

STATE OF NEW YORK

Public Service Commission

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EXPEDITED TRANSMISSION REVIEW PROCESS CONSIDERED

— PSC Acts to Encourage Developers to Site Projects Within Existing ROWs —

Albany, NY – 02/20/14 – The New York State Public Service Commission (Commission) today commenced a proceeding to develop an expedited, 10-month review process for future transmission projects that can be built wholly within existing utility or State-owned rights-of-way. This new proceeding stems from Governor Andrew M. Cuomo’s call in his 2014 State of the State address to expedite these type of transmission projects citing the need foster upgrades to an aging infrastructure and address congestions problems that cost electric customers across the state hundreds of millions of dollars in excess electricity costs annually.

“The creation of an expedited process to build needed transmission lines in existing rights of way will help maximize the value of in-state power generation resources, which in turn will lower energy costs in New York and help consumers better manage energy bills,” said Commission Chair Audrey Zibelman. “Our process will be designed to incent transmission developers to use technology and ingenuity to achieve required expansion of our electric transmission system while minimizing land use and community impacts. Our transmission initiatives, coupled with ongoing efforts to expand distributed generation and smart grid technologies, will result in lower cost and higher quality electricity service to consumers.”

In his 2014 State of the State Address, Governor Cuomo called for an expedited approval process for ‘smart’ transmission projects that do not require the acquisition of new rights-of-way from private landowners. The Commission concurs that such projects, which are not likely to have significant land use impacts, may be appropriate for the streamlined review that is envisioned.

In his address, Governor Cuomo called on the Commission 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. As envisioned, the new process, when implemented, would apply only to projects that do not require permanent expansion of the right-of-way "envelope" with wider corridors or taller towers.

Commission staff will examine how existing regulations can be adjusted to allow for an expedited review of appropriate projects. In addition, staff will define eligibility requirements for the expedited treatment and will provide process recommendations to ensure eligible applications can be processed in a 10-month period. Because practical experiences and concerns of developers, communities, landowners, and other governmental agencies are critical, staff will hold a technical conference and consult with stakeholders to help refine the revised process.

In a separate, but related action, the Commission today directed administrative law judges overseeing the Alternating Current (AC) Transmission Upgrade proceeding to establish a process by which competing developers in the initiative could submit new or modified proposals that make greater use of existing transmission corridors.

Transmission congestion costs New York consumers hundreds of millions of dollars each year. Upgrading the system to reduce such congestion could 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.

The AC Transmission Upgrade proceeding seeks to develop at least 1,000 MWs of new transmission capacity, and initially required each project, standing alone, to provide that capacity. As a way to encourage developers to consider the possibility of staying within the existing rights-of-way, the Commission has modified the criteria to accept project proposals that provide less than 1,000 MWs of additional transfer capability.

This modification will allow developers to propose alternatives that maximize the use of the existing rights-of-way even if the individual project is not able to achieve the 1,000 MW transfer capability. The Commission instructed the administrative law judges to devise a process for considering these new alternatives without lengthening significantly or at all the overall schedule for completing the AC upgrade initiative.

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 [Developing an Expedited Process for Siting Transmission on Existing Rights-of-Way] or 13-E-0488 [Alternating Current Transmission Upgrades – Comparative Proceeding] 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.