

Attachment IV

June 11, 2026

Via Electronic Mail

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**Notice of Agreement of Relevant State Entities on Cost Allocation Methodology
for NYISO's Long-Term Transmission Planning Process**

The New York State Department of Public Service (DPS) and the Long Island Power Authority (LIPA) – the Relevant State Entities – hereby notify the New York Independent System Operator, Inc. (NYISO) of their agreement concerning a cost allocation methodology for the NYISO's proposed Long-Term Transmission Planning Process, which approach is described below. The Relevant State Entities request that the NYISO adopt this agreed-upon approach for inclusion in its compliance filing concerning the Federal Energy Regulatory Commission's (FERC) Order No. 1920, including requesting any "consistent with or superior to" variations required to implement this approach.

In response to Order No. 1920, the NYISO issued notices on November 25, 2024, and June 4, 2025, that established two six-month Engagement Periods as a forum for the Relevant State Entities in its planning region to seek to develop a cost allocation methodology for a Long-Term Transmission Project selected by the NYISO in its proposed Long-Term Transmission Planning Process. The DPS and LIPA are the Relevant State Entities and participated in the Engagement Periods and in additional discussions between themselves and with the NYISO concerning the development of a cost allocation methodology.

Based on these discussions, DPS and LIPA have agreed on, and request that the NYISO adopt for purposes of its compliance filing, the use of a State Agreement Process for determining the cost allocation methodology for the NYISO's Long-Term Transmission Planning Process that is consistent with the existing approach used for the NYISO's Public Policy Transmission Planning Process.

Pursuant to this approach, the New York State Public Service Commission (PSC) may prescribe a cost allocation methodology in connection with its identification of a specific Long-Term Transmission Need, which methodology the NYISO will file with FERC for its consideration. In addition, the developer that sponsored the selected transmission project or the Transmission Owner designated to construct some or all of the selected project (each a Designated Entity) may also submit a cost allocation methodology to the PSC for its consideration. If the PSC supports this methodology, the Designated Entity will file it with FERC for its consideration.

If the PSC does not support the methodology, the Designated Entity will take steps to respond to the PSC's concerns and develop a mutually agreeable cost allocation methodology. If the PSC and Designated Entity agree on the updated methodology, the Designated Entity will file it with FERC for its consideration. If the PSC and Designated Entity are unable to agree on the

methodology, the Designated Entity will file its proposed methodology at FERC, along with the methodology favored by the PSC, for FERC's consideration.

The Relevant State Entities further support the NYISO's adoption of a statewide load ratio share methodology as the *ex ante* cost allocation methodology for its Long-Term Transmission Planning Process. This methodology would only apply if FERC does not accept an alternative methodology through the above-described State Agreement Process approach. Finally, Relevant State Entities request that the NYISO adopt certain LIPA-specific requirements concerning the determination of the cost allocation methodology in instances in which LIPA is the Designated Entity to address LIPA's unique circumstances.

DPS and LIPA have reviewed the tariff language developed by the NYISO for the cost allocation approach for the Long-Term Transmission Planning Process that is located in Section 31.5.6 of Attachment Y of the NYISO's Open Access Transmission Tariff, as posted by the NYISO for its June 1, 2026, joint Electric System Planning Working Group and Transmission Planning Advisory Subcommittee meeting. DPS and LIPA agree that this tariff language is consistent with their agreed-upon approach.

Sincerely,

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