NYSDEC/NYSRC - November 17, 2022 - Agenda

- Climate Action Council (CAC) The CAC is in full activity with Scoping Plan due by December 19. They are currently reviewing redline edits. Electricity chapter includes dispatchable free resources. Next meeting is Monday, Nov 21. Another meeting on Dec 5, vote on Dec 19. Monday, November 21 the CAC will discuss NG Transition, Buildings, Health, Electricity and Economy-wide programs such as cap & invest (which is similar to RGGI) NG Transition to align with ramp-up on electricity side.
 - Q DFERS they are aware of the amount needed? Yes Q Cathy W CJWG anything on cap and trade? Update on timeline for disadvantaged communities action on identification of disadvantaged communities criteria by Feb. of 2023, with final list by March.
- Legislation, Election Summary November 2022, & Legislative Session 2023 S4264A/a6927 - CCIA Legislation Update – Radmila/Chris – NY State remains in control of Democrats at the Executive level, Senate and Assembly. The \$4.2 Environmental Bond Act was also approved.
- Legislation nothing new on bills. Session starts in January 2023.
 - A.2103-D / S.8830 passed both houses in the last Session but has not yet been considered by the Governor. Working to address language on disproportionate impact to be significant, adverse, and disproportionate impact, in alignment with Part 487.
 - Peaker Justice Legislation Rad
 - S.5939-A (Ramos) / A.6761-A (Mamdani) An ACT to amend the
 public service law and the environmental conservation law, in relation
 to prohibiting the development of any new major electric generating
 facilities that would be powered in whole or in part by any fossil fuel –
 Rad
 - S.6497-A (Parker) / A.8094 (Cusick) PSC Zero-Emissions Innovative Technologies
 - S.8405-A (Parker) / A.9881-A (Cusick) Blueprint to Replace Highest-Emitting Facilities by 2030 with Reliability
 - A.2103-D (Pretlow) / S.8830 (Stewart-Cousins) DEC Permits and Disadvantaged Community Disproportionate Impacts
- 2022-2023 NYS Climate Impacts Assessment Sandi M Chapter draft will be submitted to NYSERDA and ERG (their contractor) on Friday, November 18th. Advisors Review – early January 2023. About a dozen advisors are involved. Timing of release – must go to PEER Review first. Complete Assessment – late spring or early summer 2023.

- RGGI Update Part 242 Regulations, VA Participation, PA LEGAL Activity –
 Mike Sheehan. Program review on-going. Higher activity in 2023 expected. PA
 elected a Democratic governor, and the legislature gap has narrowed. Still to be
 determined what next steps will be in PA. Earliest decision next year.
- Status of Air Permits Michael Sheehan, NYSDEC No updates
 - Danskammer Update
 - NRG Astoria Generating Facility Upgrades Update
 - Greenidge T4 and T5 Permit Renewal Status Report
- **DAR 21 Policy Recommendations** & Comment Update Mike Sheehan. Under executive review. Presentation at the NYSBC today. Presentation attached.
- DEC Rulemaking on Uniform Procedures Act Including CLCPA
 Consistency and Environmental Justice –EEANY and IPPNY provided
 comments and will make the comments available.
- California regulations: Advanced Clean Trucks (ACT), Heavy-duty Low NOx Omnibus, and Phase 2 Greenhouse Gas Standards – NYSDEC. – strong level of activity. Currently part of Executive level discussions.
- EPA Cross State Air Pollution Rule (CSAPR 3) no updates. Waiting on EPA for FIP update. Many comments received. Something final before next Ozone season.
- 111d and b EPA nonregulatory docket currently taking comment on Clean Power Plan/ACE replacement. https://www.epa.gov/stationary-sources-air-pollution/pre-proposal-public-docket-greenhouse-gas-regulations-fossil-fuel.
 - Q CW was the NYISO involved? DID NYISO RESPOND TO FIP? J Sweeney to check. NYISO reviewed the proposal and decided not to submit comments.
- EPA Proposed Methane regulations NYSDEC Staff Ona. Two items Part
 1) 203 NYS Regulation –
- A) Webinar November 30th at 11:00 am. This webinar will explain how to report component data. The report is due on March 31, 2023. Survey option and excel spreadsheet option. Stakeholders will receive an email with details in the next week.
 - B) Blowdown Reporting Option NYSDEC is considering additional options but has nothing to share yet.
 - 2) **EPA Oil and Natural Gas Supplemental Proposal** Released on Veterans Day, comments due 2/13/2023. This supplement is in addition to Nov 2021 EPA release. There is a lot of information about additional requirements (over 500-

page document.)).(<u>EPA Issues Supplemental Proposal to Reduce Methane and Other Harmful Pollution from Oil and Natural Gas Operations | US EPA</u>)

Some highlights:

- A) New and existing sources included.
- B) All well sites must be monitored for leaks like our NYS 203 regs.
- C) Section on innovative technology and alternative methods
- D) Discussion about leveraging experts to identify super emitters.
- E) Zero emission standards for pneumatic pumps (some exceptions)
- F) Both New Source Performance Standards and control guidelines for existing sources.
- G) Timing state needs to develop plan within 18 months of final publication. The regulation must be in place 36 months after the deadline to submit the state plan. Some of the proposals align with Part 203. NYS might be ahead.
- Q CW does it affect LBCs? Answer: Does not go to city gate.
- Summer Ozone NOx Program Closeout –Roger Caiazza no report
- NYISO Update James Sweeney
 - BSM & Capacity Accreditation Update project at ICAP on Monday, November 21. Developing technical details and implementation. Project deliverable is Market Design Complete as of Q4
 - NYISO Long Island PPTN Update ESPWG on Oct. 24. Draft Results in Q1.
 - 3Q STAR Update published on Oct 13. Bulk System within reliability criteria. ISO will talk about firm transmission plan updates, and key assumptions for 4Q STAR
 - RNA Process Update presented and approved by MC and being reviewed by NYISO Board. NYISO plans to post final version this month. Bulk power will meet current applicable criteria. Assuming planned projects on time. Existing might need to remain in operation in the interim. Margins are continuing to tighten. Any retirements beyond the assumptions or if demand is greater than forecast could impact margins.
 - System & Resource Outlook no update. The final study was published in late September. Lessons learned at ESPWG on Nov. 18.
 - Recent FERC NOPRS Transmission Planning, Interconnection and Extreme Weather. No major updates, ISO did file comments in all three proceedings and is considering reply comments on interconnection NOPR
 - CPNY Interconnection Waiver Request NYISO filed comments on Nov. 15 in FERC Docket No. ER23-253.
 - Latest PPTN comments See Nov. 18 ESPWG Meeting Materials.
 - Interregional Transmission Planning Update- December 5th Planned Meeting
 - New England and Ontario Reports will be attached.

• NYSRC Update – Roger Clayton – Preliminary IRM for 2023. Current is 19.6% - and it is expected to increase slightly. A final decision is expected by December 9th which is the next Executive Committee meeting.

Working Groups Formed – Inverter Based Resource Working Group – part of RRS. Adopt IEEE 2800 standard for inverter-based resources. Successful workshop at the NYISO. Working Group formed to finalize the standard.

Working Group – Extreme Weather – Curt Dahl – address impacts on Extreme Weather. More frequent and need to be understood. Wind lulls, sun lulls, ice storms or hurricanes will be considered. Looking for subject matter experts in this area.

Sandi M offered that in the Climate Assessment – NYSERDA is developing they worked with Columbia. SUNY Albany – ASRC has also done some work in this area. Sandy to send a contact to Roger. Per Roger - NYISO has conducted some deterministic testing. Their result had an impact on zones J and K. EPRI is looking at lulls as well.

- NYSPSC Staff Regulatory Update Mike Tushaj
- PSC's Transmission Planning Proceeding 20-E-0197

Phase 1 – Phase 1 Local T&D Order issued 02/11/21 - "Business as usual," asset condition and reliability projects that: 1) address reliability and asset condition issues and 2) provide increased headroom (HR).

NGRID Phase 1 Petition Update (filed 11/2021; addendum filed 4/8/22) -In its Petition, NGRID Sought:

- Commission approval to continue pursuing the development of its identified Phase 1 transmission solution projects → 2030 CLCPA
- Approve deferral of carrying charges on "initial projects" plus tariff surcharge to recover these costs
- Approve deferral of OpEX associated with investments, return on capital investment (including COR), and depreciation associated with the Phase 1 transmission solutions not recovered through a surcharge or existing rate plan.
- 27 proposed projects ~\$738M to fully build

Commission Determined (07/14/22 – Commission Order):

 Twenty-six projects qualify for treatment as Phase 1 per Commission Order and should continue to be developed by the Company.

- 19/26 Initial¹ Phase 1 projects go into service during its current rate plan:
 - Grid was directed to use available net regulatory liabilities to offset the RR associated with these 19 Initial Phase 1 projects (~\$38.2M + Carrying Charges)
- 7/26 Subsequent² Phase 1 projects are expected to go into service after the current rate plan:
 - Commission determined the Company should continue to develop the rest of the Subsequent Phase 1 Projects (~\$68M) + Subsequent Phase 1 Project O&M expenses (~\$886k) through the end of the current rate plan.

<u>AVANGRID Phase 1 Petition Update (filed 12/23/21) - Sought approval to continue accelerated development of 23 proposed projects - ~\$1.944 B to fully build</u>

- 04 Binghamton Area
- 04 Ithaca Area
- 01 Lancaster Area
- 01 Lockport Area
- 13 Oneonta Area
- Staff is focusing heavily on the Phase 1 Order requirements that all P1 projects should: 1) address reliability and asset condition issues <u>and</u> 2) provide increased HR, Staff is diving deep into the Company's projects and searching for ways to effectively manage the magnitude of the proposed project costs, while maximizing the levels of incremental HR added to the system.
- Staff is finalizing its review on this item, be on the lookout over the coming months for Commission ruling.

Areas of Concern (AOC) Phase 2 Order issued 9/9/21:

- Identified **areas** within the state that are in "critical need of Phase 2 local transmission investment."
- "...existing and likely future curtailments in these areas justifies an immediate effort to explore cost-effective solutions..."
- Areas should have both:
 - 1) Existing renewables currently experiencing curtailments and
 - 2) Strong level of developer interest that exceeds the capability of the local transmission system

¹ These projects are relatively small, short lead-time work including capacity upgrades to aged substation and circuit equipment such as the replacement of switches, bus-work and transformers, the installation of a Dynamic Line Rating system and the rebuild of a short segment of a 115 kV line..."

² These projects are generally more involved, longer lead-time work such as the rebuild of aged 115 kV lines – notably 126 miles of parallel lines in the Mohawk Valley from Little Falls to Schenectady, the conversion of an aged 69 kV line to 115 kV, the installation of a new 115 kV switching station, and the rebuild of an aged substation

Commission Determined: (Highlighting pertinent ordering clauses)

- JU shall consult with LIPA and DPS → Revise BCA proposal for the purpose of guiding utilities towards the most cost-effective expenditure of ratepayer dollars to meet CLCPA mandates.
 - BCA Order addressing Commission concerns issued on 6/17/22
- JU shall consult with LIPA/DPS/NYSERDA/NYISO → Develop a Coordinated Grid Planning Proposal → forming of the CGPP³
- JU Shall submit a coordinated portfolio of Phase 2 projects that meet investment and BCA criteria.
 - A minimum of two options for each AOC that identifies the most cost-effective Phase 2 upgrades on a dollar per megawatt basis.

AOC: JU Phase 2a Petition:

- CH/NYSEG/RGE/National Grid P2a Petition filed 3/8/22 ~\$4.4B
 - Seeks authorization to develop and construct its Phase 2a proposed projects
 - Proposed Phase 2a Projects

National Grid AOC North Country (X2 & X3)	\$2,040
National Grid AOC Capital (Y1)	\$81
AvanGrid AOC Southern Tier (Z1)	\$2,245
AvanGrid AOC North Country (X2 & X3)	\$32
Central Hudson AOC Capital Region (Y2)	<u>\$16</u>
Phase 2 AOC Total	\$4,414

AOC: Con Ed Brooklyn HUB - Issued 04/15/22:

- Con Ed seeks from the Commission:
 - Approval and authorization for cost recovery of the Brooklyn Clean Energy Hub - ~\$1B (2022 – 2032 annual cost totals).
 - Will create POIs or "on-ramps" for up to 6GW of OSW
 - Important towards meeting the CLCPA goal of 9GW of OSW by 2035
 - Determination that the Clean Energy Hub (HUB) is consistent with Phase 2 Order.
 - Cost recovery of the HUB project through a surcharge mechanism, should the HUB go into service prior to the effectiveness of the Company's FERC formula rate under the BCA.
- Staff is reviewing this item and plans to address after finalizing the Phase 1 Petitions. No update on the timing of an expected Commission decision.

Areas of Concern (AOC) Phase 2b Update:

- Filings expected January of 2023.

³ With the expectation that it will help with the identification of the most efficient alternative solutions.

- Staff is contacting utilities now to set up discussions surrounding potential Phase 2b filings to come down the pipe.

Coordinated Grid Planning Process (CGPP) Working Group

- July 19, 2022, Technical Conference discussed:
 - Context Setting (CGPP Stakeholder engagement)
 - The Role of the Energy Policy Planning Advisory Council (EPPAC)
 - EPPAC Composition
 - Timing of EPPAC Involvement in the CGPP
- Comments open and accepted through December 21, 2022.
- Revised CGPP plan to be distributed January 01, 2023.

• Clean Energy Standard –15-E-0302

- *April 14, 2022* <u>Order Approving Contracts for the Purchase of Tier 4</u> RECs
 - Impending need to reduce NYC power plant emissions necessitates immediate action
 - CPNY and HQUS projects together present the most costeffective solution to address that need.
- **July 20, 2022** ReEnergy Bioenergy Generation Petition
 - Seeks commencement of a proceeding to "fairly and accurately compensate bioenergy generation" for the environmental benefits it provides to the state in light of CLCPA requirements.
 - Would need to cease operations at Black River Facility (BRF) - Largest biomass power generation in NYS
 - Provides all of Fort Drum's electricity needs
 - Closure of the BRF would lead to:
 - Loss of all of BRF clean, baseload generation
 - Loss of ~\$25M per year cash infusion into NYS North Country → supports over 300 good-paying jobs
 - Several Comments received in DMM in response to Petition
- October 07, 2022 NYSERDA request for extension for filing implementation of Tier 4 program of the Clean Energy Standard.
 - Request Approved through October 11, 2023
- November 09, 2022 NYSERDA CES Transition Petition
- Proposes to transition the CES Tier 1 compliance obligation for Load Serving Entities (LSEs) away from the current approach and toward a load share obligation approach.

Benefits of transitioning from an LSE obligation percentage (utilizing a market-based approach) to a method using LSE load share to determine each LSE's obligation:

- Ability to hold voluntary Tier 1 REC sales that could transition costs of the Tier 1 component of the CES from obligated ratepayers to the voluntary market.
- Elimination of the need for Alternative Compliance Payments (ACPs).

 The Tier 1 obligation is currently the only obligation under the CES that was implemented through an LSE obligation percentage approach. By transitioning the Tier 1 obligation to a load share, all of the CES obligations would be consistent across all programs and enable LSEs and NYSERDA to gain administration efficiencies.

• Energy Storage Proceeding – 18-E-0130

- February 10, 2022 Con Ed / O&R Petition Seeking Approval to Dispatch and Market output from utility owned storage facilities
- Seeks approval to:
- Con Ed: Dispatch/Market the output from Ozone Park Battery Storage facility into the wholesale markets administered by the NYISO
 - 2 MW / 10.5 MWh E storage system that is part of Brooklyn-Queens Demand Management Program (BQDM)
 - Serves as a reduction to Peak Energy demand during the hottest days of the Summer.
- O&R: Dispatch/Market the output from its **Pomona E Storage facility** into the wholesale markets administered by the NYISO
 - 3 MW / 12Mwh E storage system in Village of Pomona
 - Supports peak load reduction and supports reliability of the D system
- August 16, 2022 Con Ed Order Approving Energy Storage Resource Participation in Wholesale Markets

Commission Determined:

- Authorized the Companies to bid the energy, capacity, and/or ancillary services available from the Ozone Park and Pomona facilities into the NYISO-administered wholesale markets, when not needed for local reliability and demand reduction purposes.
- Established conditions for when investor-owned utilities may, in the future, dispatch energy storage systems into the NYISO wholesale market when not needed to serve their primary functions.
- Con Ed & O&R shall tariff amendments and annual reports to incorporate revisions
 - Tariff Compliance filings received from both utilities on 10/21/22.

• Electric Vehicle Proceeding – 18-E-0138

- June 17, 2022 Order Approving Tariff Amendments
 - Amends tariff schedule, P.S.C. No. 19 Electricity, to provide clarification regarding the exemption of Non-Bypassable Charge and Electric Vehicle (EV) Make-Ready Surcharge components of the Transition Charge under the Excelsior Jobs Program (EJP), to become effective on July 1, 2022
- **July 14, 2022** Order Approving Managed Charging Programs with Modifications

 Addresses December 04, 2020, JU proposals to describe or implement electric vehicle (EV) managed charging programs for mass-market customers (December 2020 Filings) to comply with the Public Service Commission's (Commission) Make-Ready Program Order directives.⁴

Commission Determined (Subset of total [39] ordering clauses):

- JU directed to implement the Managed Charging Programs described in Order
 - These programs aim to reward participants with enrollment and participation incentives for their off-peak charging and are designed to support a more reliable and resilient grid that is consistent with the Commission's policies and the mandates of the CLCPA.
 - These programs, and respective budgets, → critical components enabling the State to meet near-term to advance the State's clean energy and infrastructure requirements, specifically in the transportation sector.
- October 31, 2022 NYSEG-RGE Petition for Managed Charging Order
- NYSEG/RGE seeks Modifications to the Order Approving Managed Charging Programs:
 - Offer a one-time enrollment incentive of:
 - \$25 for Intermediate tier Program Participants and
 - \$150 for Advanced tier Program Participants for Program start-up actions which include:
 - Download of the Companies' Program mobile application
 - Registration of their Level 2 EV charger or EV telematics
 - Creating an off-peak charging schedule including required State of Charge ("SOC") and Time Charge is Needed ("TCIN") for each day of the week (Advanced Tier Only).
 - 2. Elimination of Demand Response from the Intermediate Tier
 - No Commission Action to date
- February 11, 2022 Con Ed Petition to Modify its EV Make-Ready Program to Improve Service to Disadvantaged Communities and Development of Fast Chargers
- Con Ed seeks to:
 - Increase funding for its Make-Ready incentives to support EV infrastructure deployment in disadvantaged areas.
 - Eliminate the 2-MW project eligibility restriction

⁴ Case 18-E-0138, Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs (issued July 16, 2020) (Make-Ready Order), Ordering Clause 13.

- expand development of publicly accessible direct current fastcharging (DCFC) stations by raising the per-site plug limitation from 10 to 30
- support current market momentum by lifting the limitation on Level
 2 (L2) funding levels in the Program's first three years
- **July 14, 2022 Order** Approving Modifications to Make-Ready Program
- Directs the Company to modify and file an updated EV Make-Ready Program Implementation Plan to reflect changes discussed in the body of the Order.
- Denies the Company's request for \$54 million in additional Program funding to support EV infrastructure development in DACs
 - "...additional work is needed to determine the best way to address the needs of these communities with additional EV Make-Ready funding..."

• Offshore Wind Proceeding – 18-E-0071

- January 20, 2022 – Order on Power Grid Study Recommendations

- Commission Orders:

- DPS shall coordinate with NYSERDA → Study relative benefits, costs and challenges associated with a meshed OSW Transmission System (more detailed included in body of Order)
- NYSERDA shall include eligibility criteria in its OSW procurements to require proposals that incorporate measures for the potential integration of the project(s) into a future meshed network system
- NYSERDA shall incorporate into future contracts the possibility that an OSW project may deliver energy to points in more than one NYISO zone (more detailed included in body of Order)
- NYSERDA shall include eligibility criteria in its OSW procurements that would require the use of HVDC transmission where appropriate to preserve maximum efficient use of constrained cable corridors (more detailed included in body of Order)
- NYSERA/DPS shall coordinate with other state agencies to develop coordinated plans for cable routing, and to file a report on the progress of this collaboration by September 1, 2022.
- NYSERDA is authorized to award additional scoring credit in the economic benefits and viability categories for energy storage facilities integrated in OSW proposals
- JU shall file a proposed research plan, along with a budget for the necessary work, and any deployment recommendations within six months of the date of this Order, and a progress report within one year of that date.4

Energy Efficiency and Heat Pumps – 18-M-0084

- The Statewide Low-to-Moderate-Income Portfolio Implementation Plan (Statewide LMI Implementation Plan) that was **filed April 29**, **2022**, and further **updated on May 31**, **2022**, has been reviewed by DPS for compliance. The result of Staff's review found the Statewide LMI Implementation Plan to be generally consistent with the provisions of the Order, but with the need for two modifications. 1) Appropriate accounting of all post-2019 LMI Expenditures and Acquired Savings and 2) Mapping of LMI Initiatives to be included among filings. More details on the department's approval of the Statewide LMI Implementation Plan can be found in its July 1 letter on DMM under this case #.
- April 27, 2022 NYGEO filed a response to Con Eds February 24, 2002, Clean Heat Petition discussing disappointment that the Clean Heat program ran out of money in the NYC area and proposed several points addressing future funding.
- May 16, 2022 NRDC/AEA/NYCP/RPA submitted a response in support of Con Ed's Clean Heat Petition, filed on February 24, 2022. Additional information can be found in the filing on DMM.
- October 03, 2022 O&R filed its System Energy Efficiency Plan (SEEP) for 2019 2025. Additional information can be found in the filing on DMM.
- November 08, 2022 Con Ed Petition for Authorization to Provide <u>Energy Efficiency Incentives to Steam Customers and to Implement an</u> RDM
- Con Ed seeks to:
 - offer incentives for energy efficiency measures that reduce steam usage
 - incrementally hire eight full-time equivalents
 - propose energy efficiency targets that escalate yearly to reach 1.1 percent of steam sales by 2026, representing 243,000 MMBtu of savings
- Resource Adequacy Proceeding 19-E-0530
 - No new developments
- Proceeding regarding Natural Gas Planning 20-G-0131
 - August 04, 2022 2nd Avoided Cost of Gas Working Group (ACGWG) presentations, slides available in DMM under this case number.
 - August 12, 2022 DPS RFP To Assess New York's Gas Utilities' Long-Term Plans.
 - August 17, 2022 Consultant proposals for Long-Term Gas Planning Review are trickling into DMM, details on each proposal can be found in DMM under this case #.

- September 12, 2022 3rd^d Avoided Cost of Gas Working Group (ACGWG)
- November 07 & 08, 2022 Utilities filed respective depreciation studies detailing potential impacts of climate change policies and law.

Matter of the Advancement of Distributed Solar - 21-E-0629

 May 31, 2022 – NYSERDA filed its NY-SUN, 2020-2030 Operating Plan outlining the goals and implementation of the NY-Sun Program strategies in light of CLCPA mandates. Full plan can be seen in detail on DMM under this case #.

- NYSDEC Regulatory and State Implementation Plan Update NYSDEC Staff
- Bob Bielawa:
 - 2008 Ozone Standard The New York-N. New Jersey-Long Island, NY-NJ-CT ozone nonattainment area was officially reclassified to "severe" nonattainment effective November 7, 2022. An attainment demonstration is due by May 7, 2024.
 - 2015 Ozone Standard no updates. Development of the attainment demonstration continues.
 - 2010 SO2 Standard 1) DEC submitted "40 CFR 51.1205(b) Report Sulfur Dioxide 2010 Primary NAAQS September 2022 (PDF)" to EPA on November 14, 2022. This report confirms that areas that were designated attainment for the 2010 SO₂ standard continue to attain, and additional modeling is not needed to demonstrate attainment; and 2) DEC continues to develop the attainment demonstration for the portion of St. Lawrence County that is designated nonattainment for the 2010 SO₂ standard.
 - EPA has proposed approval of several DEC rulemaking SIP revisions including 6 NYCRR Subpart 225-2, Fuel Composition and Use - Waste Oil as a Fuel; and 6 NYCRR Part 230, Gasoline Dispensing Sites and Transport Vehicles. See https://www.dec.ny.gov/chemical/8403.html for detailed information such as EPA public comment closing dates.
- Coal Ash Questions about coal ash handling as it relates the Greenidge Generation article shared by the NYSRC should be directed to Andrea Pedrick, Office of Communication Services, DEC Region 8 at 585-226-5363. Additional information from EPA about disposal of coal combustion residuals from electric utilities can be found at https://www.epa.gov/coalash/coal-ash-rule.
- New Business none.
- Next Call Proposed for Thursday, January 19, 2023, at 9am.