

STATE OF NEW YORK

Public Service Commission

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PLAN APPROVED TO EXPEDITE TRANSMISSION LINE PROJECTS — Faster Review Process Available for Projects Sited Within Existing Rights-of-Way —

Albany, NY—08/14/14—The New York State Public Service Commission (Commission) today established a policy that would allow for a 10-month expedited review process for future electric transmission projects that can be built within existing utility or State-owned rights of way.

“This new policy is designed to reduce the time required to evaluate such transmission proposals in order to provide a clear financial incentive for the development of transmission projects that respect community interests and can be implemented quickly using existing rights-of-way and State-owned assets,” said Commission Chair Audrey Zibelman. “This new policy will meet Governor Cuomo’s objectives to encourage innovation and use existing rights-of-way so that New York experiences the smart growth of the electric grid with the least impact to the environment and our communities.”

The Commission's policy applies to electric transmission projects that are not likely to have significant environmental impacts and utilize existing transmission or state-owned rights-of-way. It encourages the use of advanced technologies that may increase the throughput of electric facilities that could potentially avoid the need for additional transmission facilities in the future.

Upgrading transmission systems can reduce costly congestion on transmission lines. It will also enhance system flexibility and efficiency, reduce environmental and health impacts associated with electricity production, increase supply diversity, promote lower cost generation in upstate areas, and mitigate potential problems arising from generator retirements. While the policy

allows for expedited review of such projects within a 10-month period, it also ensures that if a project is not in the public interest, the proceeding can be removed from an expedited schedule.

With its decision, the Commission will make available an expedited review process under its Article VII rules for proposals that are not likely to have significant environmental impacts. The Commission's expedited review process will ensure the creation of a complete record while meeting the goal of processing applications within a 10-month period. Critically, the process also includes provisions to remove an application from the fast-track review process if it proves not to be in the public interest to proceed on an expedited basis.

In a related but separate action, the Commission today established procedures for the identification of public policy requirements that will be factored into future energy infrastructure planning. While the Commission already considers many factors in its consideration of infrastructure needs, such as system reliability and efficiency, reduced environmental and health impacts, and job growth, this action will enable the Commission, in conjunction with the New York Independent System Operator, Inc. (NYISO), to align its infrastructure planning with specific public policies.

The NYISO process includes new assessments required by the Federal Energy Regulatory Commission (FERC) in order to ensure that public policies are considered in system planning. The NYISO relies on the Commission for the identification of the "public policy requirements" that should be addressed in its studies. Previously, the NYISO did not have an established process for evaluating projects that may address public policy objectives.

Transmission projects that fulfill such public policy requirements will now become eligible for cost recovery through the NYISO's tariff if they are selected by the NYISO as the more efficient or cost-effective solution. Transmission projects will still need to obtain State and local approvals for siting, construction, and operation, as appropriate. The Commission will also consider whether to approve a non-transmission project over a transmission proposal, if it finds a generation or demand-side solution is preferable.

The Commission's decisions today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 14-T-0017 [Proceeding on Motion of the Commission to Develop an Expedited Process for Siting Transmission on Existing Rights-of-Way] and 14-E-0068 [In the Matter of Establishing Policies and Procedures Regarding Transmission Planning for Public Policy Purposes] in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.