the recurring, annual requirement will ensure that up-to-date information from the LTPs can be included in the NYISO's transmission planning and interconnection and transmission expansion studies, as well as align with and support its development of its annual Load and Capacity Report and its filing of the FERC Form 715.

Second, the NYISO proposes to establish administrative requirements for the Transmission Owners' performance of the annual LTP update that are consistent with the directives of Order No. 1920. With limited exceptions described below, the Transmission Owner must satisfy these requirements for the NYISO to account for the transmission facilities included in the Transmission Owner's LTP in one of the NYISO's studies for its CSPP or its interconnection and transmission expansion studies.[751]

The NYISO proposes to require that it hold three stakeholder meetings of its ESPWG/TPAS, or a separate group under its governance structure specifically created for LTP updates, for a Transmission Owner's annual update – particularly, an Assumptions Meeting, Needs Meeting, and Solutions Meeting.[752] The Needs Meeting and the Solutions Meeting for a particular Transmission Owner's update will be held at least 25 days after the prior meeting – the Assumptions Meeting and the Needs Meeting, respectively.[753] The NYISO requests a variation from the description of the scope of certain of these meetings to align with the NYISO's existing description of the scope of the LTPs. In particular, consistent with its existing tariff requirements and defined terms, the NYISO proposes to define the scope of these meetings as follows:

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[749] Proposed OATT Attach. Y §§ 31.2.1.2.1, 31.2.1.2.2.1.

[750] In addition, Order No. 1920 provides that "[t]here is nothing in this final rule that prohibits transmission providers from holding additional meetings, beyond those required here." Order No. 1920 at P 1644.

[751] Proposed revisions to OATT Attach. Y § 31.2.1.2.2.6. For inclusion in one of these studies, the transmission facilities must also satisfy the applicable inclusion rules for the study established in the NYISO OATT or its procedures. *Id.* The NYISO proposes to reference the updated LTP requirements in its tariff provisions describing the use of the LTPs. Proposed OATT Attach. Y §§ 31.1.1 (definition of "LTP"), 31.1.3, 31.2.2.4.2.

[752] Proposed OATT Attach. Y §§ 31.2.1.2.2.1, 31.2.1.2.2. Transmission Owners currently provide their LTP updates in the NYISO's ESPWG and TPAS. To address the increased number of meetings and administration associated with the new LTP requirements, the NYISO is considering establishing a new group under its governance structure specifically to address LTP updates. *Id.* § 31.2.1.2.1.

[753] *Id.* §§ 31.2.1.2.2.1, 31.2.1.2.2.

- an "Assumptions Meeting" for each Transmission Owner to review with stakeholders the criteria, assumptions, and models for its current LTP;[754]

- a "Needs Meeting" for each Transmission Owner to review with stakeholders reliability needs, needs driven by Public Policy Requirements, and other needs identified for its current LTP; and

- a "Solutions Meeting" for each Transmission Owner to review with stakeholders solutions for its current LTP to address needs identified in the Needs Meeting.[755]

Based on the number of Transmission Owners, the NYISO proposes that it may hold more than one Assumptions Meeting, Needs Meeting, or Solutions Meeting as part of the annual LTP update process to allow sufficient time for all of the Transmission Owners to present their updates.[756]

In addition, consistent with the requirements in Order No, 1920, the NYISO will post notice of these meetings and the meeting materials provided by the Transmission Owner no fewer than five days prior to the meeting.[757] As the NYISO will post this information on the Transmission Owner's behalf, the NYISO proposes to specify that the Transmission Owner must provide the NYISO with the materials required for each meeting sufficiently in advance of the meeting for the NYISO to meet these posting requirements.[758] The NYISO also proposes to permit interested parties to submit comments before and after each required meeting in accordance with a schedule set forth by the NYISO, with interested parties having at least 25 days to provide comments after the Solutions Meeting.[759] The NYISO will establish a schedule for these comments through its procedures that provides both time for interested parties to provide comments and also for the Transmission Owner to be able to review and provide its materials for the next of the three meetings.[760]

The NYISO will post the comments that it receives on its website, and the Transmission Owner will be responsible for reviewing the comments and responding as is reasonable given the scope and volume of the comments.[761] This will enable stakeholders to meaningfully participate in the LTP process. If the Transmission Owner makes an update based on the received comments, it will include this change in the meeting materials for a subsequently meeting for the

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[754] The NYISO proposes to relocate from current Section 31.2.1.2.2 and to revise existing requirements for updating criteria, assumptions, and models, which updates will now be addressed in an Assumptions Meeting, subject to requirements and restrictions for confidential information and CEII. *Id.* § 31.2.1.2.2.3.

[755] Proposed OATT Attach. Y §§ 31.2.1.2.1, 31.2.1.2.2.1.

[756] *Id.* § 31.2.1.2.1. *See* Order No. 1920 at P 862 (noting that transmission providers need not hold a single stakeholder meeting among all transmission providers in the region).

[757] Proposed OATT Attach. Y § 31.2.1.2.2.2.

[758] *Id.* § 31.2.1.2.2.2.

[759] Proposed OATT Attach. Y § 31.2.1.2.2.4.

[760] The Transmission Owner will indicate with its LTP update materials posted for stakeholders and on its website where comments should be directed. *Id.*

[761] *Id.*

LTP update.[762] If the update is made after the final meeting of the LTP update, the Transmission Owner will post the update on its website and provide it to the NYISO to post on the NYISO's website.[763] The materials provided by the Transmission Owner for its LTP update will be posted on the NYISO's website, subject to any confidentiality or CEII requirements or restrictions.[764]

Finally, the NYISO proposes to continue to apply its existing, LTP-specific dispute resolution procedures established in its OATT concerning inputs into the LTPs with the following limited revisions.[765] First, the NYISO proposes to tie the commencement of the timeframe for raising a dispute to a presentation by a Transmission Owner of its needs, assumptions, or solutions in its LTP update, as there will now be more than one meeting associated with the LTP update.[766] Second, the NYISO proposes to clarify that it will use in its planning and interconnection studies the information in a Transmission Owner's LTP update that is subject to a dispute, subject to any modification to the LTP as a result of the dispute.[767] The proposed change will clarify what action the NYISO will take in the event a dispute is ongoing when the NYISO is finalizing the base case for a planning or interconnection study.

iv. Interim LTP Update Process

Transmission Owners currently update their LTPs in between the biennial update process to capture intervening changes and to enable the NYISO to capture the updates for transmission planning and interconnection and transmission expansion studies. As stated in Order No. 1920, "there is nothing in this final rule that prohibits transmission providers from holding additional meetings, beyond those required here."[768]

The NYISO propose the following tariff revisions to align these interim updates with the administrative requirements established by Order No. 1920 with certain limited variations. As revised, a Transmission Owner may update the assumptions, needs, and solutions included in its LTP outside of the annual update process at any time by satisfying the same meeting, posting, and commenting requirements required for the annual update.[769] The NYISO proposes three limited exceptions from the Transmission Owners having to satisfy certain of these requirements for an interim update.

First, the NYISO proposes that a Transmission Owner is not required to use all three meetings for an interim update to its LTP if the update does not modify, as applicable, the assumptions, needs, or solutions already addressed in a prior meeting.[770] For example, if the Transmission Owner provided its assumptions at an Assumptions Meeting as part of its annual

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[762] *Id.*
[763] *Id.*
[764] Proposed OATT Attach. Y § 31.2.1.2.2.5. *See* Order No. 1920 at PP 1643, 1647 (requiring the transmission provider to have safeguards in place to manage confidentiality and CEII concerns).
[765] OATT Attach. Y § 31.2.1.4.
[766] Proposed OATT Attach. Y § 31.2.1.4.1.
[767] *Id.* § 31.2.1.4.5.
[768] Order No. 1920 at P 1644.
[769] Proposed OATT Attach. Y § 31.2.1.2.3.
[770] *Id.* § 31.2.1.2.3(A).

LTP update and, in between annual updates, identified a transmission need that does not result from a change to the previously identified and reviewed assumptions, the Transmission Owner could go straight to a Needs Meeting for stakeholder review of that update. In this instance, stakeholders have already had the opportunity to review and provide comments on the assumptions.

Second, the NYISO proposes that a Transmission Owner only be required to use a single, consolidated assumptions, needs, and solutions meeting for an interim update in the limited circumstances in which the Transmission Owner determines that: (i) an immediate update is required for its LTP to comply with Good Utility Practice and (ii) there is not sufficient time to address this update through the normal three meeting LTP process.[771] In such case, the Transmission Owner must include with the information for the interim LTP update a description of the circumstances that generated the need for the immediate LTP update and an explanation of why the need was not identified in time to use the normal LTP update process. This exception is required to address limited circumstances in which a Transmission Owner becomes aware of a required LTP update shortly before the NYISO finalizes the base case for a transmission planning or interconnection or transmission expansion study. In the absence of the exception, the NYISO would not be able to account for this known update in its transmission planning or interconnection or transmission expansion studies, which could create uncertainty and disputes regarding the study results.

Finally, the NYISO proposes that the Transmission Owner could perform an interim LTP update using a single, consolidated assumptions, need, and solutions meeting to address a potential Short-Term Reliability Need identified in the NYISO's Short-Term Reliability Process.[772] The Short-Term Reliability Process includes requirements that enable the NYISO to review whether a Transmission Owner's update to its LTP could address a Short-Term Reliability Process Need.[773] Requiring the use of the multi-month LTP update process in these circumstances would impede the NYISO's ability to identify solutions to address reliability needs identified in the process. In the event of either of the exceptions that permit a single, consolidated LTP update meeting, the NYISO will establish a time period to the extent reasonably practicable for interested parties to provide comments.[774]

The NYISO's proposed revisions, including the limited exceptions from the three meeting requirement for certain interim LTP updates, are consistent with the Order No. 1920 requirements. In particular, consistent with the intent of the order, the revised LTP requirements establish "a standard baseline of transparency into transmission providers' local transmission planning processes [that] will ensure that stakeholders have an opportunity to review and provide feedback on local transmission planning assumptions, needs, and solutions that are used as inputs to the regional transmission planning process."[775] In the case of the limited exceptions, stakeholders retain the opportunity to review and provide comments on the assumptions, needs,

[771] *Id.* § 31.2.1.2.3(B).
[772] *Id.* § 31.2.1.2.3(C).
[773] OATT Attach. FF § 38.3.5.2.
[774] Proposed OATT Attach. Y § 31.2.1.2.2.4.
[775] Order No. 1920 at P 1629.

and solutions for the LTP updates and the opportunity to raise disputes through dispute resolution procedures. In addition, due to the annual LTP process, stakeholders will be regularly reviewing and providing comments to the Transmission Owners concerning their LTPs. Moreover, in the case of the second exception, the Transmission Owner will have an additional obligation for transparency purposes of detailing for stakeholders the circumstances that necessitated the use of the exception.

B. Consideration of Alternative Transmission Technologies

i. Order No. 1920 Requirements

Order No. 1920 requires that the transmission provider consider in its Long-Term Regional Planning process and its existing Order No. 1000 processes the following alternative transmission technologies: (i) dynamic line ratings, (ii) advanced power flow control devices, (iii) advanced conductors, and (iv) transmission switching.[776] The order requires that when evaluating regional transmission facilities for potential selection, the transmission provider consider whether regional transmission facilities that incorporate, or solely consist of, any of the enumerated list of alternative transmission technologies would be more efficient or cost-effective than selecting new regional transmission facilities or upgrades to existing transmission facilities that do not incorporate these technologies.[777] The consideration of the enumerated alternative transmission technologies must be consistent with the requirements in the transmission provider's OATT for other transmission solutions and with the Commission's requirements established in Order No. 1920.[778]

The order requires that the transmission provider identify with sufficient detail the point(s) in a given process at which it will consider the potential use of alternative transmission technologies, including the point at which qualified transmission developers must submit any proposal to incorporate alternative transmission technologies.[779] In addition, the transmission provider must include with its explanation to stakeholders concerning why a particular transmission facility was or was not selected an explanation that is sufficiently detailed for stakeholders to understand why the alternative transmission technologies were or were not incorporated into selected regional transmission facilities, including whether the transmission provider did not select an alternative transmission technology due to concerns over the costs of upgrading energy management systems.[780]

ii. NYISO's Proposed Requirements

The NYISO proposes to insert requirements for the consideration of alternative transmission technologies in its existing Order No. 1000 reliability, economic, and public policy transmission planning processes and in its new Long-Term Transmission Planning Process. The

[776] Order No. 1920 at P 1198; Order No. 1920-A at P 599.
[777] *Id.*
[778] Order No. 1920 at PP 1190, 1199; Order No. 1920-A at P 599.
[779] Order No. 1920 at P 1205.
[780] *Id.* at P 1214.

NYISO requests certain variations that are consistent with or superior to the Order No. 1920 requirements to position the new rules within the framework of the sponsorship model that it applies for its competitive transmission planning processes. As described in the Lin Affidavit,[781] pursuant to this model, Developers are the entities responsible for developing and proposing solutions to address identified transmission needs. This enables the submission of creative and alternative transmission proposals to address identified needs. The NYISO does not design the transmission project assessed in its process, nor does it replace, modify, or consolidate proposed project elements. The NYISO also does not permit changes to project proposals after they are submitted or intervene to modify competitive project proposals, which would favor certain project proposals over others and undermine the competitive process. The NYISO proposes to establish the alternative transmission technology requirements within this framework.

Specifically, the NYISO proposes that the Developer – as part of its submission of a transmission project proposal to address an identified reliability, economic, public policy, or long-term transmission need – must: (i) indicate whether its proposed transmission project includes Alternative Transmission Technologies – i.e., dynamic line ratings, advanced power flow control devices, advanced conductors, or transmission switching,[782] or (ii) provide an explanation of its determination not to propose these technologies, including whether it did not include them due to concerns over the costs of upgrading energy management systems.[783] The NYISO's proposed approach will enable Developers when developing various and creative solutions to examine the benefits of these technologies and to consider whether including them could improve their ability to offer the more efficient or cost-effective transmission solution to an identified need.

As required by Order No. 1920, the NYISO will assess all proposed transmission projects, including those that incorporate the enumerated Alternative Transmission Technologies, in the same manner when applying the evaluation metrics for the applicable transmission planning process for determining the more efficient or cost-effective transmission solution.[784] The NYISO will then incorporate in the final report for each of the planning processes a description of any Alternative Transmission Technologies that Developers proposed to include as part of their projects and a summary of Developers' explanations as to why the

[781] *See* Lin Affidavit at ¶¶ 19-20.

[782] The NYISO proposes to define Alternative Transmission Technologies as follows: "The following four technologies that may be included by Developer as a transmission project, or part of a transmission project, proposed in one of the transmission planning processes in the Comprehensive System Planning Process and Short-Term Reliability Process: (i) dynamic line ratings, (ii) advanced power flow control devices, (iii) advanced conductors, or (iv) transmission switching." Proposed revisions to OATT Attach. Y § 31.1.1.

[783] *See* proposed revisions to the Reliability Planning Process requirements in OATT Attach. Y §§ 31.2.4.4.1, 31.2.4.4.1.1 (new), 31.2.4.8.1, 31.2.4.8.1.1 (new); the Economic Planning Process requirements in OATT Attachment Y§§ 31.3.2.3.1, 31.3.2.3.6 (new); the Public Policy Transmission Planning Process requirements in OATT Attach. Y §§ 31.4.5.1.1, 31.4.5.1.9 (new); and the Long-Term Transmission Planning Process requirements in proposed new OATT Attach. Y §§ 31.6.9.5.1.1, 31.6.9.5.1.7. For its Short-Term Reliability Process, the NYISO applies the project information requirements from its Reliability Planning Process. OATT Attach. Y §§ 38.4.2.1, 38.4.2.4.

[784] *See* Order No. 1920 at PP 1199, 1206.

enumerated Alternative Transmission Technologies were not included in their transmission project proposals.[785]

C. Interconnection-Related Transmission Needs

i. Order No. 1920 Requirements

Order No. 1920 requires the transmission provider to revise its existing Order No. 1000 regional transmission planning processes in its OATT to evaluate for selection regional transmission facilities that address transmission needs associated with certain interconnection-related network upgrades originally identified through the generator interconnection process where the following five requirements are met.[786]

> (1) The transmission provider has identified the relevant interconnection-related transmission need in interconnection studies in at least two interconnection queue cycles.[787]
>
> (2) An interconnection-related network upgrade identified to meet those transmission needs has a voltage of at least 200 kV and an estimated cost of at least $30 million.
>
> (3) The interconnection request(s) that led to the identification of the transmission need in two or more interconnection queue cycles have been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal.
>
> (4) The transmission provider has not identified an interconnection-related network upgrade to address the relevant transmission need in an executed generator interconnection agreement or in a generator interconnection agreement that the interconnection customer requested that the transmission provider file unexecuted with the Commission.
>
> (5) The interconnection request withdrawals associated with the repeatedly identified transmission need occurred no earlier than seven calendar years prior to the commencement date of the Order No. 1000 regional transmission planning and cost allocation cycle.

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[785] *See* proposed revisions to the Short-Term Reliability Process requirements in OATT Attach. FF § 38.10.5, the Reliability Planning Process requirements in OATT Attach. Y § 31.2.7, the Economic Planning Process requirements in OATT Attach. Y § 31.5.4.5.1, the Public Policy Process requirements in OATT Attach. Y § 31.4.11; and the Long-Term Transmission Planning Process requirements in proposed new OATT Attach. Y § 31.6.11.2.1.

[786] Order No. 1920 at PP 1106-1107, 1117, 1145; Order No. 1920-A at PP 544-545. Order No. 1920 made clear that the transmission provider must evaluate regional transmission facilities that address certain interconnection-related transmission needs in its existing Order No. 1000 regional transmission planning and cost allocation processes instead of in Long-Term Regional Transmission Planning. Order No. 1920 at P 1126; Order No. 1920-A at PP 585, 586.

[787] The Order No. 1920 requirements include additional requirements for regions that perform a first come, first served serial interconnection process. The NYISO performs a clustered study process.

Order No. 1920 provides the transmission provider with flexibility concerning how to evaluate regional transmission facilities that address the interconnection-related transmission needs.[788] In particular, the transmission provider may adopt the evaluation method and selection criteria from any of its existing Order No. 1000 regional transmission planning and cost allocation processes to evaluate and potentially select these types of transmission facilities.[789] The transmission provider is not required as part of this process to select a transmission facility.[790] In addition, the transmission provider is not required to evaluate an interconnection-related transmission need that has been evaluated in a previous Order No. 1000 regional transmission planning and cost allocation cycle.[791]

ii. NYISO Proposed Interconnection-Related Transmission Needs Requirements

The NYISO proposes to establish the requirements for identifying and addressing "Interconnection-Related Transmission Needs" in its Public Policy Process. The NYISO requests certain variations, described below, that are consistent with or superior to the Order No. 1920 requirements to incorporate the process for identifying and addressing these transmission needs in the Public Policy Process and to align the requirements for identifying Interconnection-Related Transmission Needs with the NYISO's interconnection rules.

a. Inclusion in Public Policy Process

The NYISO proposes to include the Interconnection-Related Transmission Need requirements in its existing Public Policy Process. As described in the Lin Affidavit,[792] the Public Policy Process is one of the NYISO's three existing Order No. 1000 processes and the process best suited to incorporate this new category of potential transmission needs.[793] The NYISO proposes certain revisions to its Public Policy Process and certain variations from the Order No. 1920 requirements to establish an efficient and consolidated process for identifying and addressing transmission needs for the Public Policy Process.

In particular, the NYISO proposes that it identify the Interconnection-Related Transmission Needs simultaneously with its process for stakeholders to propose transmission

[788] Order No. 1920 at P 1111.
[789] *Id.* at P 1111; Order No. 1920-A at PP 590-591.
[790] Order No. 1920 at PP 1148, 1156; Order No. 1920-A at P 590.
[791] Order No. 1920-A at P 551.
[792] *See* Lin Affidavit at ¶ 22.
[793] These requirements are not well suited for inclusion in the NYISO's other Order No. 1000 planning process. The NYISO's reliability and economic transmission planning processes include unique solicitation and evaluation requirements that are not well suited to addressing an Interconnection-Related Transmission Need. For example, the NYISO must identify a Responsible Transmission Owner to propose a transmission solution to address a Reliability Need and must consider and address backstop solutions to ensure reliability is addressed, which requirements would not be applicable to an Interconnection-Related Transmission Need. Further, the NYISO's Economic Planning Process provides for Load Serving Entities to assess and vote on the construction of any proposed regulated transmission projects based on specific criteria associated with economic transmission needs.

needs driven by Public Policy Requirements.[794] The NYISO proposes to then submit both sets of potential transmission needs to the NYPSC and, as applicable, LIPA, for the identification of transmission need(s) for which the NYISO will solicit, evaluate, and select transmission solutions for purposes of cost allocation under its OATT.[795]

Under this approach, the NYPSC, in considering whether to identify any transmission needs for the Public Policy Process, will be able to consider both all of the potential transmission needs identified as having been driven by Public Policy Requirements and any Interconnection-Related Transmission Needs, including being able to consider how these transmission needs may relate to or impact each other.[796] This will enable the NYPSC to identify transmission needs that provide more efficient opportunities to enhance the New York State Transmission System. The NYISO would then solicit, evaluate, and select among proposed transmission solutions to address the identified transmission need consistent with its existing Public Policy Process evaluation and selection requirements.

The NYISO's proposed approach for addressing Interconnection-Related Transmission Needs is consistent with the goals of Order No. 1920 to identify transmission solutions that provide widespread benefits and address in a more efficient or cost-effective manner system-wide transmission needs. As noted in Order No. 1920, "[b]y not requiring a specific process, we permit transmission providers to propose the best method to incorporate this requirement within their existing regional transmission planning processes. We also encourage transmission providers to consider, as part of the evaluation process, whether regional transmission facilities that address certain identified interconnection-related transmission needs may also address other regional transmission needs more efficiently or cost-effectively."[797] The NYISO's proposed approach enables the identification of regional transmission needs for the Public Policy Process that efficiently cover a range of transmission needs, including potentially multiple Interconnection-Related Transmission Needs, and for which transmission solutions would provide widespread benefits and the most efficient or cost-effective solution.[798]

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[794] Proposed OATT Attach. Y § 31.4.2.2. The NYISO proposed updates to the cross-references within Section 31.4 of Attachment Y of the OATT and the insertion of "Interconnection-Related Transmission Needs" to account for the inclusion of the Interconnection-Related Transmission Needs requirements. *Id.* §§ 31.4.2, 31.4.3, 31.4.3.1, 31.4.3.2, 31.4.4.3.1, 31.4.6.7, 31.4.11, 31.4.14.

[795] Proposed OATT Attach. Y § 31.4.2.3. In the NYISO's Public Policy Process, LIPA plays a role in the identification of transmission needs that impact the Long Island Transmission District. *Id.* § 31.4.2.6 (previously § 31.4.2.3).

[796] *Id.* §§ 31.1.1 (definition of Public Policy Transmission Need), 31.4.2.4 – 31.4.2.6.

[797] Order No. 1920 at P 1111. S*ee also* Order No. 1920-A at P 542 ("[I]nterconnection-related transmission needs that satisfy both the cost threshold and the voltage threshold can be solved with transmission facilities that are more likely to provide widespread benefits to the transmission system and be selected in the regional transmission for purposes of cost allocation as the more efficient and cost-effective transmission solution[.]")

[798] Order No. 1920 contemplated this possibility in connection with interconnection-related transmission needs. *See* Order No. 1920 at P 1121 ("We also grant SEIA's request to clarify that the phrase 'interconnection-related transmission needs' allows transmission providers to identify individual regional transmission solutions to address each identified interconnection-related transmission need, or an aggregate regional transmission solution to address multiple interconnection-related transmission needs.")

In addition, the NYPSC's inclusion of certain Interconnection-Related Transmission Needs in an identified transmission need will incentivize Developers to participate in the NYISO's process, as it demonstrates the NYPSC's support, as the siting authority, for addressing such transmission needs and allocating the resulting cost to New York ratepayers. If the NYISO were required instead to solicit and evaluate transmission solutions to an identified Interconnection-Related Transmission Needs separate and apart from any transmission needs identified by the NYPSC, it would have to administer multiple, overlapping solicitation and evaluation processes, which would be inefficient, constitute a scattershot approach for addressing transmission needs in New York, and limit the NYISO's ability to select the more efficient or cost-effective transmission solutions across multiple, potentially conflicting transmission needs being assessed by the NYPSC.

b. Interconnection-Related Transmission Needs

The NYISO proposes to establish the defined term "Interconnection-Related Transmission Need," which term shall mean: "[a] potential transmission need that the ISO identifies in accordance with Section 31.4.2.2 of this Attachment Y for consideration as a Public Policy Transmission Need."[799] As indicated in the definition, the NYISO proposes to identify an Interconnection-Related Transmission Need in accordance with a new Section 31.4.2.2 of Attachment Y. In this provision, the NYISO proposes to insert the five-prong requirements for identifying Interconnection-Related Transmission Needs established in Order No. 1920 with the following variations that are required to clarify these rules within the framework of the NYISO's interconnection requirements.

First, the NYISO proposes to describe the applicable interconnection studies for which the transmission needs may be identified. In particular, the NYISO proposes to reference both its prior Class Year Interconnection Facilities Study ("Class Year Study") and its current Cluster Study Process. As the NYISO is currently implementing the first cycle of its Cluster Study Process, prior interconnection cycles continue to include its prior Class Year Study.[800] In addition, the NYISO proposes to indicate which interconnection studies it will review in identifying any Interconnection-Related Transmission Needs. In particular, the NYISO proposes to clarify that it will consider transmission needs in those studies that are completed prior to the NYISO's commencement of its process in a given Public Policy Process for identifying Interconnection-Related Transmission Needs.[801] The NYISO further proposes to clarify that the study cycle will only be considered complete when the Additional SDU Study component of the study has been completed or terminated.[802]

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[799] Proposed OATT Attach. Y § 31.1.1 (definition of Interconnection-Related Transmission Need).

[800] *Id.* § 31.4.2.2.1.

[801] *Id.* § 31.4.2.2.1.

[802] *Id.* § 31.4.2.2.1. For the NYISO's Class Year Study and Cluster Study, an Additional SDU Study may continue on for several months after the completion of the underlying study to evaluate System Deliverability Upgrades required for a subset of participating projects. This study may also be subject to termination if it is not completed within tariff-prescribed timeframes. The NYISO will not be able to determine whether certain projects participating in a Cluster Study will proceed and will be responsible for the upgrades identified for their projects until the Additional SDU Study is either completed or has been terminated. *See, generally*, OATT Att. HH §§ 40.14 – 40.15.

Second, the NYISO proposes to revise the second prong required by Order No. 1920 to clarify the upgrades that are identified to meet the Interconnection-Related Transmission Needs can include either Non-Local System Upgrade Facilities or System Deliverability Upgrades ("SDU").[803] Each of these upgrades must have a voltage of at least 200 kV and an estimated cost of at least $30 million.[804] Non-Local System Upgrade Facilities and System Deliverability Upgrades identified in the NYISO's process constitute the upgrades beyond the local upgrades required at a project's Point of Interconnection and may recur due to broader system issues.[805]

Third, for purposes of the third and fifth prongs required by Order No. 1920, the NYISO included references to both Interconnection Requests and CRIS-Only Requests. A Developer may submit a CRIS-Only Request if it wants its project to be evaluated solely for Capacity Resource Interconnection Service ("CRIS") and be eligible to participate in the NYISO's Installed Capacity market.[806] The evaluation could identify required System Deliverability Upgrades for the project, which as described above could be a basis for identifying an Interconnection-Related Transmission Need.

Fourth, the NYISO proposes to revise the fourth prong in Order No. 1920 that the upgrade to address the Interconnection-Related Transmission Need has not been identified in an executed or a filed unexecuted interconnection agreement. In the NYISO's interconnection process, an Interconnection Customer is required to accept its cost allocation for any identified upgrades and to pay cash or post security for such upgrades in the final decision period of the study process. If the Interconnection Customer accepts its costs and pays cash or posts security, the NYISO considers the upgrade to be part of its system for purposes of subsequent studies, and the Interconnection Customer's security is subject to forfeiture to construct the upgrade if other parties are relying on it. Following the study, the NYISO tenders a draft interconnection agreement, and the parties commence the process for negotiating that agreement; however, the agreement may not be executed or filed unexecuted for some time. Accordingly, the NYISO proposes to revise the fourth prong to indicate that the NYISO will consider whether an upgrade is proceeding not based on whether an interconnection agreement has been entered into, but instead based on whether the Interconnection Customer has accepted its cost allocation and paid cash or posted the related security.[807] In the NYISO's process, this is a clearer threshold for determining whether the identified upgrade is being addressed through the interconnection process.

Fifth, consistent with the Order No. 1920 requirement, the NYISO proposes to insert as part of the prongs, that the applicable transmission needs only include needs that were not

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[803] Proposed OATT Attach. Y § 31.4.2.2.2.

[804] *Id.* § 31.4.2.2.2.

[805] The NYISO does not propose to include Local System Upgrade Facilities in this determination as they are project- and Point of Interconnection-specific upgrades that do not demonstrate recurring transmission needs on the system.

[806] *See* OATT Attach. HH § 40.2.3.1.

[807] Proposed OATT Attach Y. § 31.4.2.2.5.

identified by the NYISO as an Interconnection-Related Transmission Need for a prior planning cycle.[808]

Finally, as the NYISO is requesting an August 1, 2026, effective date for its proposed compliance tariff revisions, the NYISO intends to commence the identification of Interconnection-Related Transmission Needs as part of its next Public Policy Process cycle, which commences in August 2026.

c. Identifying and Addressing Transmission Need in Public Policy Process

As described above, the NYISO proposes that it submit the identified Interconnection-Related Transmission Needs to the NYPSC, and LIPA if applicable, with the other potential transmission needs driven by Public Policy Requirements identified by interested parties and the NYISO.[809] If the NYPSC identifies a transmission need, the NYISO will solicit proposed solutions for the transmission need in accordance with the existing requirements in its Public Policy Process.[810] The NYISO will then evaluate and select (or elect not to select) the more efficient or cost-effective transmission project to address the identified transmission need in accordance with its existing Public Policy Process requirements.[811]

XII. Conforming and Miscellaneous Revisions to OATT and Services Tariff Provisions

The NYISO's transmission planning process requirements are intertwined with its interconnection procedures and other tariff requirements set forth in its OATT and Services Tariff. The addition of the new Long-Term Transmission Planning Process requires certain conforming changes to incorporate the new process into the existing OATT and Services Tariff requirements located outside of Attachment Y of the OATT.

A. Transmission Interconnection Procedures

Attachment P (Section 22) of the OATT establishes the NYISO's Transmission Interconnection Procedures, which establish the requirements by which the NYISO studies the interconnection of transmission projects in New York, including transmission projects proposed as solutions in the CSPP. The NYISO proposes revisions to Attachment P to incorporate references to transmission projects participating in the new Long-Term Transmission Planning Process that are consistent with the requirements for transmission projects participating in the other components of the CSPP and to update internal cross references to account for revisions to Attachment Y.[812]

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[808] *Id.* § 31.4.2.2.6.

[809] *Id.* §§ 31.4.2.3 - 31.4.2.6.

[810] OATT Attach. Y § 31.4.3.

[811] The NYISO proposes certain conforming tariff revisions in its Public Policy Process to account for Interconnection-Related Transmission Needs being one of the potential drivers of the transmission need. Proposed OATT Attach. Y §§ 31.4.6.7, 31.4.14.

[812] OATT Attach. P §§ 22.1 (defined term Designated Network Upgrade Facilities), 22.4.1, 22.4.2.4, 22.5.4.2, 22.6.1, 22.9.3, 22.9.6, 22.11.1.1, 22.11.2, 22.11.3. The NYISO separately described its proposed new

B. Cluster Study Process

Attachment HH (Section 40) of the OATT establishes the NYISO's Cluster Study Process pursuant to which the NYISO studies the proposed interconnection of generators and Cluster Study Transmission Projects to the New York State Transmission System. The NYISO proposes revisions to Attachment HH to account for transmission projects selected in the new Long-Term Transmission Planning Process in the same manner as projects selected in the other components of the CSPP: (i) for the development of the base cases for the Cluster Study,[813] and (ii) for specifying the circumstances in which the selected transmission project could displace a System Deliverability Upgrade identified in the interconnection process.[814]

C. Market Monitoring Unit Responsibilities

Attachment O (Section 30) of the Services Tariff establishes the requirements for the independent Market Monitoring Unit ("MMU") and reiterates the requirements in Attachment Y concerning the MMU's role in reviewing and providing comments concerning draft transmission planning reports. The NYISO proposes to update the description of the MMU's review of the current System & Resource Outlook report for the Economic Planning Process with an updated tariff reference for its role in reviewing the new Outlook as part of the Long-Term Transmission Planning Process.[815] The NYISO also proposes to insert the description of MMU's responsibilities to review the impacts on the NYISO-administered wholesale markets of the Long-Term Transmission Project recommended for selection in the draft Long-Term Transmission Planning Process Report.[816] The responsibilities described in Attachment O of the Services Tariff mirror the MMU's responsibilities described in Attachment Y of the OATT.[817]

D. Relocation of Existing Provisions in OATT Section 31.6

The NYISO proposes to use its existing Section 31.6 of Attachment Y of the OATT for purposes of its new Long-Term Transmission Planning Process. Accordingly, the NYISO proposes to relocate the tariff provisions currently in Section 31.6 to Section 31.1.10 of Attachment Y of the OATT. The NYISO does not propose any changes to these tariff provisions other than updating the section numbering.

E. Additional Conforming, Ministerial, and Miscellaneous Revisions

The NYISO also made certain ministerial changes, including updating or supplementing the current defined terms and cross references in the tariff provisions with the analogous terms and cross references used in the new process and making non-substantive corrections, such as

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Section 22.11.7 in Part VII.H and the application of its requirements concerning Network Upgrade Facilities identified in the Transmission Interconnection Procedures in Part VII.E.vi.

[813] OATT Attach. HH § 40.10.3.1.

[814] *Id.* § 40.13.12.3.3.

[815] Proposed Services Tariff Attach. O § 30.4.6.8.4.

[816] *Id.* § 30.4.6.8.7.

[817] Proposed OATT Attach. Y §§ 31.6.7.1.2, 31.6.11.3.

correcting spacing and formatting.[818] The NYISO made the following additional conforming, ministerial, and miscellaneous revisions to its OATT.

OATT Subsection	Title	Description of Changes
3.8.1	Development of Transmission Reinforcement Options	Revised to account in the study provision for Long-Term Transmission Needs in the same manner as the transmission needs identified in its other transmission planning processes.
6.10.6.2	N/A	Updated description of siting process requirements to include new Article VIII of the New York Public Service Law.
31.1.1	Definitions	Deleted defined term and related definition of "Net Cone", which is not used in Attachment Y of the OATT.
31.1.1	Definitions	Inserted defined term for "Order No. 1920."
31.1.1.	Definitions	Revised term "Other Developer" to include a Developer, other than a Transmission Owner, that is sponsoring or proposing to sponsor a Long-Term Transmission Project or an Other Long-Term Transmission Project.
31.2.1.4.2	Review by the ESPWG and TPAS	Corrected section heading.
31.5.4.7.2	N/A	Corrected typo by replacing Designated Public Policy Project with Designated Economic Transmission Project.
31.7	N/A	Inserted table of contents at start of tariff section to improve readability of section that includes five appendices.

[818] The NYISO revised cross-references in the following tariff sections outside of OATT Section 31.6 to account for updated section numbering in OATT Attachment Y. Proposed OATT §§ 6.10.11, 6.10.3.1, 31.1.1 (definitions of Affected TO, Economic Transmission Upgrade, Public Policy Transmission Upgrade, and Reliability Transmission Upgrade), 31.1.6, 31.2.6.5.3, 31.2.7.5, 31.2.11.4, 31.2.11.6, 31.3.2.1, 31.3.2.4.3, 31.3.2.6.1, 31.3.2.6.2, 31.4.3.2, 31.4.8.3.3, 31.4.11.3, 31.4.12.1, 31.4.12.3.1.5, 31.4.12.2, 31.5.1.1, 31.5.1.7, 31.5.2.2, 31.5.3.1, 31.5.4.4, 31.5.4.7.2, 31.5.5.3, 31.5.5.4, 31.5.5.4.5.2, 31.5.7 (previously 31.5.6) and subsections, 31.5.8 (previously 31.5.7) and subsections, 31.7 (Appendices C, D, and E), 38.1, 38.10.6.

OATT Subsection	Title	Description of Changes
31.7 – Appendix A	Appendix A – Reporting on Historic and Projected Congestion	Updated cross references to Outlook to account for new Outlook rules in OATT 31.6.
31.7 – Appendices D-1 and D-2 and 31.1.1 (definition of Development Agreement)	Public Policy Transmission Planning Process Development Agreement and Economic Planning Process Development Agreement	Relabeled appendices as D-1 and D-2 to remove duplication with another existing Appendix E for Attachment Y of the OATT.
31.7 Appendix D-1	Public Policy Transmission Planning Process Development Agreement	Corrected typo in recitals.

XIII. Conditional Request for Prospective Waiver

The NYISO respectfully requests a conditional waiver to address scenarios that might arise because it is proposing to move quickly to implement the proposed reforms required by Order No. 1920. The NYISO's requested waiver is consistent with Commission precedent, which traditionally requires a demonstration that: "(1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties."[819] The NYISO respectfully submits that the circumstances here are fully consistent with these criteria.

As described above, the NYISO intends to begin implementing the tariff revisions in this compliance filing in August 2026. The includes commencing its proposed process for soliciting factors and data inputs prior to the start date of its first Long-Term Transmission Planning Process cycle, so that the NYISO can commence the first planning cycle no later than June 1, 2027. In addition, the NYISO intends to identify Interconnection-Related Transmission Needs for purposes of its next planning cycle of the Public Policy Process, which commences in August 2026. Finally, the NYISO intends to commence in September 2026 the annual Transmission Owner updates to their Local Transmission Owner Plans applying the new meeting, posting, and comment requirements.

This approach will allow the NYISO to immediately begin applying the reforms adopted in response to Order No. 1920. Accordingly, the NYISO is requesting an effective date of August 1, 2026, for all of the tariff modifications submitted herein, with the exception of a September 15, 2026 effective date for the local transmission planning rules. However, because

[819] *See, e.g., Citizens Sycamore-Pensaquitos Transmission LLC,* 169 FERC ¶ 61,263, at P 14 (2019) (citation omitted).

the Commission will presumably issue an order on this compliance filing after those dates, the NYISO respectfully requests any needed prospective waivers in the event that the Commission sets a later effective date or requires modification to elements of this filing that might invalidate actions taken by the NYISO between the requested effective date and whenever the NYISO is able to respond to a Commission order addressing this filing.[820] Specifically, the NYISO requests waivers of any of the new tariff requirements concerning the implementation of the new Long-Term Transmission Planning Process, the local transmission planning requirements, and the Interconnection-Related Transmission Need requirements that might otherwise limit the NYISO's ability to perform these requirements.

The NYISO is acting in good faith to commence implementing the reforms required by Order No. 1920. The NYISO's proposed timeframe for implementing these reforms is a good faith attempt to achieve Order No. 1920's goals more rapidly and this will be the case even if the Commission concludes that some details of the proposal should be changed. The NYISO's proposed compliance revisions for the Long-Term Transmission Planning Process, Local Transmission Owner Planning Process, and Public Policy Process each function as integrated processes and any changes to such requirements would likely necessitate either process delays or postponement of certain of the reforms to subsequent planning cycles. The NYISO's requested waiver is intended in good faith to avoid wasted resources and delays in the implementation of the Order No. 1920 reforms.

The requested waiver is of limited scope because it would apply just once and because its duration would be limited to the transitioning to the implementation of the new requirements. These temporal limits distinguish the NYISO's request here from other instances in which the Commission has denied waivers that were deemed to be too broad in scope or lacking in specificity.[821] Furthermore, although multiple tariff provisions could be implicated by the requested waiver, they are all related to the same issue, *i.e.*, eliminating any uncertainty regarding the implementation of the Order No. 1920 reforms. Granting the requested waiver would not create uncertainty but would instead ensure that all NYISO stakeholders and interested parties will continue to be on notice of which transmission planning requirements apply during the implementation of the Order No. 1920 reforms.[822]

The requested waiver addresses the concrete problem of the NYISO having to take action to begin implementing its new Long-Term Transmission Planning Process and to incorporate the Order No. 1920 reforms into its existing processes. Absent immediate action to implement the new requirements, certain of the reforms could be significantly delayed as described in Part VI above.

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[820] 18 C.F.R. §385.207(a)(5).

[821] *See, e.g., Mw. Indep. Transmission Sys. Operator, Inc.,* 136 FERC ¶ 61,212 at P 29 (2011) (denying waiver of tariff provisions governing the cost allocation for network upgrades for a period from 5 to 10 years in order to facilitate Entergy Corporation's integration into MISO). The Commission emphasized in that order that the length, and uncertain duration of the waiver request was a significant reason why the request was denied. *Id.*

[822] *Contra id.* at P 29 (emphasizing that MISO's "lack of specificity does not provide adequate notice of what cost allocation rules would apply at what times during that five-year interval.").

Finally, the requested waiver will not have undesirable consequences, such as harming third parties. As described above, delays in the NYISO's implementation of the new requirements would harm interested parties and stakeholders by postponing the implementation of the new Long-Term Transmission Planning Process and the reforms to the NYISO's existing processes. Granting the waiver request will thus prevent, not cause, harm to third parties.

XIV. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

XV. Communications

All communications and service with regard to this filing should be directed to:

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XVI. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept the Tariff revisions proposed in this compliance filing without modification and without initiating any other procedures and determine that the NYISO fully complies with the requirements of Order Nos. 1920, 1920-A, and 1920-B.

Respectfully submitted,

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