

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn

James.Denn@dps.ny.gov | 518.474.7080

<http://www.dps.ny.gov>

<http://twitter.com/NYS DPS>

12082/12-T-0502;12-E-0503;12-G-0297

## GOVERNOR'S ENERGY HIGHWAY GAINS MOMENTUM

— New Transmission Projects, Power Plant Planning & Gas Distribution Expansion —

Albany, NY—11/27/12—The New York State Public Service Commission (Commission) today took action on three items highlighted in Governor Andrew M. Cuomo's Energy Highway Blueprint issued by the Energy Highway Task Force in October. The actions taken are designed to examine plans and alternatives to ease transmission congestion to meet current and future power needs by providing downstate New York access to lower-cost power; plan for possible major power plant retirements; and study the expansion of natural gas delivery to homeowners and businesses in New York State.

The Energy Highway initiative, introduced in the 2012 State of the State address, is a centerpiece of the Governor'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.

“A growing, vibrant economy requires an energy production and delivery system that provides the stable foundation companies need to invest in their facilities and workforce, to expand operations and hire new workers,” said Commission Chairman Garry Brown. “In addition to strengthening the economy, the Energy Highway will enhance New York State's investment in clean energy production.”

In light of the catastrophic devastation caused by Hurricane Sandy, improvements envisioned by the Governor's Energy Highway initiative will help create a stronger, more resilient energy infrastructure network that is better able to deal with the possible impact of future storms.

Following recommendations set forth in the Energy Highway Blueprint, the Commission today commenced a first-of-its-kind proceeding to review specific proposals from utilities and private developers for new transmission lines and upgrades to existing facilities that will address congestion on the transmission system between Utica and New York City.

The transmission system program contemplated in the Blueprint would expand and strengthen the state's high voltage transmission system in this corridor by building roughly \$1 billion worth of transmission projects, providing over 1,000 MW of additional transmission capacity. This could support both environmental goals and economic development by providing access by upstate power generators, including new clean energy projects, to downstate markets, from where they are currently constrained due to bottlenecks in the transmission system. New transmission capacity will also serve to benefit of downstate businesses and consumers because they would have access to lower wholesale energy prices from upstate.

The Blueprint recognized that the development of plans to address reliability concerns in the event of generator retirements is an important initiative. The Blueprint also recognized the potential retirement or unavailability of a major facility in New York's generating and transmission infrastructure requires the state to plan well advance.

Therefore, the Commission commenced a proceeding today to develop a contingency plan in the event of a closing of Indian Point, two nuclear power plants located in Westchester County, approximately 30 miles north of Manhattan. The Commission directed Consolidated Edison to work with the New York Power Authority to develop and file a contingency plan to address the needs that would arise in the event the Indian Point units shut down.

The Blueprint also calls for an examination of existing barriers to the expanded use of natural gas service by residential and businesses customers in the state and appropriate measures to reduce or eliminate potential barriers.

The Commission will review regulations and policies that may unduly constrain the availability of natural gas and/or other factors influencing customer conversions. Given the very substantial

price difference between natural gas and oil, many residential, commercial and industrial customers could potentially benefit from conversion from oil to natural gas.

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](http://www.dps.ny.gov) and entering case numbers 12-T-0502 [Alternating Current Transmission Upgrades]; 12-E-0503 [Review of Generation Retirement Contingency Plans]; or 12-G-0297 [Expansion of Natural Gas Service] 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).