

Dear William Gallagher, Town Supervisor:

I am writing to you today on behalf of National Grid to offer to meet with you to discuss a proposed electric transmission project that may traverse your community. For your convenience, I have enclosed a copy of a June 21, 2013 letter sent to you by the New York State Public Service Commission (NYPSC) which outlined the Article VII proceeding the NYPSC initiated (Case 12-T-0502) to solicit and consider project proposals to help relieve congestion between Upstate New York and Southeast New York. The project we propose is one of a number of projects the "New York Transco," a consortium of New York electric transmission owners (including National Grid), will submit for consideration by the NYPSC in that proceeding.

This project, known as the New York Energy Highway Solution, comprises a new 345-kilovolt electric transmission line to be constructed along existing electric transmission rights of way running from Edic Substation in the Town of Marcy (Oneida County) to Pleasant Valley Substation in the Town of Pleasant Valley (Dutchess County), a distance of approximately 156 miles. We are interested in discussing with you the purpose and benefits of the project and how it may affect your community. It is important to National Grid that we contact you as part of our overall effort to properly identify and assess the project's ability to comply with all substantive local law requirements that may be applicable.

Transco anticipates filing initial Article VII application materials with the NYPSC by October 1, 2013. A copy of the application will be provided to your municipality. After the filing, the initial application materials will be available for public review in municipal buildings and public libraries in communities along the proposed route and on the NYPSC's website.

In addition, because National Grid is dedicated to keeping you and your constituents fully informed about the project, after the filing we will send a letter to all property owners adjoining the New York Energy Highway Solution to provide an overview of the project and instructions on how they can be fully involved in the project's review. A number of public input and information events will be held in the future to allow you and your constituents to gather more details and ask questions about this important project.

Finally, by October 1, we will establish a project website, freely available to the public, that will contain specified project information, including the time, date, and location of all future public input and information events as they are scheduled.

Please contact me at your earliest convenience if you would like to discuss the New York Energy Highway Solution, either in person or over the phone. On behalf of National Grid, I look forward to hearing from you and to discussing this important project.

Sincerely,

Kevin C. Cushing

1-855-433-3611

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE  
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

www.dps.ny.gov



**PUBLIC SERVICE COMMISSION**

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**JEFFREY C. COHEN**  
*Acting Secretary*

June 21, 2013

Dear Elected Official:

In October, 2012 the Energy Highway Task Force, made up of the chief executives of New York's energy, environment and economic development agencies, developed a Blueprint outlining recommendations on improving the State's energy infrastructure. Among other recommendations, the Blueprint called on New York to invest \$1 billion in projects to relieve congestion in the electric transmission system. These projects are expected to provide over 1,000 megawatts of additional electric transmission capability.

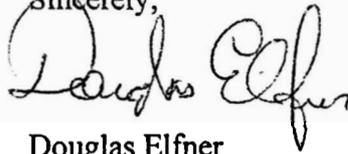
Two main corridors of congestion are located in the electric transmission system between Upstate New York and Southeast New York. The first runs from the Marcy and Edic Substations in Oneida County, east towards Albany then south to the New York City metropolitan area. The second runs from Marcy south to Delaware County then on to Orange or Rockland Counties. In November, 2012, the New York State Public Service Commission instituted a proceeding, Case 12-T-0502, asking 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 of 2013.

Several developers have submitted proposed projects and, because your community lies within one of these corridors, you may soon be contacted by one or more developers seeking to brief you on their respective proposed projects. We have requested that these developers initiate outreach to potentially impacted communities and their elected officials and begin collecting the information needed to file an application for a transmission facility under Article VII of the New York State Public Service Law. Your municipality is a potential party to the proceedings and you will be kept informed of filed applications as they become available. The deadline for filing applications is October 1, 2013.

You should be assured that the Commission will likely select only one project or a group of complimentary projects. The final project(s), if approved by the Commission, may or may not be located within or impact your municipality. I am writing to you today to inform you of the Commission proceeding and to assure you that your municipality will have opportunities to be involved in the Article VII process should a developer file an application for a project in your

area. The Public Service Commission makes every effort to facilitate and encourage active and meaningful public participation throughout the entire process of considering potential energy infrastructure projects. I have enclosed a fact sheet with additional information about the proceeding and the Article VII process. If you would like more information regarding Case 12-T-0502, please visit the Department website at [www.dps.ny.gov](http://www.dps.ny.gov) and click on the "Alternating Current Transmission Upgrades" link located on the homepage of the site. For more information on Article VII, please visit our website at [www.dps.ny.gov/articlevii.htm](http://www.dps.ny.gov/articlevii.htm).

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas Elfner". The signature is written in a cursive style with a large initial "D".

Douglas Elfner  
Director  
Office of Consumer Policy

Enclosure



# New York State Public Service Commission



www.AskPSC.com  
1-888-AskPSC1

## AC Transmission Case 12-T-0502 Fact Sheet

www.AskPSC.com  
1-888-AskPSC1

The New York State Public Service Commission (PSC) initiated a proceeding to examine upgrades to the state's high voltage transmission system to relieve congestion and enhance reliability. The proceeding identified specific transmission corridors between Upstate New York and Southeast New York that are the source of persistent congestion and where new or improved infrastructure can increase the transfer capacity and meet the objectives of the Governor's Energy Highway Blueprint. The PSC has prepared this factsheet to help people learn about this proceeding and potential upgrades to the alternating current (AC) electric transmission system.

### **The Energy Highway Blueprint**

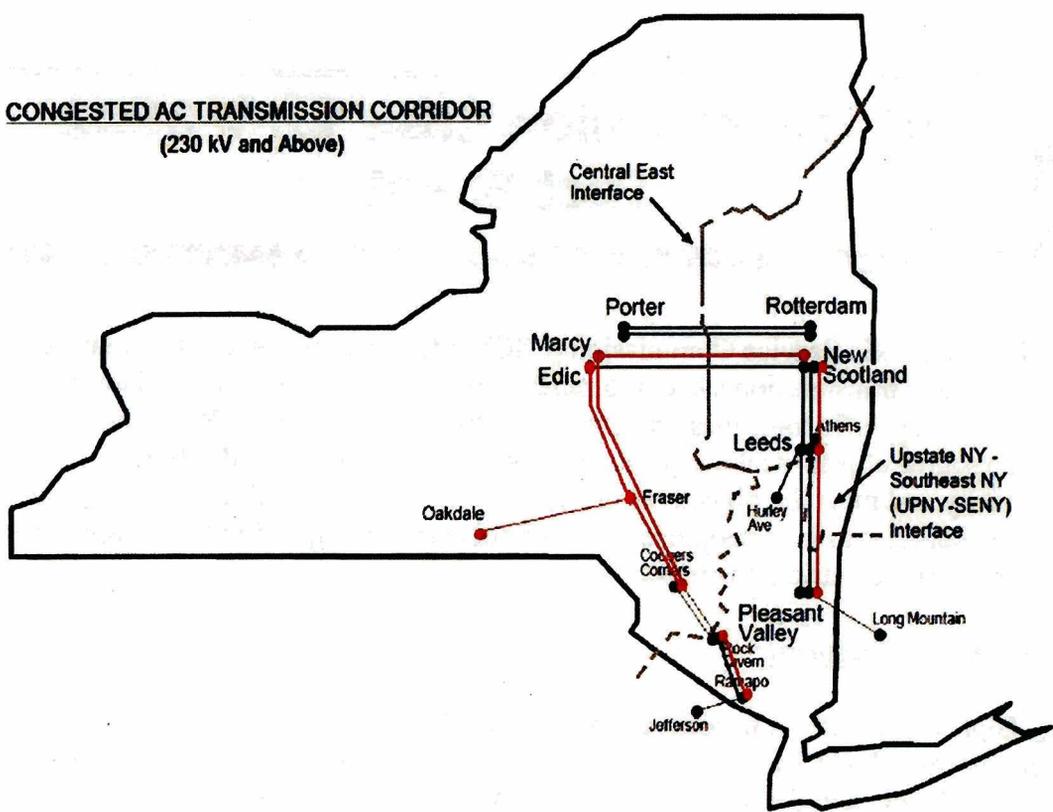
The Energy Highway initiative, introduced in the 2012 State of the State address, is a centerpiece of Governor Andrew M. Cuomo's Power NY agenda, designed to ensure that New York's energy grid is the most advanced in the nation and promotes increased business investment in the state. The initiative called for the creation of an Energy Highway Task Force, made up of the chief executives of New York's energy, environment and economic development agencies, to develop recommendations as to how to improve the State's energy infrastructure.

The Task Force issued their Blueprint to the Governor in October of 2012. Among the recommendations, the Blueprint looked at the expanding and strengthening the state's high voltage transmission system and easing transmission congestion to meet current and future power needs. The Blueprint calls for the development of roughly \$1 billion worth of transmission projects in the congested transmission corridors, with preference for projects built along existing rights-of-way or involving the upgrade of existing lines, to mitigate environmental impacts. These projects are expected to provide over 1,000 megawatts of additional electric transmission capability.

### **Commission AC Transmission Proceeding**

In November, 2012, the PSC initiated a proceeding (Case 12-T-0502) to examine electric transmission system upgrades to relieve congestion in two main corridors between Upstate New York and Southeast New York. The first runs from the Marcy and Edic Substations in Oneida County, east towards Albany then south to the New York City metropolitan area. This corridor includes facilities connected to Marcy and major substations located in the Hudson Valley, and two major electrical interfaces (i.e., groups of circuits) that are often referred to as "Central East" and "UPNY/SENY." The second corridor runs from Marcy substation south to Delaware County and then on to Sullivan, Orange or Rockland Counties.

**CONGESTED AC TRANSMISSION CORRIDOR**  
(230 kV and Above)



Relieving congestion and upgrading this section of the transmission system has the potential to bring a number of benefits to New York's ratepayers. These include enhanced system reliability, flexibility, and efficiency; reduced environmental and health impacts; increased diversity in electric generation supply, and long-term benefits in terms of job growth, development of efficient new generating resources at lower cost in upstate areas, and mitigation of reliability problems that may arise with expected generator retirements.

**Project Development and Review**

The AC Transmission proceeding called for developers and transmission owners to propose projects to increase transfer capacity through the congested corridors. To date, several developers have submitted proposals for possible projects to reduce transmission congestion. These developers are now in the process of "fleshing out" their projects by gathering additional information needed to file a complete application with the PSC. The developers must submit their initial application materials, scoping documents and proposed schedules by October 1, 2013.

Project applications will undergo a multi-agency review and evaluation process. Under Article VII of the New York Public Service Law, proposed major transmission facilities are reviewed to assess the need for, and environmental impacts of, the project and the PSC decides whether to grant, modify or deny applications. Smaller projects that do not meet Article VII criteria may be reviewed pursuant to SEQRA and other relevant regulatory requirements.

It may be possible that some of the projects can work together to achieve the objectives of reducing congestion, ensuring future reliability, and contributing to flexible system operation while minimizing environmental impacts and costs to ratepayers. Therefore, the PSC has determined that the review of the projects should be done jointly, in a comparative and competitive manner, to determine which configuration would achieve the best balance among the objectives.

*It is important to note that although several projects are now participating in the proceeding, the Commission will likely select only one project or a group of complimentary projects that best meets the Commission's goals of congestion reduction at the least cost to ratepayers.*

## **Community Involvement**

**Pre-application phase:** Department of Public Service Staff has requested that during this information gathering period developers initiate outreach to the communities in the area of their proposed projects. Since there are several competing projects, it is possible that a community may be contacted by multiple developers during the pre-application phase. This **does not** indicate that multiple projects will be approved and constructed in this area: the proposed projects may be narrowed down to a single project or a group for PSC evaluation. By the same token, a community that is contacted in this initial stage may not have any projects approved in their location and may not be involved in subsequent stages of the Commission proceeding. Communities in the project corridors will be informed of the filed applications as they become available.

**Subsequent project review:** Although subject to the joint review, project applications for major electric transmission facilities will be provided their own Article VII case numbers and will follow the Public Service Law Article VII review process. Applicants are strongly encouraged to communicate with communities impacted by the project during all phases of the project.

Article VII 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 listed, appearance, cost, and construction and maintenance practices are all subject to review. Proceedings 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. Specific information regarding Article VII and community involvement will be provided as the proceeding and each Article VII case moves forward.

**Intervenor funding:** Under Article VII, developers of major transmission facilities submit fees 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 participate in the proceedings.

## **For More Information**

PSC has additional information on the AC Transmission case, the Article VII process and the Energy Highway initiative. You can access this information at the PSC website [www.dps.ny.gov/articlevii.htm](http://www.dps.ny.gov/articlevii.htm) or call 1-888-275-7721.

# NextEra Energy Transmission New York – Marcy to Pleasant Valley

NextEra Energy Transmission New York (NEETNY) is proposing a new transmission solution to achieve the goals laid out by Governor Cuomo in the state’s Energy Highway Initiative. NEETNY proposes to develop, construct, own and operate a new transmission link from Marcy to Pleasant Valley that will increase power transfer capability from upstate to downstate, relieve power bottlenecks, lower prices, and minimize environmental impacts by using existing transmission line corridors, to the extent possible.

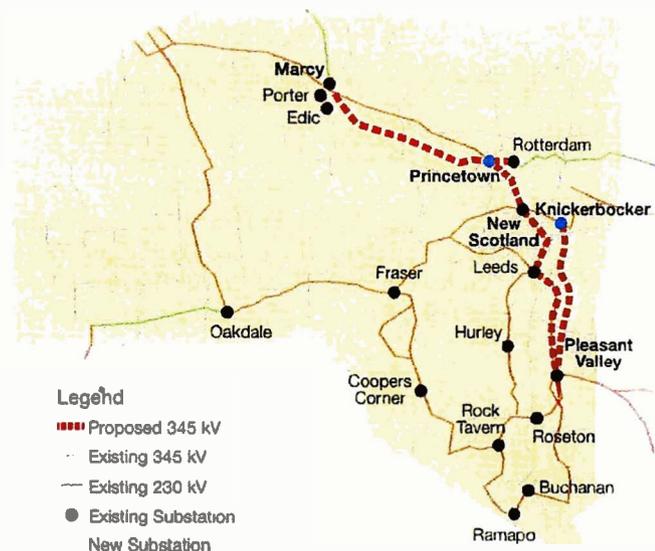


## Background

In 2012, Governor Andrew Cuomo introduced the Energy Highway Initiative, which is designed to ensure that New York’s energy grid is the most advanced in the nation and promotes increased business investment in the state. The Public Service Commission (PSC) then initiated a proceeding to examine upgrades in two main corridors between Upstate New York and Southeast New York. The PSC called for proposals to increase transfer capacity through the congested corridors. Our proposal is one of several being considered.

## Marcy to Pleasant Valley Transmission Solution

- » The upper portion is a 345-kilovolt transmission line that includes approximately 100 miles of new transmission between Marcy, Princetown, Rotterdam and New Scotland, as well as a new substation in Princetown.
- » The lower portion will consist of about 66 miles of new 345-kilovolt transmission between New Scotland and Pleasant Valley OR about 54 miles of new transmission and a new substation between Knickerbocker and Pleasant Valley.
- » This new capacity is expected to be in service in 2017.





## Energy Highway Benefits

The PSC identified significant benefits to New York's ratepayers in upgrading the transmission system, including:

- » Reduce bottlenecks on the flow of electricity within New York State
- » Promote economic development, job creation and investment in New York State
- » Expand diversity of downstate power generation
- » Enhance reliability of the electric system
- » Encourage development of renewable generation
- » Increase efficiency of power generation

## Additional Benefits Expected from NEETNY's proposal

- » More cost effective than other alternatives proposed
- » Innovative technologies
- » Early project in-service dates
- » Reduced environmental and community impacts
- » Long-term benefits to New York from competition
- » Company's ability to fund construction limits ratepayer risk

## Project Schedule

NEETNY expects the planning, permitting and constructing of the proposed project to occur over the next four years, contingent on PSC review and approval. In addition, consultation with various federal, state and county organizations will occur throughout the process.

## Permitting

These NEETNY transmission projects are in early stage planning. There are prescribed regulatory processes for reviews and approval of transmission projects as well as for opportunities for public involvement and comment. For more information on the process, please go to: [www.dps.ny.gov](http://www.dps.ny.gov)

### About NextEra Energy Transmission New York

Subsidiary of NextEra Energy Transmission, LLC, which is a wholly-owned subsidiary of NextEra Energy, Inc.

- » World-class transmission construction and operations team
- » Recent transmission line development experience, on time and under budget
- » NextEra Energy is a leading clean energy company, whose principal businesses are Florida Power & Light Company and NextEra Energy Resources, the largest generator in North America of renewable energy from the wind and sun
  - Successfully operates in 26 U.S. states and four Canadian provinces
  - Fortune 200 company
  - Reputation as a leader in the protection of threatened and endangered species
- » Interested parties can call us at 518-409-4159

NEETNY Energy Highway Project	2013	2014	2015	2016	2017	2018
Department of Public Service application	[Bar]					
Permitting	[Bar]					
DPS decision			[Diamond]			
Construction				[Bar]		