

NYSDEC/NYSRC July 16, 2020 Conference Call Notes

Attendee(s) – Chris W, Sandi, Russell (NYC), Michael Sheehan (DEC), Rad (IPPNY), Cathy, Ben, Chris Hall, James Sweeney, Bill Slade, Peter Carney, Andy Oliver, Ona, Seth, Roger, Roger C, John M, John Reese, Bob B, Shawn K.

The agenda notes follow:

- **Peaker Rule Update** – Part 227 – NYSDEC Staff – Ona – many FOIL Requests for compliance plans received by DEC, responded. NYISO work on compliance plan. James S – RNA – July 23 ESPWG.
- **Climate Action Council Update** - Radmila (IPPNY) – 2nd meeting on June 24. Emissions Reduction Pathway Analysis. E3 presentation. Study required more dispatchable energy, bioenergy. NYSDEC GHG limits were discussed. Pre-proposal in August, finalize at end of year. Webinar on NYSDEC Value of Carbon. Guidance document on social cost of carbon for agency decisions. Public comment period in Fall, finalized in January 2021
E3 Recommendations – report is available, and slides are on the website at <https://climate.ny.gov/Meetings-and-Materials>

NYSDEC – no additional information to add. Keep asking questions. Limited staff interactions. Limits Rule – staff involved, Social Cost of Carbon Guidance – meeting announced. Must complete by end of year.

- **ORES, Build Ready, and Transmission Study Update – Radmila (IPPNY)** – no major update.
- **Build Ready** – comments due August 23. State to facilitate sites. Way for NYSERDA to streamline sites. 6 sites annually, 2022 or 2023. Tier 1 – developers. Build Ready sites – are not developer sites. Nomination process. Not an overlap. Auction of sites to developers. NYSERDA Contract under Tier 1.

Transmission Study Update – NYPA Petitions – comments by September 13. Northern NY project, and WNY Project. Major transmission upgrades. NYPA can work with criteria to determine projects that need to be done expeditiously. NYPA assets and one NGRID asset in Northern NY (1000 MW), WNY – NGRID, NYSEG, NYPA assets – up to 600 MWs.
Q – Roger C – Bulk Transmission – ISO, TOs, LIPA, and NYPA involved. NYPA lead on priorities.

- **RGGI Update** – Proposed Draft Part 242 Regulations, VA Legislation, PA Activity – Mike Sheehan, NYSDEC – Over 1000 comments received by both agencies. Reviewing and summarizing comments. Next steps later this year. Any significant revisions require re-notice.
Q – Cathy – timing? Finalize as quickly as possible. Must be finalized by end of year. What happens if delayed? Would need to consider start date.
VA will join in 2021. PA still going through process – possibly 2022. PA is doing additional analysis.
Q – Pete C – when will VA join first auction process? 1Q 2021. VA Budget added to the program in 2021 but any source can participate in auctions now.
- **NYSDEC Notice for Webinar – Value of Carbon – Friday, July 24, 2020 @ 1pm – Mike Sheehan (Notice was sent to distribution)**
- **TCI Update** – Mike Sheehan, NYSDEC – Staff working through final details on model rule. MOU commitment at end of year. Webinars will likely be done in next several months.

- **NYISO Carbon Pricing Update** – James Sweeney, NYISO – no update.
- **CARIS Report Update – James Sweeney**, NYISO – Phase 1 report reviewed and approved by BIC, OC and MC. Scenarios include 70*2030 analysis
- **NYISO/Analysis Group Climate Change Impact and Resilience Study** – Phase 2 – James Sweeney, NYISO – ESPWG topic, Base Case and some scenarios already reviewed. More at July 23 ESPWG
- **NYISO/Brattle Group Modeling to Inform the Grid in Transition** – James Sweeney, NYISO – Brattle – final presentation on June 22. Posted in meeting materials.
C – Roger C – recognized 1/10 LOLE.
Q – Chris Hall – 70*2030 – is it looking over ten years or just 2030? Only looking at 2030.
Q – Chris Hall – CARIS – Base Case – no OSW but long-term view – includes OSW. (6100 MWs)
- **EPA Cross State Air Pollution Rule (CSAPR)** – NYSDEC Staff – Mike – continue to work through allocations. NY making progress on SIP upwind states. Court vacated EPA denial of 126 petition. Concurring opinion provided a roadmap for EPA to consider when revisiting the petition.
- **EPA Proposed Methane regulations** – NYSDEC Staff -Ona – Part 203 – another round of internal reviews, working toward a possible pre-proposal draft ASAP. Timing – possible year-end but could flow into 2021. 60-day comment period required.
- **NYSRC Update** – Roger Clayton, NYSRC –
Stepping down as Chair,
August 1 – Mayer Sasson (Chair), and Chris W (Vice Chair)
Working with NYISO on IRM. ISO will provide alternative metrics – LOLH and EUE. Working Group evaluating resource adequacy metrics and attempting to better understand their relevance. Big discussion on capacity value on intermittents as penetration on network increases. Many studies that provide information on this topic. We are looking on impact on IRM requirements
PRR 148 – mitigation of major emergencies approved. Deals with when major emergencies need to be declared.
PRR 128 – vote tomorrow. Defines bulk power elements under A10 guideline
RRS working on longer term reliability risk priorities.
IP2 retired, received notice and we removed two rule exceptions tied to IP2.
NYSRC meeting tomorrow.
- **Indian Point update** – NYSDEC Staff – no report.
- **NYSpsc Staff Update** – Jonathan
 - **Clean Energy Standard** – NYSERDA/NYSdps CLCPA Whitepaper – 15-E-0302
On June 18th, NYSERDA and DPS filed a whitepaper that identifies a proposed regulatory structure to address the CLCPA requirements for a renewable energy program. On July 14th, a technical conference was held to discuss the CES procurements necessary to implement the CLCPA as well as the regulatory structure proposed in the whitepaper. A recording of the tech conference is available on DMM under Case 15-E-0302, as well as on the DPS YouTube page: <https://www.youtube.com/user/nyspsc/featured> Preliminary feedback on the tech conference and whitepaper and whether further stakeholder outreach is needed, will be accepted until July 24th. Final comments on the White Paper will be accepted until August 31st. Final comments should respond to the White Paper generally, as well as respond to a list of questions regarding issues presented in the White Paper.
 - **Energy Storage Proceeding – 18-E-0130**

A Tech Conference was held on May 29th regarding the Joint Utilities procurement process for Term and Auto-DLM resources. Joint Utilities filed reply comments on July 13th in response to stakeholder comments on the Term and Auto-DLM procurement implementation plans. The response addresses comments on procurement structure and program consistency amongst utilities, Auto-DLM response requirements, dual participation, yearly contract price changes, performance factor calculation, requirements for aggregations, resource status and eligibility, request for proposal (“RFP”) evaluation criteria, and program oversight. Staff intends to bring its recommendation to the Commission in the late summer or early fall, prior to the utilities publishing procurement RFPs.

- **Electric Vehicle Proceeding – 18-E-0138**

July 16th – PSC issued Order Establishing EV Infrastructure Make-Ready Program and Other Programs. The Make-Ready program promotes installation of over 50,000 charging stations by 2025. \$701M overall budget with \$206M dedicated to disadvantaged communities through a series of incentives, pilots, and prize competitions. The budget is designed to support ~850,000 ZEVs by 2025 (NY’s portion of the ZEV MOU)

Staff determined ~55,000 L2 and ~1,500 additional DCFC plugs are needed to support the 2025 goal. The incentives are tiered, with up to 90% of the eligible make-ready costs supported for publicly accessible stations that use standard plug types (CCS) up to 50% of the eligible make-ready costs supported for plugs that do not meet the public accessible or standard plug type criteria up to 100% for sites in disadvantaged communities. Most of the program is limited to light duty vehicles. There are some pilot and prize competitions aimed at developing the early-stage MHDV market. Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, to be awarded by NYSERDA. Fleet Assessment Service, Medium- and Heavy- Duty Make-Ready Pilot Programs, and a Transit Authority Make-Ready Program. The program ends on 12/31/2025

- **Offshore Wind Proceeding – 18-E-0071**

On July 21st, the Governor released a hold on the 2020 OSW RFP. It is expected that NYSERDA will issue the 2020 OSW solicitation imminently. In addition to the OSW procurement, the solicitation will coordinate \$200M in port infrastructure investment to support OSW development and construction. On April 23rd, the Commission issued an Order Authorizing a 2020 Offshore Wind Solicitation. The Order authorizes NYSERDA to conduct a solicitation seeking an additional procurement in 2020 for 1,000 MW or more of OSW, with the flexibility to evaluate a range of bids for up to 2,500 MW. The Order also approves several modifications to the procurement process as well as additional administrative funding (\$4.4M) to support the OSW procurement.

- **Energy Efficiency and Heat Pumps – 18-M-0084**

Subsequent to the Joint Utilities filing their 2020 NYS Clean Heat: Statewide Heat Pump Program Manual on March 16th, DPS identified several issues to address in a revised filing. Two subsequent revisions to the Implementation Plan and Program Manual were filed on April 30th and May 29th. DPS staff has reviewed the revised filings and finds them consistent with the provisions of the EE/Heat Pumps Order and address the deficiencies previously identified. An extension was granted for the Joint Utilities and NYSERDA to file the Statewide Low to Moderate Income (LMI) Portfolio Implementation Plans until July 24th.

- **Resource Adequacy Proceeding – 19-E-0530**

A tech conference was held on July 10th to report on analysis conducted by The Brattle Group on behalf of DPS. Highlights: To estimate customer cost impacts of 5 different potential Resource Adequacy structures, Brattle simulated future wholesale markets (including the application of BSM) in 2030. The resource adequacy structures analyzed were: Status Quo; Expanded BSM (reflective of the recent PJM Order); Centralized Market for RACs (Resource Adequacy Credits)-No BSM; LSE Contracting for RACs; and Co-optimized Capacity and Clean Energy. Estimated Customers cost increase associated with status quo was \$400-\$900M per year compared to No BSM structure. Expanded BSM cost increases were \$1.3B-\$2.8B per year; This reflects costs of

over-procuring capacity because mitigated policy resources would not be accounted for in the capacity market, including: Contract costs increase for policy resources, since they are denied capacity payments; a rise in capacity market clearing prices. Staff is considering all the comments received and potential next steps. Notice soliciting comments issued in response to the Technical Conference and materials and regarding economic, policy, and legal implications. Comments due by August 21st through DPS DMM Case 19-E-0530.

- **NYPA North Country Petition – 20-E-0197**

On July 2nd, NYPA filed a petition with the PSC to request that a set of bulk transmission investments in Northern NY qualify as a Priority Project under Section 7(5) of the Accelerated Renewable Energy Growth and Community Benefit Act. The Northern NY Project expands on NYPA's Smart Path rebuild of Moses-Adirondack. Project includes:

- Phase 2 completion of NYPA Smart Path (upgrades to 345 kV)
- Rebuild and upgrade National Grid Adirondack-Porter lines to 345 kV
- Rebuild and upgrade NYPA Moses-Willis to 345 kV
- Rebuild and upgrade NYPA Willis-Patnode and Willis-Ryan 230 kV circuits

NYPA estimates the Northern NY Project would accommodate an additional 1,000 MW of transfer capability in the region. Also, in the petition, DPS proposes criteria for the Commission's use in evaluating and prioritizing transmission projects under the Act.

- **NYPA WNYEL Petition – 20-E-0197**

On July 14th, NYPA filed a petition with the PSC, requesting the designation of its Western New York Energy Link Project as a Priority Project, pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act. NYPA suggests the WNYEL will create approximately 600 MW of transfer capability on the Western New York transmission system. The proposal and a description of the project can be found under the case number on the DPS DMM.

- **Gas Planning Proceeding – 20-G-0131**

In March, the PSC issued an Order Instituting Proceeding on Gas Planning Procedures. **The Gas Planning Proceeding** will address four interrelated issues: (1) the identification of "vulnerable locations" where there is an expected/forecasted future imbalance in the supply of and demand for natural gas; (2) reliance on peaking services to meet demand; (3) management of moratoria conditions when such events are contemplated; and (4) the design of a "modernized" gas system planning process. In mid-July, each of the gas LDCs submitted supply and demand analyses for locations in their respective service territories known to be vulnerable to supply constraints. Also, in mid-July, the Joint Utilities also submitted a proposal for a Modernized Gas Planning Process and approaches to Moratorium Management. In mid-August, each LDC will file a report that will address the extent to which LDCs use or contemplate using demand-side measures, electrification, non-pipe alternatives, or other measures to address identified areas of supply/demand imbalances. In mid-August, Staff expects to issue for comment its proposal for Modernization of the Gas Planning Process and Moratorium Management.

- **NYSDEC Staff Regulatory update – NYSDEC Staff**

- **National Ambient Air Quality Standards (NAAQS) - SO₂** – EPA must designate four counties this year. We expect small portion of St Lawrence County would be non-attainment. Other three counties will be attainment. EPA will send 120-day designation letter to governor, DEC has right to comment. Final decision by on attainment status is December 2020.
- **SO₂ & NO₂ One Hour Standards** – no report.
- **2008 & 2015 O₃ Standards** – 2008 Ozone NAAQS attainment SIP due next month as well. We are working on this submittal. Public Comment period planned.
- **EPA Mercury & Air Toxics (MATS)** – no report

- **RICE Maximum Achievable Control Technology (MACT)** – no report.
- **Regional Haze SIP Plan Update** – submitted our state plan already. Waiting on EPA to act.

New Business

Next Meeting –Thursday, September 10 at 900am.