# ATTACHMENT B

Direct Testimony of

James Yeske

**UNITED STATES OF AMERICA**
**BEFORE THE**
**FEDERAL ENERGY REGULATORY COMMISSION**

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| **New York State Electric & Gas Corporation** | **)** | **Docket Nos. ER24-___-000** |
| **New York Independent System Operator, Inc.** | **)** | |
| **Rochester Gas and Electric Corporation** | **)** | **ER24-___-000** |
| **New York Independent System Operator, Inc.** | **)** | |

# DIRECT TESTIMONY
# OF
# JAMES YESKE

**ON BEHALF OF**
**NEW YORK STATE ELECTRIC & GAS CORPORATION**
**AND**
**ROCHESTER GAS AND ELECTRIC CORPORATION**

**May 1, 2024**

**DIRECT TESTIMONY OF JAMES YESKE**

**TABLE OF CONTENTS**

I. INTRODUCTION AND EXPERIENCE ..... 1
II. PURPOSE AND SCOPE OF TESTIMONY ..... 2
III. OVERVIEW OF PHASE 2 PROJECT PORTFOLIO ..... 3
IV. PHASE 2 PROJECTS RISKS ..... 4

**DIRECT TESTIMONY OF**

**JAMES YESKE**

## I. INTRODUCTION AND EXPERIENCE

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is James Yeske Jr., and my business address is 100 Marsh Hill Road, Mailstop OP-3C, Orange, Connecticut, 06477.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

A. I am currently employed by New York State Gas & Electric ("NYSEG") as the Senior Director of Integrated Projects for Avangrid Networks. In my current role, I lead a team that is responsible for the development of system upgrades to Avangrid Networks' electric transmission system, including transmission projects being developed by NYSEG and Rochester Gas and Electric ("RG&E") to support the New York State's clean energy goals under the Climate Leadership and Community Protection Act ("CLCPA"). I am testifying on behalf of NYSEG and RG&E (collectively, "Applicants").

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.**

A. I graduated from Worcester Polytechnic Institute with a Bachelor of Science in Civil Engineering. Prior to my current role as Senior Director of Integrated Projects, I was Manager, and then Director, of Lines Projects at Avangrid, overseeing Transmission Line projects for NYSEG, RG&E, and The United Illuminating Company ("UI") for 4 years. Prior to this role, I was a Senior Project Manager and Project Manager for UI for 10 years. Prior to my career at UI, I served as an Assistant Project Manager and Project Controls for Black and Veatch for 3 years, working as a contractor on 115 kV & 345 kV underground transmission line and greenfield GIS substation projects. Prior to my career

in the utility field, I worked in Project Controls, geotechnical and environmental fields on heavy highway, bridge, and tunnel projects, as well as an emergency response contractor for the United States Environmental Protection Agency.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC?**

A. No, I have not previously testified before the Federal Energy Regulatory Commission ("FERC" or "Commission").

## II. PURPOSE AND SCOPE OF TESTIMONY

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. My testimony is specifically focused on a subset of the Applicants' CLCPA transmission projects known as Phase 2 Projects ("Phase 2 Projects"). The Phase 2 Projects are being developed primarily to reduce congestion by increasing system headroom for existing and new renewable energy generation in support of state policy objectives. These projects will also improve reliability and resiliency by replacing aging infrastructure with known asset condition issues, including rebuilding two substations in new locations outside of current flood plains. The Phase 2 Projects have been approved by the New York Public Service Commission for statewide cost recovery through the Applicants' new formula rate and Rate Schedule 19 of the New York Independent System Operator ("NYISO") Open Access Transmission Tariff ("OATT"). The purpose of my testimony is to provide support for the Applicants' request to recover 100% of prudently incurred costs in the event that any of the Phase 2 Projects are cancelled or abandoned, in whole or in part, due to reasons beyond the Applicants' control ("Abandoned Plant Incentive"). Below, I provide a summary description of the Phase 2 Projects contained within the overall Phase 2 Project portfolio and describe the non-financial risks that could lead to the

abandonment of one or more Phase 2 Projects, including permitting/siting and project execution risks.

**Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY IN THIS CASE?**

A. No, I am not.

## III. OVERVIEW OF PHASE 2 PROJECT PORTFOLIO

**Q. PLEASE EXPLAIN THE PHASE 2 PROJECT PORTFOLIO.**

A. The Applicants' Phase 2 Project portfolio consists of approximately 300 miles of transmission line upgrades and nine substation expansion, upgrade, or rebuild projects, as well as ancillary substation upgrades at an additional eight substations. The majority of the Phase 2 Projects, located in western New York, are subject to New York Public Service Law, Chapter 48, Article VII, Siting of Major Utility Transmission Facilities ("Article VII") permits and will be grouped into nine or ten separate Article VII application groups. Article VII applies to "major utility transmission facilities." Major electric transmission facilities are lines with a design capacity of 100 kV or more extending for at least ten miles, or 125 kV and over, extending a distance of one or more miles; the law excludes underground transmission lines in a city with a population in excess of 125,000. These nine or ten groups of projects are currently undergoing conceptual engineering and studies to support the planned Article VII applications. We will solicit tenders for bundled Detail Engineering and Construction ("E&C") packages once conceptual designs and supporting permitting activities are complete and our Article VII applications are submitted. Non-Article VII projects will proceed directly from conceptual design to tendering for E&C. The Applicants will perform the procurement of large equipment and materials (conductors, transformers, breakers, GIS, poles, etc.).

Environmental Management and Construction Plans ("EM&CPs") will be prepared for review and, upon approval, the construction process will begin, followed by testing and commissioning. The vast majority of projects are currently planned to be in service by 2030 with the potential for one small project to extend into 2031 at this point. We are working to bring that project back into 2030. These dates continue to be under review and are contingent upon significant milestones such as Article VII permit approvals, supply chain deliveries, and coordination with other utilities.

## IV. PHASE 2 PROJECTS RISKS

**Q. WHAT TYPES OF RISKS AND CHALLENGES ARE ASSOCIATED WITH THE PHASE 2 PROJECTS?**

A. The Phase 2 Projects require many permits, including multiple New York Article VII permits, which increases the risk that one or more permits may not be obtained. Delays or inability to obtain such permits could result in the cancellation or material modification of one or more Phase 2 Projects. New and expanded right of ways ("ROWs") are also needed, introducing siting risk if these ROWs cannot be obtained, or take an extended period of time to obtain. The development of the Phase 2 Project portfolio has an accelerated schedule to meet New York State's 2030 CLCPA goals and will require challenging internal sequencing and extensive coordination with neighboring utilities, presenting timing and coordination risks. One or more of the individual Phase 2 Projects may need to be abandoned if coordination is not successful. Also, the Phase 2 Projects are being constructed partly in anticipation of future generation planned and in development based on the renewable generation developer queue and interest, but not assured of achieving commercial operation. While the Phase 2 Projects are being developed on an accelerated schedule, forecasted future renewable generation may not

materialize and/or be fully developed, which may lead to abandonment of one or more Phase 2 Projects. Also, competition for labor, material, and construction resources will be challenging over the next decade in New York given the increase in overall transmission development in the state making project execution more difficult. These pressures, along with well-known recent historic global supply chain challenges, may create inflationary pressures that raise costs during construction and lead to abandonment for reasons beyond the Applicants' control.

**Q. WHY ARE THE APPLICANTS SEEKING THE ABANDONED PLANT INCENTIVE FOR ALL OF THE PHASE 2 PROJECTS IN THE PROJECT PORTFOLIO INSTEAD OF FOR ONE OR MORE SPECIFIC PHASE 2 PROJECTS?**

A. As the Applicants embark on the near-simultaneous development and construction of the Phase 2 Projects, the risks and challenges summarized above and detailed below can apply to any of the Phase 2 Projects individually or a group of the Phase 2 Projects up to and including the entire portfolio. An adverse event affecting one Phase 2 Project can have adverse impacts on other Phase 2 Projects. Therefore, there is a risk of cascading adverse impacts across the portfolio. For example, the failure to achieve siting approval for one of the Phase 2 Projects may reduce the constructability or efficacy of one or more other Phase 2 Projects to the point where the other affected projects need to be abandoned or delayed even if they can be sited. With so many interdependencies and linkages between projects, the risks and challenges are applicable to the entire portfolio, not just to certain Phase 2 Projects.

**Q. PLEASE ELABORATE ON THE PERMITTING RISKS.**

A. The Applicants anticipate that major permitting may need to be done separately for as many as ten groups of sub-projects to achieve full permitting of the entire Phase 2 Project

portfolio. Permitting approval includes siting approval under Article VII. Article VII requires the NYPSC to complete a comprehensive assessment of the environmental, public health, and safety impacts of a transmission project's siting, design, construction, and operation. Each Phase 2 Project that is subject to Article VII siting will face significant public scrutiny through the Article VII process that may challenge the proposed siting and introduce delays or other significant changes to the Project and may even result in outright rejection of one or more Phase 2 Projects.

**Q. WHAT OTHER PERMITS ARE REQUIRED?**

A. Additional permits are required beyond Article VII. For example, the Applicants may need to apply for some of the following permits for many of the Phase 2 Projects:

- U.S. Army Corps of Engineers
  - Sections 10 and 404 Permits for wetlands and waterbody crossings
- New York State Department of Transportation
  - Highway Work Permit for Utility Work (PERM 32)
  - Highway Work Permit for Non-Utility Work (PERM 33)
  - Consolidated Application and Permit for Highway Work and Use & Occupancy for Fiber Optic Facilities and Supporting Infrastructure (PERM 75)
  - County and Local Highway Occupancy and Work Permits
- New York State Department of Environmental Conservation State Pollution Discharge Elimination System ("SPDES")
  - SPDES General Permit for Stormwater Discharges from Construction Activities
  - SPDES Permit for Stormwater Discharges from Municipal Separate Sewer Systems
- New York State Department of Environmental Conservation
  - Article 16 Flood Control Land Use Permit
  - Temporary Revocable Permit
- Alienation and Conversion of State/Municipal Parkland
- Federal Aviation Administration
  - Notice of Proposed Construction or Alteration
- Railroad Use and Occupancy/Utility Crossing Permits

**Q. PLEASE ELABORATE ON THE RIGHT OF WAY RISKS.**

A. The Applicants need new and expanded ROWs in areas where the Applicants only have "pole rights." A pole right easement will generally provide the right to install and operate the pole in a fixed location. Such easement would include the right to repair a broken pole, attach conductors, etc., but generally does not provide a fixed ROW width or vegetation or expansion rights. Further rights may also be needed to secure access rights to the pole. The estimated acreage of new easements required is roughly 1,385 acres. There may also be parkland alienation associated with Line 932 through Letchworth State Park.

**Q. WHAT IS PARKLAND ALIENATION?**

A. In New York State, parkland alienation describes the process by which a local government grants easements upon, sells, leases, or discontinues the use of municipal parkland. New York State law considers public parkland to be held in trust for the benefit of the people of the State. Therefore, in order to effectuate such disposition of parkland, the municipality must receive prior authorization from New York State in the form of legislation approved by both houses of the State Legislature and enacted into law by the Governor. The associated multi-step process requires coordination with multiple stakeholders, sometimes including the federal government, depending on the parkland at issue and involves significant risk.

**Q. PLEASE ELABORATE ON THE PARKLAND ALIENATION RISKS.**

A. Due to the multiple governmental stakeholders involved, the parkland alienation process is time-consuming. The process is subject to local and state legislative schedules and risks political opposition across multiple levels of government. The process also involves

environmental reviews and other discretionary actions that are subject to judicial review and other litigation risks. Finally, the parkland alienation package is subject to veto by the Governor of New York. In fact, on October 20, 2023, Governor Kathy Hochul's Veto #37 vetoed a parkland alienation bill associated with the interconnection of an offshore wind facility, noting the local community's opposition as one of the reasons. Therefore, the need for parkland alienation contributes to the risks associated with the Phase 2 Projects.

**Q. PLEASE ELABORATE ON THE COORDINATION AND TIMING RISKS.**

A. Development of the bulk of the Phase 2 Projects requires construction activity occurring in relatively close geographic proximity to other ongoing transmission and generation development. Furthermore, the Phase 2 Projects are being pursued on an accelerated schedule to meet New York State's 2030 CLCPA goals. Therefore, outage scheduling and construction sequencing to avoid impacts to other development activities will be challenging. Extensive coordination with interconnecting generators and neighboring utilities, such as National Grid and New York Power Authority, will be needed on tight timelines. It is important to note that the NYISO generator interconnection process proceeds on a parallel path with the Phase 2 Projects and may identify upgrades to the same transmission lines and substations included in the Phase 2 Projects. Such overlap exacerbates coordination risks and may lead to project scoping conflicts.

The Phase 2 Projects are being constructed, in part, in anticipation of future renewable generation, which is expected to accelerate. The high degree of interest in renewable generation in the same geographic area of the Phase 2 Projects creates additional risk to project timing and coordination with interconnection work being executed in parallel

with project construction. Although anticipated, the expected renewable generation buildout is not guaranteed to achieve commercial operation. To the extent that forecasted future generation may not be developed as expected, perhaps due to technological advances, public policy shifts, or economic downturn, the Phase 2 Projects risk being abandoned for reasons beyond the Applicants' control.

**Q. WHAT OTHER RISKS EXIST?**

A. Local, national, and global supply chain issues continue to impact the industry and may continue for the foreseeable future. Furthermore, competition for labor, material, and construction resources will be tight as there is increasing transmission development planned in and around New York over the next decade, with many large-scale projects having been recently approved by the NYPSC and NYISO. Taken together, these create additional project development challenges that present significant risks for the projects.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes, it does.

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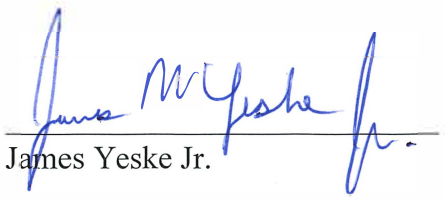
## VERIFICATION

I, James Yeske Jr., verify under penalty of perjury that I have read the testimony, know the contents thereof, and that the facts and representations set forth therein are true to the best of my knowledge, information and belief.



James Yeske Jr.

Dated: May 1, 2024