

## ***Why Does New York State Need to Upgrade its Transmission Lines?***

Ensuring the efficient transmission of power by reducing congestion improves overall electric system operation and optimizes the use of existing assets in New York by allowing lower-cost and cleaner power to reach consumers. Investments in the transmission and distribution systems can reduce customer costs over the long-term, improve safety, resiliency and reliability, and protect the environment while immediately creating jobs and economic development. The Energy Highway Task Force, made up of the chief executives of New York's energy, environment, and economic development agencies, issued a Blueprint in 2012 to improve the State's energy infrastructure. Among the many recommendations, the Blueprint called on the Public Service Commission (PSC) to pursue projects that would relieve congestion on the electric transmission grid, with preference for projects using existing rights-of-way or involving the upgrade of existing lines, to mitigate impacts to landowners and the environment. The Blueprint also set the goal of obtaining at least 1,000 megawatts of additional electric transmission capability on specific parts of the system to relieve congestion.

## ***What is Congestion?***

Much like traffic congestion where there are too many cars on the road, energy "congestion" occurs when the demand for electricity to be delivered over a line, or group of lines, exceeds the capacity of the transmission facilities leading to a "bottleneck." When this happens, the excess demand must be met using alternative sources, which are too often at significantly higher cost to consumers. In addition to cost concerns, reliance on those alternative sources, such as less efficient, dirtier generation facilities, may have undesirable environmental consequences.

## ***Why is Relieving Electricity Congestion Desirable?***

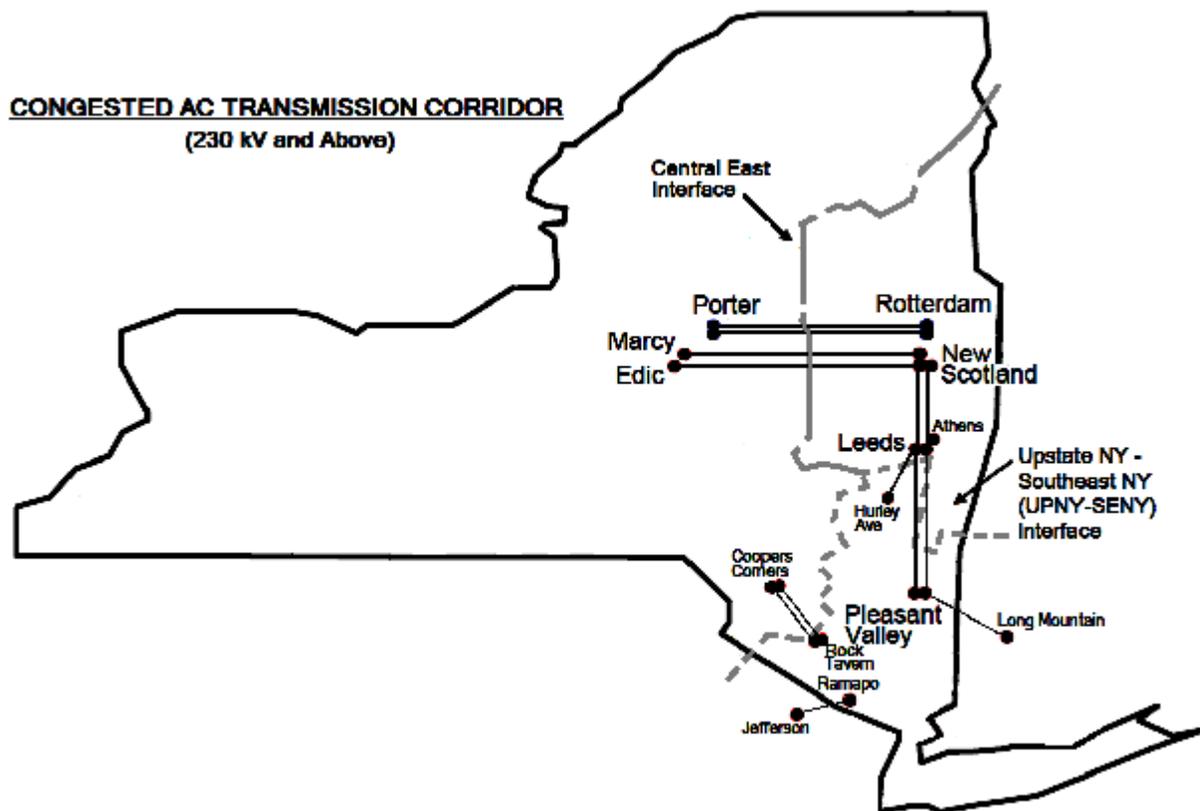
Relieving congestion and upgrading the transmission system will bring a number of benefits to New York's consumers. By relieving congestion and eliminating the existing bottlenecks, low-cost power generated in upstate New York, along with renewable energy such as wind, could be used to meet the needs of the entire state, and will help enhance system reliability, flexibility, and efficiency, while protecting against blackouts and reducing power outage incidents, all of which reduce the costs of operating the system. Upgrading the system will provide a significant economic boost for upstate power producers by providing them greater access to the downstate market. Additional benefits include reducing environmental and health impacts through the use of cleaner fuels and reduced emissions, increasing diversity in electric generation supply, primarily renewable energy, providing long-term benefits in terms of job retention and growth, developing efficient new power sources at lower cost in upstate areas, and mitigating reliability problems that may arise with expected generator retirements.

## ***Where is the Bottleneck Located?***

The bulk electric transmission system is designed to move electricity from power generators to "load centers," such as cities and major metropolitan areas. Congestion occurs when lower-cost generation has been built away from the major load centers and there are insufficient transmission lines to move that energy. A major bottleneck in the New York transmission system has developed between the Mohawk Valley (Utica) and lower Hudson

Valley areas. This congestion first appeared in the mid-1990s and has been increasing over the past 20 years as demand has grown throughout the state. There are two major corridors of transmission lines between Utica and the lower Hudson Valley. The first starts at the Marcy substation (located between Rome and Utica) and runs to the New Scotland substation outside Albany. This corridor then follows both sides of the Hudson River down to the Fishkill area. The second corridor runs from the Marcy substation south to Delaware County and then on to Sullivan, Orange and Rockland counties. Please see map below.

### **Congestion Map:**



### ***How is the Transmission Congestion Being Addressed?***

In November 2012, the PSC instituted a proceeding (Case I2-T-0502) to examine electric transmission system solutions to the congestion problem identified in the Blueprint. The Commission also asked developers to submit potential projects for consideration along these two corridors. A mechanism for reviewing and evaluating the resulting submissions was proposed by staff and approved by the Commission in April 2013 and incorporates a public process to examine impacts on landowners, farms, historic properties, and the environment, as well as an analysis of its cost to consumers across the state.

### ***What's the Current Status of Potential Projects?***

Four developers submitted proposals for transmission projects in an initial application on October 1, 2013 (known as the Part A filings). The proposed projects are being reviewed on a competitive basis and the Commission is expected to approve only one project at the end of the process. We are in the first stage of the process and the Commission is accepting public comments on the initial project applications to help developers identify the scope of work required in the next phase until March 21, 2014.

During the next phase, project developers will be scoping and conducting fieldwork for engineering and environmental studies, which is expected to take 9-16 months. Once those studies are completed, the developers will file complete applications (known as the Part B filings) and a more thorough public hearing and comment phase will begin, which will take 18-30 months, depending on the need for further analysis, public input and consideration. The PSC will not approve the construction of any projects until it has reviewed all the completed applications, hearings and public comments pursuant to the Article VII process (please see the [Article VII Major Electric and Gas Transmission Facilities](#) page for more information).

Here are links to specific proposed projects:

- [New York Transmission Owners](#)
- [North America Transmission](#)
- [NextEra Energy](#)
- [NextEra Energy](#)
- [Boundless Energy](#)

Note that a new “umbrella” Case Number 13-E-0488 (replacing 12-T-0502) has been established for information common to all the individual proposed projects.

The PSC has appointed Administrative Law Judges (ALJ) to supervise the various cases.

### ***Why is this proceeding focused only on Alternating Current (AC) transmission projects?***

While Direct Current (DC) transmission lines could contribute to relieving congestion, it would not resolve the other transmission line problems that exist. A robust AC system promotes reliability through its ability to respond to emergencies and changing conditions instantaneously. For example, the reconstruction of aging transmission infrastructure involves removing facilities from service, necessitating the remaining system to operate reliably during the construction period. Without adequate alternate paths for the electricity, construction and congestion costs will increase. A DC line is simply a line that connects one place to another, without flexibility. AC lines provide flexibility for the interconnection of new generation at multiple points. With an AC transmission system, power can flow in both directions, upstate and downstate. The transmission system is the backbone of the State's economy, therefore it must be flexible and reliable.

### ***When will more detail about specific, individual landowner and environmental impacts of a proposed project be available?***

It is anticipated that the field studies will follow completion of the scoping process. As part of the review and to avoid or minimize potential impact, developers will be called upon to consider alternatives based on public input, including the use of innovative technologies, undergrounding, and only using existing rights-of-way. Study results will be available with the completed applications (Part B filings).

### ***How Will Proposals be Evaluated?***

Proposals will be screened to determine whether they meet certain threshold criteria set by the PSC. In particular, proposed projects that do not offer at least 1,000 MW of new transmission capacity may not be considered. Following screening, project applications will undergo an even more intense multi-agency public review and evaluation, which includes the Department of Environmental Conservation, Department of Economic Development, the Secretary of State, the Department of Agriculture and Markets, and the Office of Parks, Recreation and Historic Preservation, as well as municipalities, and local environmental, commercial, planning and community/public interest groups and individuals that have an interest in the project.

Under Article VII, the PSC assesses the environmental and landowner impacts of proposed major transmission facilities, among other factors, and decides whether to grant, modify, or deny applications. It is important to note that although several projects are now participating in the proceeding, the Commission's goal is to select the project or combination of projects that meets the Blueprint goals, minimizes environmental and landowner impacts, and fulfills the Article VII standards at the least cost to consumers.

### ***How Can the Community Get Involved in the Process?***

Communities are strongly encouraged to become involved throughout the process, from the initial application phase and through the later project review. The phases for public involvement include:

**Initial Application Phase (Part A filings):** The PSC asked developers to initiate early outreach to the communities in the area of their proposed projects. Since there are several competing projects, communities have been contacted by multiple developers; however, this does not indicate multiple projects will be approved and constructed. As noted above, proposed projects might be narrowed down. By the same token, a community that is contacted in this initial stage may not see any projects move forward in their location if projects are eliminated from the process.

**Scoping Phase:** The PSC has also required the developers to consult with state and local agencies and communities in reviewing and revising the work plans that they intend to follow in developing their applications. Money, or "intervenor funds," will be made available to allow eligible parties who want to participate in the scoping phase to hire independent advisors so that a complete record can be created. Since the total amount of available intervenor funding is limited and meant to support intervenors through the entire process, interested parties should apply as soon as possible. (See question below for details on how to apply.)

**Subsequent Project Review (Part B filings):** Although subject to the comparative review, as noted above, project applications for major electric transmission facilities will follow the Article VII review process (see Process Guide available on the [Article VII Major Electric and Gas Transmission Facilities](#) page for more information). The PSC will examine the following: location of the line and right-of-way; a description of the transmission facility being proposed; a summary of any studies made of the environmental impact of the facility, and a description of such studies; a statement explaining the need for the facility; a description of any reasonable alternate route(s), including a description of the merits and detriments of each route submitted, and the reasons why the primary proposed route is best suited for the

facility; and, such other information as the applicant may consider relevant or the Commission may require. Developers are strongly encouraged to communicate with communities impacted by the proposed project during all phases of the evaluation. Communities and interested individuals are encouraged to participate. This phase provides opportunities for individual and group stakeholders to take part in the formal review of the application. The need for the facility, as well as the primary proposed location and alternative locations, appearance, cost, and construction and maintenance practices are all subject to review. The PSC proceedings, which will include public hearings, are open to participation by New York State agencies, municipalities, and local environmental, commercial, planning, and community/public interest groups and individuals that have an interest in the project.

### ***Is There Funding Available to Encourage and Assist Participation?***

Yes. Under Article VII, developers of major transmission facilities provide funds that are available to eligible municipalities and other local parties to help defray costs for technical and legal experts to review the proposals, conduct relevant studies, and contribute to the proceedings. The funds, which are limited, will be available to eligible parties in the scoping phase and the subsequent review of the applications. Here is a link to apply for [intervenor](#) funds.

### ***How Will the Public be Kept Informed?***

Developers have been strongly encouraged to engage with local governments and community groups in areas that may be impacted through public meetings and open houses, as well as other forms of communication. For its part, the PSC will make every effort to facilitate and encourage active and meaningful public participation throughout the entire process of considering potential infrastructure projects. The PSC will be hosting public meetings during the process. All documents filed in the proceeding, including comments and responses, are publicly available on the PSC's website: <http://www.dps.ny.gov/>

### ***When Will the PSC Select a Project?***

It is tentatively anticipated that the review and selection process might reach its conclusion 18 to 30 months after completion of the Part B applications, although the period is subject to possible change, depending on the need for further analysis, public input and further consideration.

### ***When Will Actual Construction Begin? How Long Will it Take Before the Transmission Line is Operational?***

Approval of the first segment of a project and commencement of construction could potentially start nine months after the Commission's initial decision. Further approvals and construction would continue on a rolling basis going forward. It is anticipated that the facilities would be operational 21 to 24 months after the start of construction.

### ***Will Public Statement Hearings be Held?***

In addition to public meetings to be held by DPS, and other public forums conducted by each developer, public statement hearings will be held during the Part B process. The ALJ

will set a hearing schedule once applications are complete. The dates and locations will be announced once the schedule has been finalized. Meanwhile, there will be continual public dialogue and comment opportunities between now and then.

***Where Can I Get Additional Information?***

Additional information regarding the goals and the process, including instructions for applying for intervenor funds, can be found on the [Alternating Current Transmission Upgrades](#) page