UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection	Docket No. RM21-17-000

COMMENTS OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.

The New York Independent System Operator, Inc. ("NYISO") hereby submits: (i) reply comments responding to the initial comments submitted concerning the advance notice of proposed rulemaking ("ANOPR") issued by the Federal Energy Regulatory Commission ("Commission") in the above captioned proceeding (Sections I.A -I.B),[1] and (ii) comments addressing issues raised during the technical conference in this proceeding on November 15, 2021 ("Technical Conference") pursuant to the Commission's *Notice Inviting Post-Technical Conference Comments* issued on November 17, 2021 (Section I.C).[2] These comments supplement the comments that the NYISO submitted on October 12, 2021 in response to the ANOPR ("NYISO Initial Comments").[3] The NYISO appreciates this opportunity to submit comments concerning the ANOPR and Technical Conference and respectfully requests that the Commission consider these comments as it proceeds with this rulemaking proceeding.

[1] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Advance Notice of Proposed Rulemaking, 176 FERC ¶ 61,024 (2021) ("ANOPR"); see also *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Notice of Extension of Time, Docket No. RM21-17-000 (September 3, 2021) (extending the due date for reply comments until November 30, 2021).

[2] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Notice Inviting Post-Technical Conference Comments, Docket No. RM21-17-000 (November 17, 2021) ("Notice Inviting Comments"). As required by the Notice Inviting Comments, the NYISO has identified which comments are being provided in response to the Technical Conference and which comments are reply comments.

[3] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Comments of the New York Independent System Operator, Inc., Docket No. RM21-17-000 (October 12, 2021) ("NYISO Initial Comments").

I. Comments

A. The NYISO's Proposed Approach to Enhancing Existing Transmission Planning and Interconnection Processes Finds Significant Support in Other Parties' Comments on the ANOPR

In its initial comments, the NYISO agreed with the Commission that planning reforms should be pursued and implemented to make transmission planning and interconnection processes more holistic and more efficient in the identification, evaluation, and ultimate build-out of transmission. The NYISO urged the Commission to consider that in New York, incremental, targeted reforms can address many of the issues raised in the ANOPR and that such reforms would have a more meaningful and timely impact than a complete overhaul of the existing transmission planning and interconnection processes, which would take considerable time and resources to develop and implement.[4] Due to the regional characteristics and the significant Commission-approved variations among the regions, the NYISO strongly encouraged the Commission to allow transmission providers to tailor appropriate tariff revisions to the transmission planning and interconnection processes in their regions to implement reforms directed by the Commission.

In the initial comments submitted in response to the ANOPR, there is considerable support for the NYISO's proposal that the Commission adopt an incremental approach for enacting planning reforms that build on the existing planning structure and maintain regional flexibility. Importantly, as a single-state independent system operator ("ISO"), the NYISO closely coordinates with the New York State Public Service Commission ("NYSPSC") in developing and performing its transmission planning and interconnection functions, including establishing tariff rules and procedures that provide for an NYSPSC role in the planning processes. The NYSPSC and the New York State Energy Research and Development Authority noted in their initial joint comments in this proceeding

[4] A complete overhaul of the NYISO's existing transmission planning and interconnection processes could create regulatory uncertainty and unnecessary delays in identifying and developing important transmission projects to address New York's energy policy goals.

that the existing processes have worked reasonably in New York and that the Commission should allow for regional variations rather than using a one-size-fits-all approach.[5] Further, there is broad support across the regional transmission organizations ("RTOs") and ISOs for addressing the concerns raised in the ANOPR through incremental revisions to existing planning structures that are carefully tailored to the unique circumstances of their regions.[6]

The NYISO identified in its initial comments certain targeted reforms to its transmission planning and interconnection processes that would enhance its processes within the context of the unique circumstances of New York in a manner consistent with the Commission's goals in the ANOPR, along with identifying certain challenges associated with the potential reforms for the Commission's consideration.[7] Among the proposed reforms, the NYISO highlighted three key reforms for the Commission's consideration to foster a more proactive transmission planning process. These included:

- reforms to promote the build-out of transmission to support future generation (based on, for example, pre-planned renewable generator pockets) to accommodate further interconnections beyond the minimum upgrades required for a reliable interconnection;

[5] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Initial Comments of the New York State Public Service Commission and New York State Energy Research and Development Authority, Docket No. RM21-17-000 at pp 9-10 (October 12, 2021) ("NYPSC/NYSERDA Initial Comments").

[6] *See, e.g.*, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the California Independent System Operator Corporation, Docket No. RM21-17-000 at pp 5-6 (October 12, 2021) ("CAISO Initial Comments"); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of ISO New England, Docket No. RM21-17-000 at pp 2, 17-20 (October 12, 2021) ("ISO-NE Initial Comments"); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Comments of the Midcontinent Independent System Operator, Inc., Docket No. RM21-17-000 at p 2 (October 12, 2021) ("MISO Initial Comments"); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Initial Comments of PJM Interconnection, LLC, Docket No. RM21-17-000 at pp 9. 47 (October 12, 2021) ("PJM Initial Comments").

[7] NYISO Initial Comments at pp 26-50. The potential areas of reform include: (i) transmission planning for future system needs through actionable scenarios, (ii) pre-planning for renewable generation pockets, (iii) expanding metrics and timeframes to evaluate transmission benefits, (iv) identification of cost responsibility for regional transmission facilities and upgrades identified in the interconnection process, (v) integrating its transmission interconnection procedures within its transmission planning process, (vi) providing alternatives to the elimination of its participant funding approach that addressed the Commission's concerns, (vii) addressing speculative interconnection requests, (viii) addressing a fast-track interconnection process, and (ix) considering grid-enhancing technologies in the interconnection process.

- reforms to create actionable scenario planning through which the NYISO could consider, and act on, needs identified using alternative assumptions in the base cases used for reliability planning (including, *e.g.*, generator availability and system resiliency); and

- reforms to expand the metrics and the time horizons used to select transmission under the reliability, economic, and public policy processes without requiring a consolidated approach to all aspects of the regional transmission planning process.

Numerous commentators expressed support for reforms concerning scenario planning,[8] expanded metrics and time horizons in the evaluation of project proposals,[9] and the build-out of transmission to support future generation.[10]

Finally, the NYISO described in its initial comments the current interregional planning requirements applicable in the northeastern United States and indicated that additional interregional requirements and mandatory cost allocation of interregional transmission projects are not required.[11] Numerous commentators similarly expressed support for not creating additional, mandatory interregional requirements.[12]

[8] *See, e.g.*, MISO Initial Comments at pp 46-47; PJM Initial Comments at pp 42, 63-66; ISO-NE Initial Comments at pp 20-25; *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of Southwest Power Pool, Inc., Docket No. RM21-17-000 at p 6 (October 12, 2021); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the United States Department of Energy to Advance Notice of Proposed Rulemaking, Docket No. RM21-17-000 at pp 19-20 (October 12, 2021) ("DOE Initial Comments").

[9] *See, e.g.*, CAISO Initial Comments at pp 44-45; *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the New York Transmission Owners, Docket No. RM21-17-000 at pp 20-22 (October 12, 2021) ("NYTOs Initial Comments");

[10] *See, e.g.*, CAISO Initial Comments at pp 49-54; NYTOs Comments at pp 8-10; DOE Initial Comments at p 24, Appx A; *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the City of New York, Docket No. RM21-17-000 at p 6 (October 12, 2021) ("New York City Initial Comments") (noting the benefits of the NYISO's 70x30 analysis in identifying geographic zones with high renewable potential).

[11] NYISO Initial Comments at pp 54-57.

[12] *See, e.g.*, CAISO Initial Comments at pp 6-7 ("There are opportunities to improve interregional coordination in the study of interregional transmission projects, but mandating interregional planning is unnecessary, poses significant implementation challenges, and may not be the most effective or efficient approach to facilitate the development of interregional transmission infrastructure that might be needed"); *see also* MISO Initial Comments at pp 60-61.

B. The Commission Should Proceed Cautiously and Take a Flexible Approach with Respect to Any Independent Transmission Monitor Proposals that May Be Included in a Future Notice of Proposed Rulemaking

The NYISO Initial Comments raised multiple concerns regarding the ANOPR's statements about Independent Transmission Monitors ("ITMs").[13] Various other commenters were of like-mind with the NYISO that the ANOPR did not explain why ITMs are needed,[14] at least in ISO/RTO regions,[15] and did not justify the redundant functions and related costs that ITMs would seem likely to impose.[16] Other commenters shared the NYISO's concern that ITMs not be assigned planning functions that should, and practically must, be performed by transmission providers or ratemaking-type functions that may only lawfully be performed by the Commission.[17] In their initial comments, no New York State entity, or stakeholder whose

[13] NYISO Initial Comments at pp 50-53.

[14] *See, e.g.*, MISO Initial Comments at p 138 ("[T]he independent transmission monitor would simply be another entity participating in a multi-month transmission planning process conducted by the already independent RTO. The ANOPR never explains why an independent RTO may need an independent supervisor of what so far has been one of the essential functions of the RTO."); NYTOs Initial Comments at pp 26-29.

[15] Multiple commenters agreed with the NYISO that, to the extent there was a need for ITMs, that need would presumably be greater in non-ISO/RTO regions. *See, e.g.*, CAISO Initial Comments at p 115 ("The CAISO does not support adopting a uniform requirement to create independent transmission monitors, especially within planning areas administered by RTOs/ISOs."); MISO Initial Comments at 34 ("Commission should not move forward with an Independent Transmission Monitor for RTO regions. If adopted, the Independent Transmission Monitor framework should only apply to non-RTO regions."); PJM Initial Comments at 75-79 (requesting that the Commission consider only establishing ITMs, "if at all," in non-RTO/ISO regions").

[16] *See, e.g.*, ISO-NE Initial Comments at pp 32-35 (arguing that "the addition of another entity to oversee planning could weaken the process and potentially introduce delays and risk into transmission development"); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of Southern Company Services, Inc., Docket No. RM21-17-000 at pp 37-38 (October 12, 2021) ("Rather than facilitating the expansion of the grid to integrate renewables, the Independent Transmission Monitor would impose an additional level of bureaucracy and create additional friction points, ultimately resulting in delays and extra costs."); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of Southern California Edison Company, Docket No. RM21-17-000 at p 9 (October 12, 2021) ("There is sufficient oversight and transparency in the transmission planning and cost allocation process and another layer of review through an independent transmission monitor is not needed."); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Initial Comments of the Edison Electric Institute, Docket No. RM21-17-000 at pp 41-42 (October 12, 2021) (same).

[17] *See* MISO Initial Comments at pp 119-23 (arguing that ITMs are unnecessary and that the ANOPR's proposal "is inconsistent with Order No. 2000 and will weaken the RTO model"); CAISO Initial Comments at pp 119-20 ("The work of any independent transmission monitor will only duplicate the work the CAISO and stakeholders already perform to assess transmission needs and identify transmission expansions and non-wires alternatives. . . . At worst, this function could undermine the timely completion of the transmission planning process and create a shadow process performed by the independent transmission monitor in which entities 're-litigate' their

interests were focused on New York, supported the establishment of an ITM in the NYISO region.[18]

Certain other commenters were more supportive of specific ITM concepts. In particular, Potomac Economics, Ltd., which plays various market monitoring roles for, among others, the NYISO, ISO New England Inc., and Midcontinent Independent System Operator, Inc., and Monitoring Analytics, LLC, which is the independent market monitor for PJM Interconnection LLC, favor having existing market monitors become ITMs.[19] To be clear, the NYISO does not necessarily object to market monitors assuming some ITM-type functions. The NYISO previously noted that market monitors already perform some such tasks.[20] It might be appropriate for those functions to be expanded to some degree, but as discussed below, only to monitoring-related tasks and not to transmission planning or ratemaking.

Regardless of the types of entities that might become ITMs, ITMs should only monitor transmission providers as they engage in transmission planning. ITMs should not coordinate, replicate, or assume planning functions themselves. Transmission planning is a core responsibility and function of transmission providers.[21] At least in ISO/RTO regions, there is no

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positions. . . . [D]irecting public utilities to retain an independent transmission monitor to oversee transmission planning functions may be perceived as intruding on how public utilities manage their own corporate affairs."); NYTOs Initial Comments at pp 28-29.

[18] *See* NYTOs Initial Comments at pp 26-29; New York City Initial Comments; NYPSC/NYSERDA Initial Comments; *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the New York State Utility Intervention Unit, Docket No. RM21-17-000 (October 12, 2021).

[19] *See Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Comments of Potomac Economics, Ltd., Docket No. RM21-17-000 at pp 1-4 (November 11, 2021); *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Comments of the Independent Market Monitor for PJM, Docket No. RM21-17-000 at pp 16-23 (November 1, 2020); *see also Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection,* Comments of the Southwest Power Pool Market Monitoring Unit on the Advance Notice of Proposed Rulemaking, Docket No. RM21-17-000 at pp 5-7 (October 12, 2021).

[20] *See* NYISO Initial Comments at 52.

[21] *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119 at P 454 (2007), *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on*

reason to believe, and no evidence in the record of this proceeding, that ISO/RTO transmission providers are failing to fulfill their planning responsibilities independently. Existing market monitors also do not have the expertise or resources to operate as transmission planners. Building up market monitors to add full-fledged planning capability or looking to other entities that might already have it would be unjustified, duplicative, and costly. It would also, ultimately, be counterproductive because having two independent entities simultaneously engaged in the same transmission planning activities would be inefficient and would likely result in unnecessary conflicts and delays. For example, the NYISO already engages in monitoring of the timely development and implementation of transmission projects in New York. The NYISO carefully monitors the progress of local transmission projects through its Local Transmission Planning Process, the FERC Form No. 715 and other annual database and data book update processes, and its planning manuals.[22] The NYISO also closely monitors the progress of all selected transmission projects against milestone schedules contained in their development agreements with transmission developers.[23] It would be duplicative and unnecessary for ITMs to perform the same functions.

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clarification, Order No. 890-D, 129 FERC ¶ 61,126 (2009) ("[T]ransmission planning is the tariff obligation of each transmission provider, and the pro forma OATT planning process adopted in this Final Rule is the means to see that it is carried out in a coordinated, open, and transparent manner, in order to ensure that customers are treated comparably. Therefore, the ultimate responsibility for planning remains with transmission providers."); *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 at P 153 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and 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) ("As also noted in Order No. 890, the ultimate responsibility for transmission planning remains with public utility transmission providers.")

[22] *See* NYISO OATT § 31.2.1 (Local Transmission Planning Process); FERC Form No. 715; NYISO Load and Capacity Data ("Gold Book"), Section VII (Proposed Transmission Facilities), *available at* https://www.nyiso.com/documents/20142/2226333/2021-Gold-Book-Final-Public.pdf/b08606d7-db88-c04b-b260-ab35c300ed64?t=1619631804748; NYISO Reliability Analysis Data Manual, *available at* https://www.nyiso.com/documents/20142/2924447/rel-anl-data-mnl.pdf/2d42445e-317d-b7e9-24b8-c983ae6518ec

[23] *See* NYISO OATT §31.7, Appendix C (Reliability Planning Process Development Agreement), Article 3; *id.*, Appendix D (Public Policy Transmission Planning Process Development Agreement), Article 3.

Similarly, as the NYISO stated in the NYISO Initial Comments, ITMs should not be tasked with performing ratemaking functions that the Commission lacks the legal authority to delegate to private entities.[24] The NYISO reiterates that attempting to make ITMs responsible for identifying "excessive" transmission facility costs, and determining whether selected projects were actually the more efficient or cost-effective solutions, would either raise questions under, or clearly violate, the subdelegation doctrine.[25]

More generally, the NYISO believes that some of the disagreements concerning ITMs in this proceeding are a consequence of the nature of the ANOPR. That is, the ANOPR did not make specific proposals regarding ITMs or their functions. It simply discussed possible roles that ITMs might play. The NYISO respectfully submits that any Notice of Proposed Rulemaking ("NOPR") that may follow the ANOPR should take a cautious and flexible approach to ITM issues. A NOPR should not simply presume that a second independent entity is necessarily required to oversee independent ISO/RTO transmission planning, including any new planning-related objectives or responsibilities that might be proposed in the NOPR. Instead, if the Commission proceeds with an ITM proposal, a NOPR should clearly identify what specific problems an ITM would be intended to address in ISO/RTO regions and propose that ITMs take on only those functions that are necessary to remedy any such problems.

A future NOPR should also take a flexible approach and be open to modifying any of its proposals regarding the proper role of ITMs (if any) in particular regions. The ANOPR's ITM proposals were so numerous, diverse, and, at times, unclear that there is no reasoned basis for a future NOPR to be firmly committed to any specific ITM proposal(s). The Administrative Procedure Act requires the Commission to engage in reasoned decision-making based on

[24] *See* NYISO Initial Comments at 53-54.
[25] *Id*. at n. 116.

substantial record evidence before making final determinations on ITMs. An adequate record must be based on comments addressing specific ITM proposals in a future NOPR, not the responses to the ANOPR's varied ideas that have been submitted to date.

C. The Commission's Technical Conference Highlighted Important Areas of Transmission Planning and Interconnection Process Reforms

1. The Commission Should Continue to Allow Regional Flexibility in Implementing Transmission Planning and Interconnection Process Reforms

At the Technical Conference, Chairman Glick posed questions concerning how much flexibility regions should have in implementing further planning reforms.[26] Due to the diverse interconnection and transmission planning issues in each region and the significant Commission-approved tariff variations across regions, the Commission should continue to provide each region with flexibility to develop, with its stakeholders' input, carefully tailored tariff revisions to implement any planning reforms directed by the Commission.

As described in the NYISO Initial Comments, the ANOPR raises planning concerns that do not apply uniformly across all regions, particularly to a single-state ISO.[27] As the concerns are not universally applicable, uniform solutions are not the best approach and can conflict with regional variations that the Commission has previously accepted. The Commission has approved significant variations for each region's interconnection and transmission planning processes that were carefully tailored to address the unique circumstances of the region. A one-size fits all approach would actually be detrimental and could slow down the interconnection processes. The NYISO and its stakeholders have spent substantial time and resources over the last decade in refining and enhancing its interconnection and long-term transmission planning procedures in light of circumstances and

[26] The NYISO was represented at the Technical Conference by Zachary G. Smith, Vice President, System and Resource Planning. These comments supplement his comment on the record.

[27] NYISO Initial Comments at pp 57-59.

concerns specific to New York. These procedures do not exist in a vacuum but rather are intertwined with the NYISO's market and planning requirements and reflect NYISO-specific market rules (*e.g.*, the absence of physical transmission rights), regional and state reliability requirements, state siting requirements, and a particular resource mix and transmission topography. These procedures cannot be abruptly changed without potentially creating adverse and potentially unforeseen impacts.

As detailed in the NYISO Initial Comments, the NYISO's existing planning and interconnection processes already address certain of the Commission's stated concerns in the ANOPR.[28] In addition, as a single-state ISO, the NYISO closely coordinates with the NYSPSC to perform planning in line with state goals and requirements. As described in Part I.A above, the NYPSC has stated in its comments in this proceeding that the "existing processes have worked reasonably well to date in New York" and the Commission "should allow for regional variations and not undo planning approaches that have been successful, recognizing that a one-size-fits-all approach is unwarranted."[29]

Accordingly, if the Commission adopts planning reforms in this proceeding, the Commission should refrain from adopting one size fits all requirements. Rather, the Commission should continue to provide regions with the flexibility that they require to implement any planning reforms with their stakeholders' input and within the context of the unique circumstances of each region.

2. The Commission Should Allow Regions to Build Upon Rather than Replace Their Existing Processes to Address the Treatment of Different Drivers of Transmission Needs

At the Technical Conference, a number of panelists discussed whether existing divisions within transmission planning processes by the different drivers of transmission needs (*i.e.*, reliability,

[28] NYISO Initial Comments at pp 57-59.

[29] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Initial Comments of the New York State Public Service Commission and New York State Energy Research and Development Authority, Docket No. RM21-17-000 at pp 9-10 (October 12, 2021).

economics, and public policy) result in processes that are overly siloed and limit consideration of all of the benefits of potential solutions to identified transmission needs.[30]

The NYISO supports reforms that will enable a more holistic approach to identifying the more efficient or cost-effective transmission solution to address long-term transmission needs, regardless of the driver of the transmission need. However, the NYISO cautions against the wholesale replacement of existing transmission planning structures or requiring the adoption of a multi-driver process that would necessitate a comprehensive overhaul of the existing planning processes. As described above, the NYISO and its stakeholders have spent substantial time and resources in developing, refining, and enhancing its transmission planning structures in light of circumstances and concerns specific to New York.

Instead, the Commission should allow regions to build on their existing transmission planning structures to enable transmission providers to consider, within these structures, the value of transmission projects that provide multiple benefits.[31] For example, as detailed in the NYISO Initial Comments, the Commission could determine that transmission providers should adopt a broader range of evaluation and selection criteria in their transmission planning processes that would enable them to consider the reliability, economic, and public policy benefits of proposed solutions to a transmission need, regardless of the underlying driver of the need.[32] The NYISO believes that the ability to consider such benefits would enhance its ability to select the more efficient or cost-effective transmission solution.

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[30] *See, e.g., Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Pre-Technical Conference Comments of Kamran Ali on Behalf of American Electric Power Association, Docket No. RM21-17-000 at pp 2-3 (November 2, 2021) ("AEPA Comments") ("AEP recommends the Commission require each region to establish a multi-value project category within its regional planning process to reflect that transmission infrastructure investments can address multiple long-term needs and provide a wide range of benefits. All types of benefits – reliability, congestion, and public policy – should be considered in transmission planning to account for the true cost and benefit of transmission projects.").

[31] As recently noted by Commissioner Clements, the NYISO's Public Policy Transmission Planning Process "has been a bright spot in the Order No. 1000 landscape." FERC Docket No. EL20-65-000, *Order on Petition for Declaratory Ruling*, Clements, Commissioner, concurring, at P. 3 (April 15, 2021).

[32] NYISO Initial Comments at pp 34-37.

3. The NYISO Supports Defining and Using Renewable Energy Zones

At the Technical Conference, many panelists emphasized that in the future, more generation resources will be located distant from load centers and transmission will be needed to transmit energy from such resources to customers in load centers.[33] As detailed in the NYISO Initial Comments, the NYISO supports enhancements to transmission planning processes to identify pockets where future generation could be developed if needed transmission were provided or to facilitate efficient identification of upgrades where a significant amount of entry is anticipated.[34]

The NYISO has already reformulated its Economic Planning Process to identify resource-rich areas behind transmission constraints, where new transmission facilities will be needed to facilitate the delivery of renewable resources to the bulk power system.[35] The Economic Planning Process requires that the NYISO biennially develop a System & Resource Outlook ("Outlook") that; (i) assesses system congestion on the New York State Transmission System over a 20-year study period, (ii) applies other metrics in various scenarios (*e.g.*, achievement of public policy renewable energy goals) and sensitivities (*e.g.*, higher fuel costs), and (iii) analyzes energy deliverability, which quantifies the impact that transmission constraints have on the ability for generators to inject energy into the transmission system. Among other things, the NYISO uses the energy deliverability metric to aid in the identification of renewable generation pockets on the transmission system for publication in the Outlook report. The Outlook report will assist interested parties in identifying the efficient placement of new transmission to facilitate renewables development and the delivery of

[33] *See, e.g.*, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Speaker Materials of Debra Lew, Energy Systems Integration Group, for Panel 3 of November 15, 2021 Technical Conference, Docket No. RM21-17-000 at p 3 (November 16, 2021) ("Wind and solar energy are currently the least-cost clean resources and the highest quality resources are distant from load centers.").

[34] NYISO Initial Comments at pp 31-34.

[35] *See New York Independent System Operator, Inc.*, Order Accepting Tariff Revisions, 175 FERC ¶ 61,010 (2021) (accepting revisions to NYISO's Economic Planning Process).

renewable resources to the bulk power system, including for meeting New York's Climate Leadership and Community Protection Act requirements.

4. Carefully Drawn Fast Track Processes Could Help Facilitate Interconnection of Ready Generation Projects

At the Technical Conference, Commissioner Christie emphasized the importance of interconnection reform. In addition, many panelists indicated that interconnection queues and processes across the country are overwhelmed.[36]

In New York, the NYISO has already made significant enhancements to its interconnection processes, including its unique Class Year Study process, to increase their timeliness and efficiency. The NYISO works with its stakeholders on an ongoing basis to review its interconnection and transmission planning processes and to identify and implement process enhancements. In recent years, the NYISO has adopted a number of comprehensive revisions to its interconnection processes driven by both stakeholder and developer input and the NYISO's experience in administering these processes.[37] As detailed in the NYISO Initial Comments, these process improvements have focused primarily on increasing efficiencies, increasing transparency, and expediting the interconnection study process, and such reforms have already demonstrated significant improvements.[38]

The NYISO agrees with panelists that there may be opportunities to expedite the progress of projects through the interconnection process that satisfy certain requirements to be considered

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[36] *See, e.g.*, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Speaker Materials of Lauren Azar, Azar Law, for Panel 1 of November 15, 2021 Technical Conference, Docket No. RM21-17-000 at p 3, n 6 (November 16, 2021) ("Azar Comments") ("Interconnection queues are exploding and, in some areas of the country, developers are not even entering the queues because they know they'll be charged with building out the regional grid.").

[37] *See, e.g., New York Independent System Operator, Inc.*, Letter Order on Tariff Revisions, Docket No. ER20-638-000 (Jan. 31, 2020) (corrected via errata issued on Feb. 4, 2020); *New York Independent System Operator, Inc.*, Letter Order on Tariff Revisions, Docket No. ER18-80-000 (Dec. 7, 2017); *New York Independent System Operator, Inc.*, Letter Order on Tariff Revisions, Docket No. ER14-627-000 (Jan. 23, 2014); *New York Independent System Operator, Inc.*, Order on Tariff Revisions, 135 FERC ¶ 51,014 (2011); *New York Independent System Operator, Inc.*, Letter Order on Tariff Revisions, Docket No. ER11-2842-001 (July 6, 2011); *New York Independent System Operator, Inc.*, Letter Order on Tariff Revisions, Docket No. ER10-290-000 (Jan. 6, 2010).

[38] NYISO Initial Comments at pp 23-26.

"ready" projects. However, if the Commission were to consider proposing a fast-track process, it should weigh the factors described in the NYISO Initial Comments for determining which projects may be eligible for such expedited treatment.[39] For example, any implementing rule set will need to identify what projects are ready and therefore eligible. Such a rule set can be challenging to define and apply, raising such issues as determining and measuring the appropriate milestone for marking progress in the interconnection process. In addition, the Commission should provide sufficient flexibility for any such fast-track process to enable transmission providers to carefully tailor the requirements to function with the unique elements of their interconnection processes, such as the NYISO's Class Year Study process.[40]

5. The NYISO Supports Enhancing Transmission Planning to Address Challenges to System Resilience Presented by Extreme Weather

At the Technical Conference, many panelists emphasized the importance of planning to meet the challenges of extreme weather.[41] The NYISO strongly supports enhancing existing transmission planning processes to address more frequent and longer duration weather events, such as heat waves, that will stress the electric system in coming decades. As detailed in the NYISO Initial Comments, the Commission should clearly confirm that transmission providers may make use of scenario planning, including to plan the transmission system to maintain reliable electric service under extreme system conditions and events.[42]

[39] NYISO Initial Comments at pp 47-49.

[40] *Id.*

[41] *See, e.g.*, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Prepared Statement of Jay Caspary, Grid Strategies LLC, for Panel 2 of November 15, 2021 Technical Conference, Docket No. RM21-17-000 at p 2 (November 3, 2021) ("Benefits of increased connectivity and the ability to share resources from remote regions unaffected by extreme weather events could be very large and need to be considered as part of prudent probabilistic planning. Severe weather happens and should be incorporated into plans, not just as scenarios.").

[42] NYISO Initial Comments at pp 27-31.

6. The Commission Should Not Require Application of the Same Planning Criteria Across Planning Regions

At the Technical Conference, a number of panelists discussed whether the Commission, or the Commission with the North American Electric Reliability Corporation ("NERC"), should require the same planning criteria across regions.[43] The NYISO cautions against the Commission mandating the same planning criteria across regions.

Each region contains different power system characteristics, loads, and need drivers and requires planning criteria that are tailored to its unique characteristics. For example, the New York electric system serves load centers in the largest metropolitan area in the United States, including New York City and Long Island. Due to its geography, only the Bronx is connected by land to the mainland of New York State, while the rest of the boroughs of New York City and Long Island are a series of islands connected by a vast and complex transmission network. To account for these unique electrical characteristics, the New York State Reliability Council ("NYSRC") establishes, and the NYISO implements, planning criteria that specifically account for the local planning requirements of New York City and Long Island, which reliability rules may be more stringent than those established by NERC and the Northeast Power Coordinating Council, Inc. ("NPCC").[44] These planning criteria may not be appropriate for large widespread overhead land-based power grids in the Midwest and Southwest United States, but they are essential to electric system reliability in New York.[45]

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[43] *See, e.g.*, Conference Comments of Michelle Manary on Behalf of the United States Department of Energy, Docket No. RM21-17-000 at pp 2-3 (November 10, 2021) ("A common modeling framework would promote consistency . . . . Making the transmission planning process more consistent across regions, more transparent to stakeholders, and aligning regulatory policies will help facilitate cost allocation and transmission siting decisions, and thus speed up the time to upgrade or build needed transmission.").

[44] Section 215 of the Federal Power Act (FPA) authorizes the Commission to approve and enforce reliability standards applicable to all regional entities, users, owners, and operators of the bulk-power system. Section 215(i)(3) of the FPA provides that the State of New York "may establish rules that result in greater reliability within that State, as long as such action does not result in lesser reliability outside the State than that provided by the reliability standards." 16 U.S.C. § 824o(i)(3).

[45] *See* New York State Reliability Council Rules, B.2, R.1.2 (requiring NYISO to apply black start operation criteria in all transmission review assessments); id. B.2, R.1.3 (requiring NYISO to conduct extreme system assessments and to assess impacts on NYCA System Restoration Plan), available at: https://www.nysrc.org/PDF/Reliability%20Rules%20Manuals/RRC%20Manual%20V45%20Final.pdf.

Finally, the Commission should continue to allow transmission providers to collaborate on planning criteria and their implementation across regions. An example of such existing collaboration is the coordination among planning coordinators at the Eastern Interconnection Planning Collaborative ("EIPC").[46] The EIPC provides a platform for transmission planners located in the Eastern Interconnection to share their criteria, plans, and experiences to model neighboring systems together and consistently at the seams.

II. CONCLUSION

WHEREFORE, the NYISO respectfully requests that the Commission consider these comments when considering further action with regards to its ANOPR.

Respectfully submitted,

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[46] As a member of the EIPC, the NYISO also conducts joint evaluations with planning authorities across the entire Eastern Interconnection, a region that includes 40 states and several Canadian provinces from the Rocky Mountains to the Atlantic Ocean, and from Canada south to the Gulf of Mexico. The EIPC is made up of 19-member electric system planning authorities and was the first organization to conduct interconnection-wide planning analysis across the eastern portion of North America. *See* https://eipconline.com/about-the-eipc.

cc:

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 30th day of November 2021.

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