

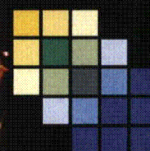
New York Energy Highway Blueprint Update

April 2013

N.Y. GOVERNOR
Andrew M. Cuomo



NYEnergyHighway.com



**NEW YORK
ENERGY HIGHWAY**
The time for powerful ideas



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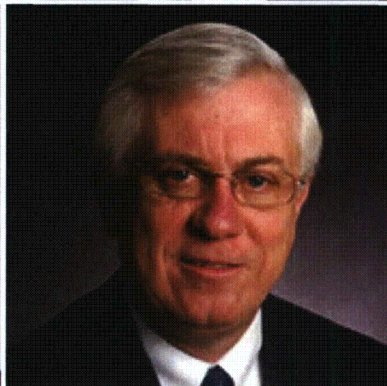
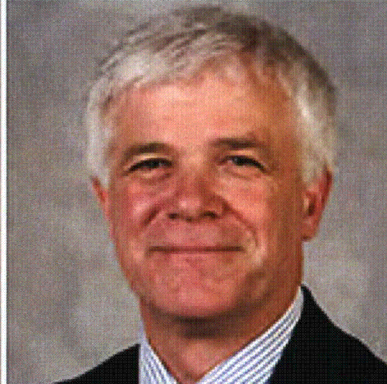
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Energy Highway Task Force

TOP ROW

Gil C. Quiniones, (Co-Chair) President and Chief Executive Officer, New York Power Authority

Joseph Martens, (Co-Chair) Commissioner, New York State Department of Environmental Conservation

BOTTOM ROW

Kenneth Adams, President, Chief Executive Officer and Commissioner, Empire State Development

Garry A. Brown, Chairman, New York State Public Service Commission

Francis J. Murray, Jr., President and Chief Executive Officer, New York State Energy Research and Development Authority

Honorable Andrew M. Cuomo
Governor of the State of New York
State Capitol
Albany, N.Y. 12224

Dear Governor Cuomo:

It is with great satisfaction that we submit this Update to the New York State Energy Highway Blueprint, which reflects the progress to date on each of the Blueprint's 13 recommended actions. We are confident that the measures taken thus far and those to follow will fulfill the objectives of your historic call to modernize New York's statewide energy system through a wide-ranging, public-private partnership that will ensure a reliable, affordable, and clean power supply to drive economic growth and meet the needs of our citizens far into the future.

In the period since we presented the Blueprint to you on October 22, 2012, New York has witnessed the devastating effects of Superstorm Sandy on many elements of its infrastructure, including our electric power system, providing vivid new reminders of that system's importance and vulnerabilities. Fortunately, this same period has been marked by a strong and encouraging start to the implementation of the Energy Highway initiative, which will upgrade and revitalize the system and, among numerous other benefits, enhance its resilience in the face of severe weather events.

The actions we recommended in the Blueprint will expand and strengthen the Energy Highway, accelerate construction and repair, support clean energy, and drive technology innovation. We are pleased to report that each of the actions is moving forward on or ahead of schedule. Among the highlights:

- The New York Public Service Commission issued orders to examine plans and alternatives to give downstate customers access to upstate power generation by easing transmission congestion; to plan for possible major power plant retirements; and to study the expansion of natural gas delivery to residences and business in New York State.
- The New York Power Authority Board of Trustees approved a Life Extension and Modernization Program for NYPA's decades-old transmission system in Western, Central, and Northern New York.
- The New York State Energy Research and Development Authority issued a \$250 million Renewable Portfolio Standard solicitation targeting electric generation projects that will use clean-energy resources to help the State diversify its overall electric energy portfolio.

The public-private partnerships created through the Blueprint action items are the foundation upon which the State will develop the most advanced energy system in the nation. These projects will stimulate economic development, create jobs, and protect the environment in communities across New York.

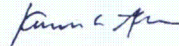
With the submittal of this Update, the Energy Highway Task Force will formally disband and will turn over responsibility for the various actions to the appropriate State agencies and authorities. We have been privileged to serve on your Task Force, knowing that the actions set forth in the Blueprint will benefit New Yorkers for generations to come. While the process has just begun, and we have much work to do, our respective agencies remain committed to realizing your vision for the modernization of New York's electric system.



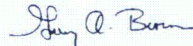
Gil C. Quiniones



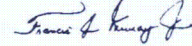
Joseph Martens



Kenneth Adams



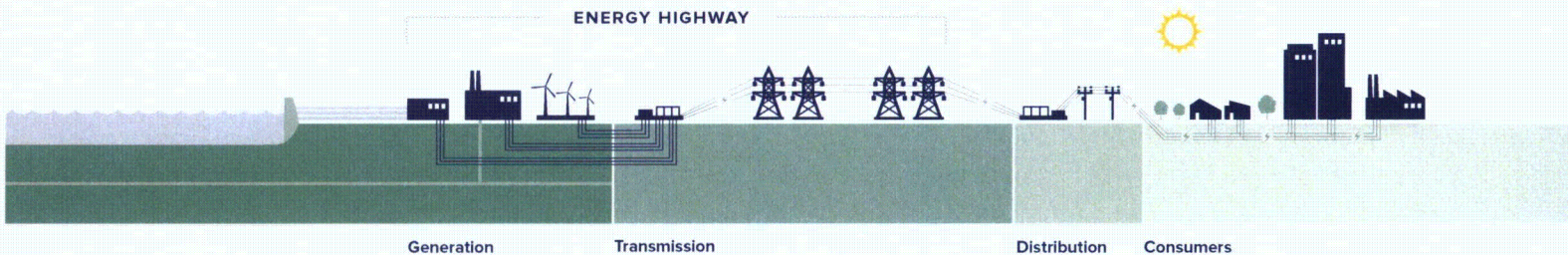
Garry A. Brown



Francis J. Murray, Jr.

Introduction

On October 22, 2012, Governor Andrew M. Cuomo's New York Energy Highway Task Force presented to him the New York Energy Highway Blueprint, an innovative multi-faceted plan to upgrade and modernize the State's energy infrastructure to meet the needs of a strong and growing economy for New York residents for decades to come. Exactly one week later, the critical role of a reliable electric power supply was dramatically demonstrated when Superstorm Sandy slammed into New York and other states, causing billions of dollars in damage, disrupting the economy, and crippling mass transit. In New York State alone, more than 2.1 million customers, mostly in New York City and the Hudson Valley and on Long Island, lost electricity for varying periods.



Each of the 13 actions is underway and moving forward on or ahead of the aggressive schedule the Task Force established.



The pervasive effects of the loss of power underscored in striking fashion the importance and relevance of the Energy Highway initiative, an unprecedented partnership between the public and private sectors that calls for installing up to 3,200 megawatts (MW) of new electric generation and transmission capacity in New York State, including clean renewable power generation, while creating jobs, promoting economic growth, and protecting the environment.

While New York's electric power providers have compiled a longstanding record of reliable service, the need to address challenges to the State's aging power grid had been evident before Superstorm Sandy struck. Recognizing these issues, Governor Cuomo put forward the Energy Highway initiative in his January 2012 State of the State address, and quickly named a Task Force consisting of senior energy, environmental, and economic development officials to implement it.

The resulting Energy Highway Blueprint, calling for public and private investments in the State's energy system of about \$5.7 billion over the next five to 10 years, proposed 13 specific actions, divided among four major categories:



Expand and Strengthen
the Energy Highway



Accelerate Construction
and Repair



Support Clean Energy



Drive Technology
Innovation

As detailed in this Update, each of the 13 actions is underway and is moving forward on or ahead of the aggressive schedule that the Task Force established.

The diverse measures reflect both the scope of the Energy Highway initiative and the magnitude of the challenges it is designed to address in a unified, coordinated manner. The actions will open the way to modernize our aging transmission infrastructure and prepare for the potential retirement of existing power plants. They will enhance the State's existing systems for delivering electricity and natural gas. They will expand the use of renewable energy, and make New York a leader in the development and deployment of Smart Grid technologies that will define the power systems of the future.

The following summary reflects the substantial progress that has been achieved thus far for each of the individual actions set forth in the Blueprint.



Expand and Strengthen the Energy Highway

Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate

The New York State Public Service Commission (PSC), in an Order issued on November 30, 2012 (Case 12-T-0502), began a first-of-its kind proceeding to solicit formal proposals from current transmission owners and other potential developers of new transmission lines in the heavily congested pathways linking upstate and Central New York with the Lower Hudson Valley and New York City. The PSC issued an Order on April 18, 2013 establishing a competitive Article VII process for the consideration of alternatives to provide the 1,000 MW of desired upgrades, calling for initial applications to be filed in October 2013.

The Commission's actions are in response to the Blueprint's call for investing \$1 billion to develop 1,000 MW of new Alternating Current (AC) transmission capacity, with preference for projects built along existing rights-of-way or involving the upgrade of existing lines to mitigate environmental impacts. Easing the current transmission constraints will enhance system reliability and supply diversity, and will provide significant economic and environmental benefits by permitting excess power from upstate sources, including renewable energy facilities, to reach the downstate areas of greatest need.

Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements

In another November 30, 2012 Order (Case 12-E-0503), the PSC began a proceeding to ensure that plans will be in place to meet reliability needs in the event of the retirement of major power plants in the State. The Commission specifically directed Consolidated Edison Company of New York (Con Edison) to work with the New York Power Authority (NYPA) and others to develop a contingency plan, which was submitted on February 1, 2013, to address the potential retirement of the Indian Point Energy Center in Westchester County, a two-unit, 2,066 MW nuclear facility that is a major source of power for New York City and Westchester.

Following a March 2013 Order allowing the utilities to issue a Request for Proposals (RFP), NYPA issued an RFP on April 3, 2013 for a target of

1,350 MW of incremental generation and transmission capacity, with bids due May 20, 2013. In an April 2013 Order, the Commission allowed the utilities to undertake preliminary development activities for their proposed transmission solutions (subject to further review and action when the Commission reviews the RFP responses), required Con Edison to file a more refined Energy Efficiency and Demand Reduction plan within 45 days of the Order, and directed DPS staff to issue a straw proposal to address cost recovery and cost allocation issues for further comments.

Provide public power entities flexibility in contracting for public-private partnerships

Legislation is being drafted to strengthen the ability of the State's two public power entities—the New York Power Authority and the Long Island Power Authority—to enter into public-private partnerships as called for in the Blueprint. It is anticipated that the bill will be introduced for consideration in the 2013 Legislative session.



Accelerate Construction and Repair

Accelerate investments in electric generation, transmission, and distribution for reliability, safety, and storm resilience

On December 18, 2012, the New York Power Authority's Board of Trustees approved a Life Extension and Modernization program to support the availability and reliability of NYPA's transmission system and ensure its regulatory compliance. In addition, beginning with the pending rate cases involving National Grid and Con Edison, the PSC will address efforts by Investor-Owned Utilities to upgrade their systems.

Statewide, the Energy Highway Blueprint recommended the accelerated investment of \$800 million through 2017 to improve electric utility infrastructure, with a focus on efforts such as reducing repair backlogs and increasing responsible tree trimming near transmission and distribution lines. An enhanced ability to withstand and recover from severe storms would be among the benefits.

Accelerate investments in natural gas distribution to reduce costs to consumers and promote reliability, safety, and emission reductions

The PSC, in a third Order issued on November 30, 2012 (Case 12-G-0297), established a proceeding to examine its policies concerning natural gas service in New York State and to consider measures to reduce barriers to

**Easing the current
transmission constraints
will enhance system
reliability and supply
diversity and permit
excess power
upstate to reach
the downstate areas
of greatest need.**

the expanded use of natural gas by residential and business customers, especially for heating. Such measures, it said, could include expansion of the natural gas delivery system.

The Blueprint recommended accelerated utility investment in natural gas infrastructure of up to \$500 million over the next five years, including efforts to benefit the environment by replacing older, leak-prone natural gas pipes.



Support Clean Energy

Conduct a competitive solicitation for renewable resources in New York as part of the State's Renewable Portfolio Standard

The New York State Energy Research and Development Authority (NYSERDA) has made \$250 million available through a Request for Proposals (RFP) process for the development of renewable energy projects. It is anticipated that contracts will be awarded by summer 2013. The Blueprint called for investment of up to \$675 million in public and private funds to develop renewable energy sources.

Initiate transmission upgrades in Northern New York to help facilitate renewable energy development

NYPA is in the process of implementing upgrades to a portion of an existing transmission line from Massena to Plattsburgh and is evaluating improvements to several of its other transmission facilities in Northern New York. The Blueprint proposed actions to ease transmission congestion in the region, providing consumers access to current and proposed wind energy projects and other renewable sources.

Characterize offshore wind resources

NYSERDA is working with other state agencies to address jurisdictional issues and research priorities, as well as on other matters concerning the potential development of wind resources off New York's Atlantic coast. The Blueprint called for building on previous preliminary site assessments for potential projects.

Initiate process for repowering of inefficient power plants on Long Island

A pending power supply agreement between the Long Island Power Authority (LIPA) and National Grid (recently approved by LIPA Board of Trustees) enables studying the economic feasibility of repowering five



older power plants on Long Island. The effort would initially focus on the Port Jefferson and E. F. Barrett steam facilities, with the issuance of an RFP to conduct the necessary assessments. The Blueprint envisioned investing \$1.5 billion to \$2 billion to develop up to 750 MW of repowered capacity on the Island.

Require utilities to evaluate repowering as an alternative to power plant retirements when the plant is needed for reliability

The PSC issued an Order on January 18, 2013 (Case 12-E-0577) requiring National Grid and New York State Electric and Gas (NYSEG) to conduct an

analysis of repowering of the Dunkirk and Cayuga facilities. Both utilities have filed the costs of their transmission upgrades and solicited bids (received March 19, 2013) from the plant owners for the level of out-of-market support required to finance the repowering of their facility. National Grid and NYSEG are expected to file their analysis and recommendations by May 2, 2013.

Establish a Community Support Plan and Greenhouse Gas Emissions Reduction Program in the electricity sector

The State Department of Environmental Conservation (DEC), NYSERDA, and PSC have collaborated with other states to reduce the current emissions cap under the Regional Greenhouse Gas Initiative (RGGI) CO₂ cap and trade program. On February 7, 2013, the RGGI states proposed lowering the regional CO₂ emissions cap by 45%. This reduction is expected to generate additional revenue for reinvestment, some of which could be available to fund the new programs recommended in the Blueprint to offset the adverse impacts of power plant retirements on host communities and to promote more efficient plant operation.



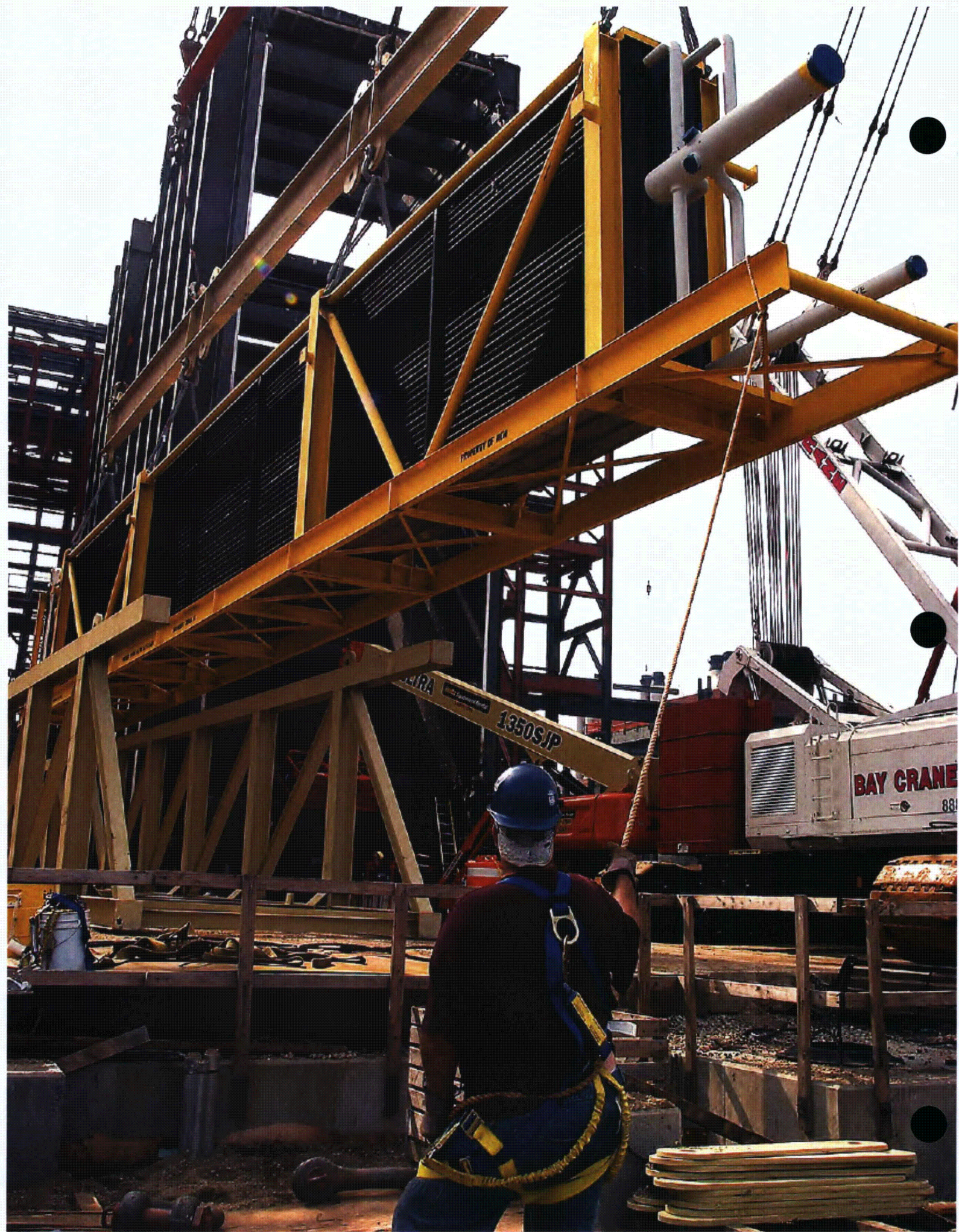
Drive Technology Innovation

Fund Smart Grid demonstration projects

Following a Request for Proposals (RFP), in 2012 NYSERDA announced the recipients of nearly \$10 million in funding for studies, product development, and demonstration projects to strengthen the State's power grid. A new round of solicitations is planned, using \$20 million obtained under a federal settlement with Constellation Energy stemming from charges of power market manipulation by the utility. The Blueprint proposed investing an estimated \$190 million to build on the State's existing Smart Grid Technology and Market Development Program.

Develop an Advanced Energy Management System Control Center and pursue federal energy research grants

In line with the Blueprint's call for an expanded Smart Grid commitment, NYPA is moving ahead with plans for the control center, which would facilitate design and testing of new equipment and technology for Smart Grid applications.







In addition to the 13 actions, the Blueprint put forward a number of policy recommendations. As noted in the Update, there has been progress in several of these areas as well, including looking to provide long-term certainty for renewable energy development beyond 2015, and evaluating cost-recovery opportunities for offshore wind.

The publication of this Update culminates an eventful first year in which the Energy Highway initiative moved from the vision of Governor Cuomo's State of the State address, to the recommendations of the Blueprint, and to the actions that are currently in progress. As part of a transparent and inclusive process, the Task Force in April 2012 issued a Request for Information that attracted 130 responses from 85 entities that, along with subsequent comments from interested parties, provided invaluable guidance in the development of the Blueprint. Two conferences, with a total attendance of more than 670 people, and an active website further promoted widespread awareness of the program's goals and activities.

Now, with the Energy Highway initiative on solid footing, the Task Force will disband, leaving continued implementation of the program to the individual State agencies responsible for each action, in cooperation with their prospective partners in the public and private sectors. The significant progress anticipated in 2013 and ensuing years promises to transform the way in which energy is produced and delivered in New York State, with ongoing benefits to the State's consumers, its economy, and its environment.

TABLE 1

Update on Energy Highway Task Force Actions

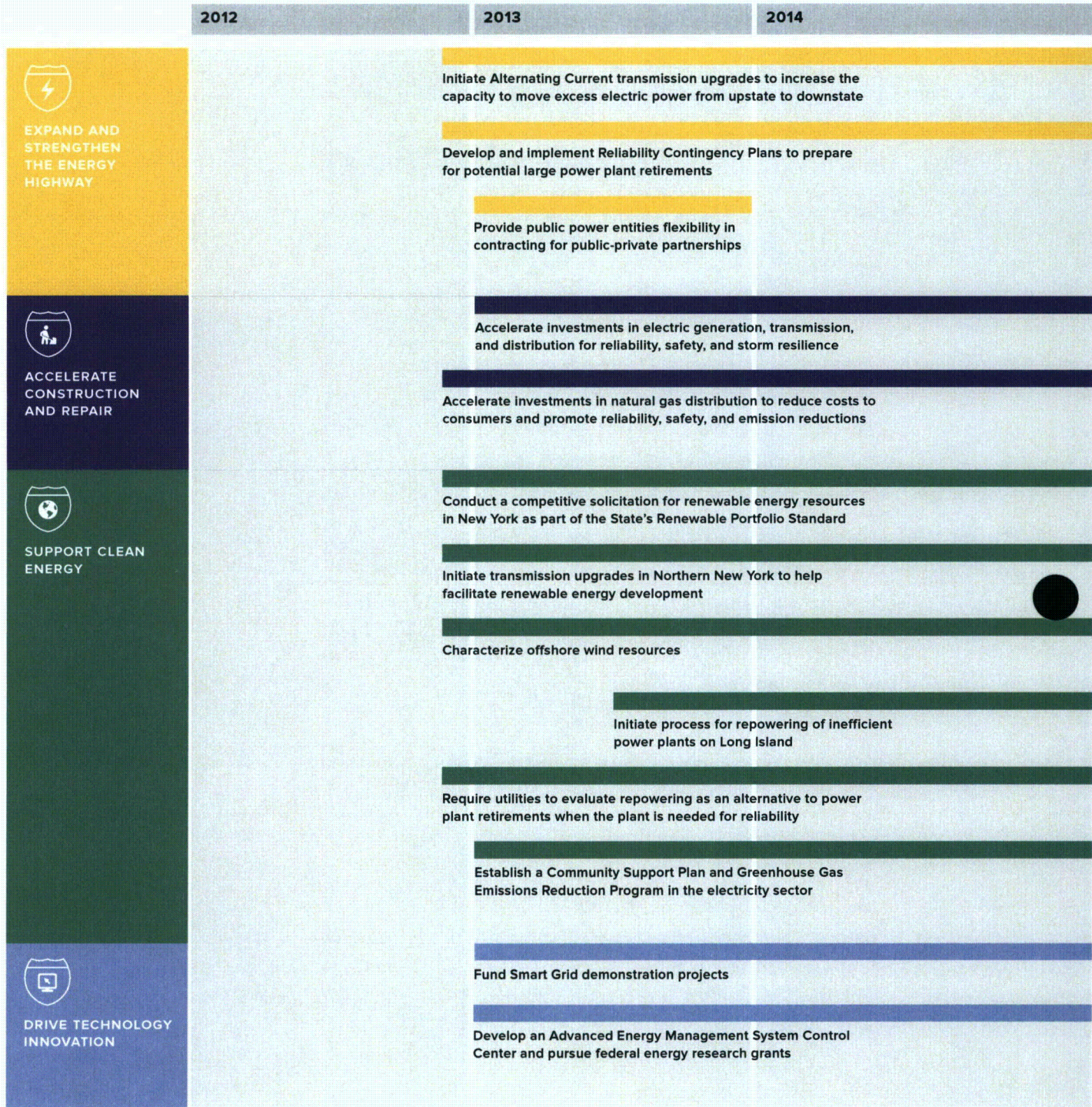
ACTION	STEPS TAKEN	
EXPAND AND STRENGTHEN THE ENERGY HIGHWAY		
	Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate	PSC Orders issued
	Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements	PSC Orders issued
	Provide public power entities flexibility in contracting for public-private partnerships	Legislation being drafted
ACCELERATE CONSTRUCTION AND REPAIR		
	Accelerate investments in electric generation, transmission, and distribution for reliability, safety, and storm resilience	NYPA program approved by its Board
	Accelerate investments in natural gas distribution to reduce costs to consumers and promote reliability, safety, and emission reductions	PSC Order issued
SUPPORT CLEAN ENERGY		
	Conduct a competitive solicitation for renewable resources in New York as part of the State's Renewable Portfolio Standard	RFP issued
	Initiate transmission upgrades in Northern New York to help facilitate renewable energy development	Article VII permit filing in progress
	Characterize offshore wind resources	Study scoping in progress
	Initiate process for repowering of inefficient power plants on Long Island	LIPA Board approved Power Supply Agreement
	Require utilities to evaluate repowering as an alternative to power plant retirements when the plant is needed for reliability	PSC Order issued
	Establish a Community Support Plan and Greenhouse Gas Emissions Reduction Program in the electricity sector	RGGI states proposed emissions cap reduction
DRIVE TECHNOLOGY INNOVATION		
	Fund Smart Grid demonstration projects	Awarded funding for five projects
	Develop an Advanced Energy Management System Control Center and pursue federal energy research grants	Control center scoping in progress

1. Definitions: New York State Department of Public Service (DPS); New York Power Authority (NYPA); Long Island Power Authority (LIPA); Investor-Owned Utilities (IOUs); New York Independent System Operator (NYISO); New York State Energy Research and Development Authority (NYSERDA); New York State Department of Environmental Conservation (DEC); New York State Department of State (DOS); Empire State Development (ESD).

LEAD PUBLIC PARTNERS ¹	PARTNERS	INITIATE	CURRENT STATUS	ESTIMATED COMPLETION DATE
DPS	NYPA, LIPA, NYISO, IOUs, Private Sector	By the end of 2012	On Schedule	In phases from 2015 to 2018
DPS	NYPA, NYISO, IOUs, Private Sector	By the end of 2012	On Schedule	Summer 2016 if needed, additional as identified
NYPA, LIPA	—	Early 2013	On Schedule	End of 2013
DPS, NYPA	IOUs	Early 2013	On Schedule	End of 2017
DPS	IOUs	By the end of 2012	On Schedule	End of 2017
NYSERDA	DPS, Private Sector	By the end of 2012	On Schedule	Awards made by summer 2013, projects in service by end of 2014
NYPA, NYSERDA	DPS	By the end of 2012	On Schedule	Ongoing
NYSERDA	NYPA, LIPA, DEC, DOS, IOUs, Private Sector	By the end of 2012	On Schedule	2014
LIPA	Private Sector	Summer 2013	On Schedule	2019 to 2020
DPS	IOUs, Private Sector	By the end of 2012	On Schedule	Ongoing, complete as needed
DEC, NYSERDA	DPS, ESD	Early 2013	On Schedule	Ongoing, open programs for applications by 2014
NYSERDA	DPS, Private Sector	Early 2013	On Schedule	Ongoing
NYSERDA, NYPA	NYISO, Academia, Federal Government, IOUs, Private Sector	Early 2013	On Schedule	Ongoing

FIGURE 1

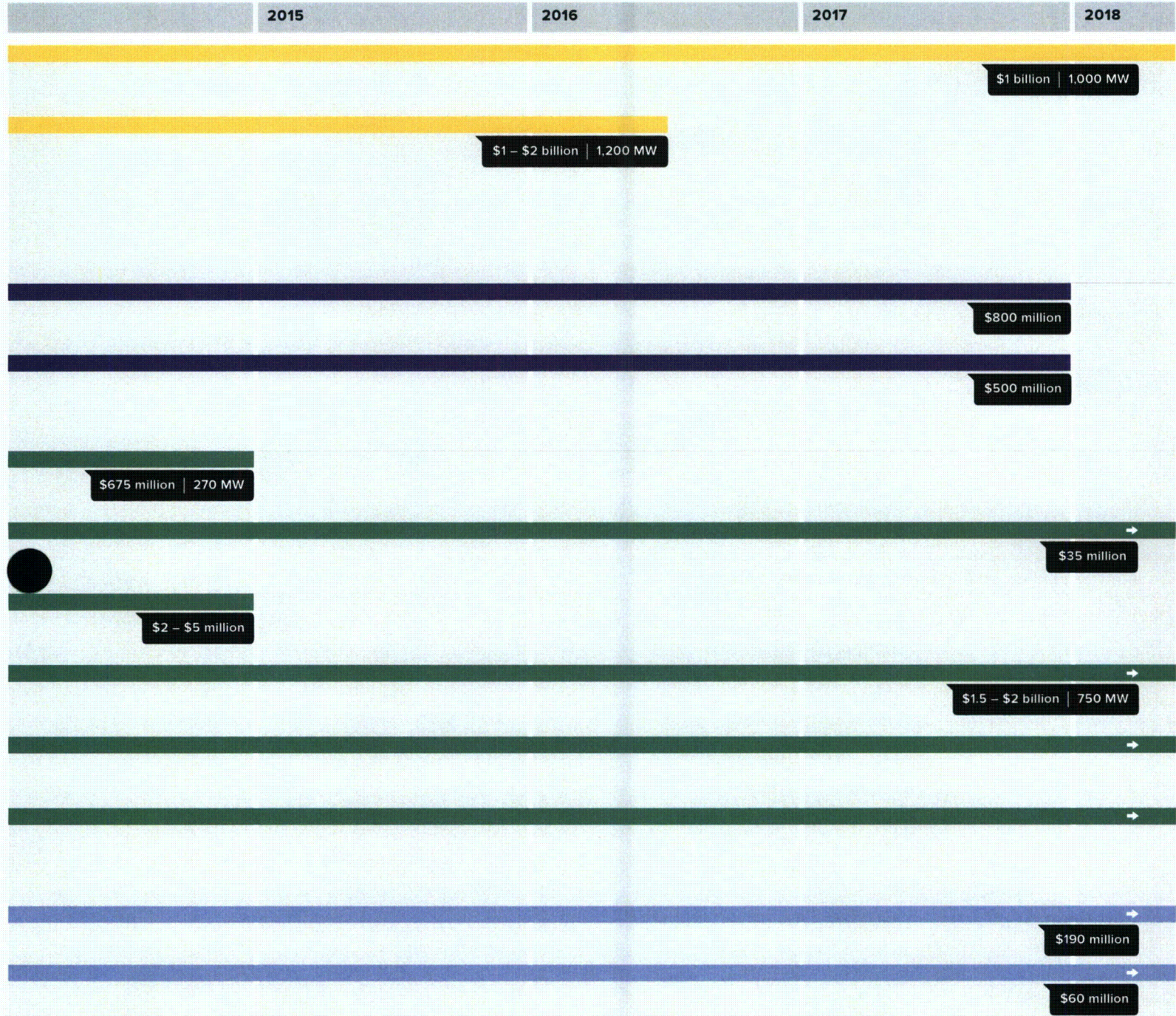
Timeline of Energy Highway Blueprint Impacts

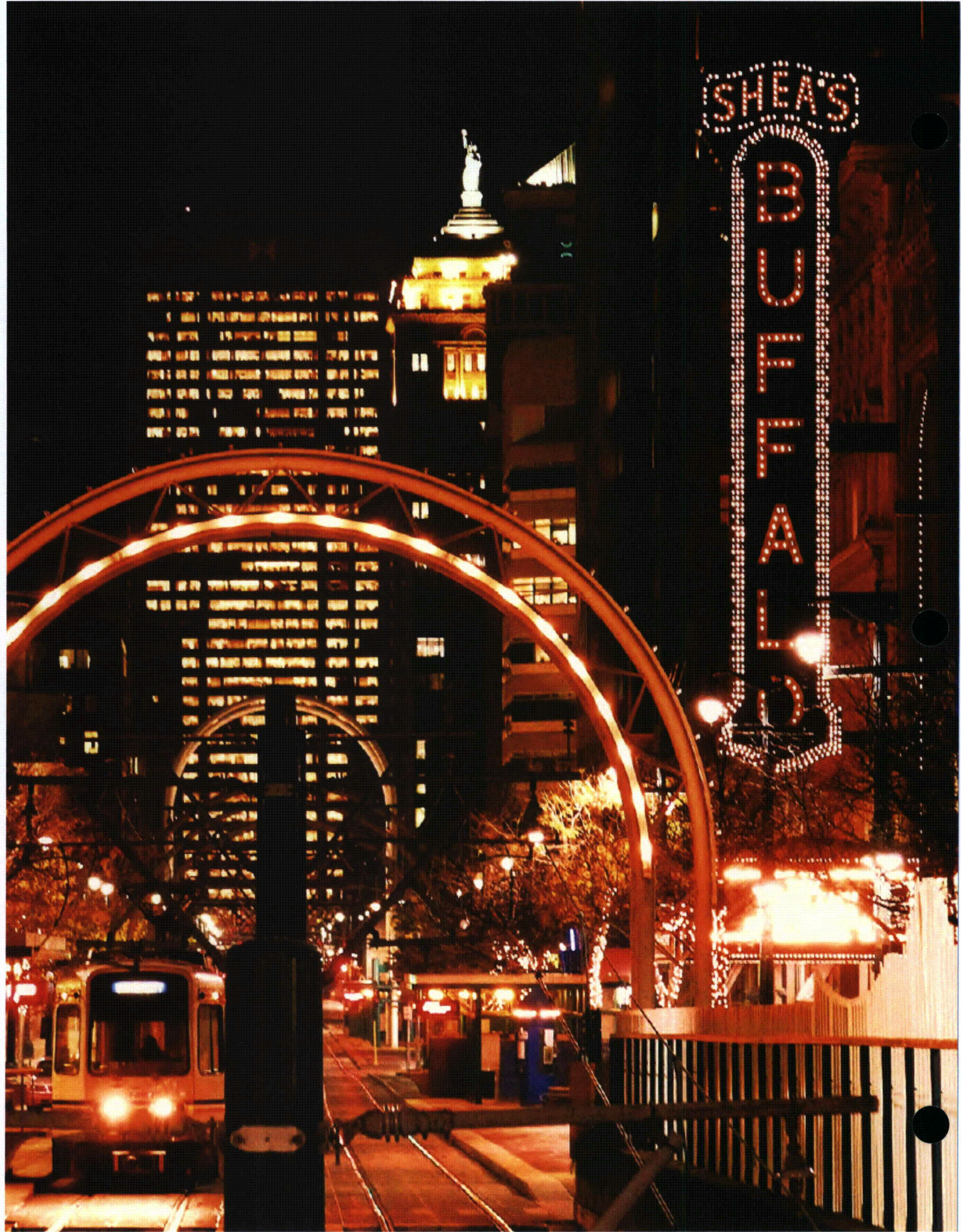


INTRODUCTION

ESTIMATED INVESTMENT POTENTIAL | POTENTIAL CAPACITY INSTALLED

ARROW → = COMPLETION BEYOND 2018





**Following the
October 22, 2012
presentation of
the Blueprint to
Governor Cuomo,
the Energy Highway
Task Force agencies
and authorities
began action on all
13 recommendations.**

**Summarized on the next page is a
map with the activities involved in
the implementation of the Blueprint
actions as of April 2013.**



FIGURE 2

Blueprint Actions Immediately Underway Across New York State



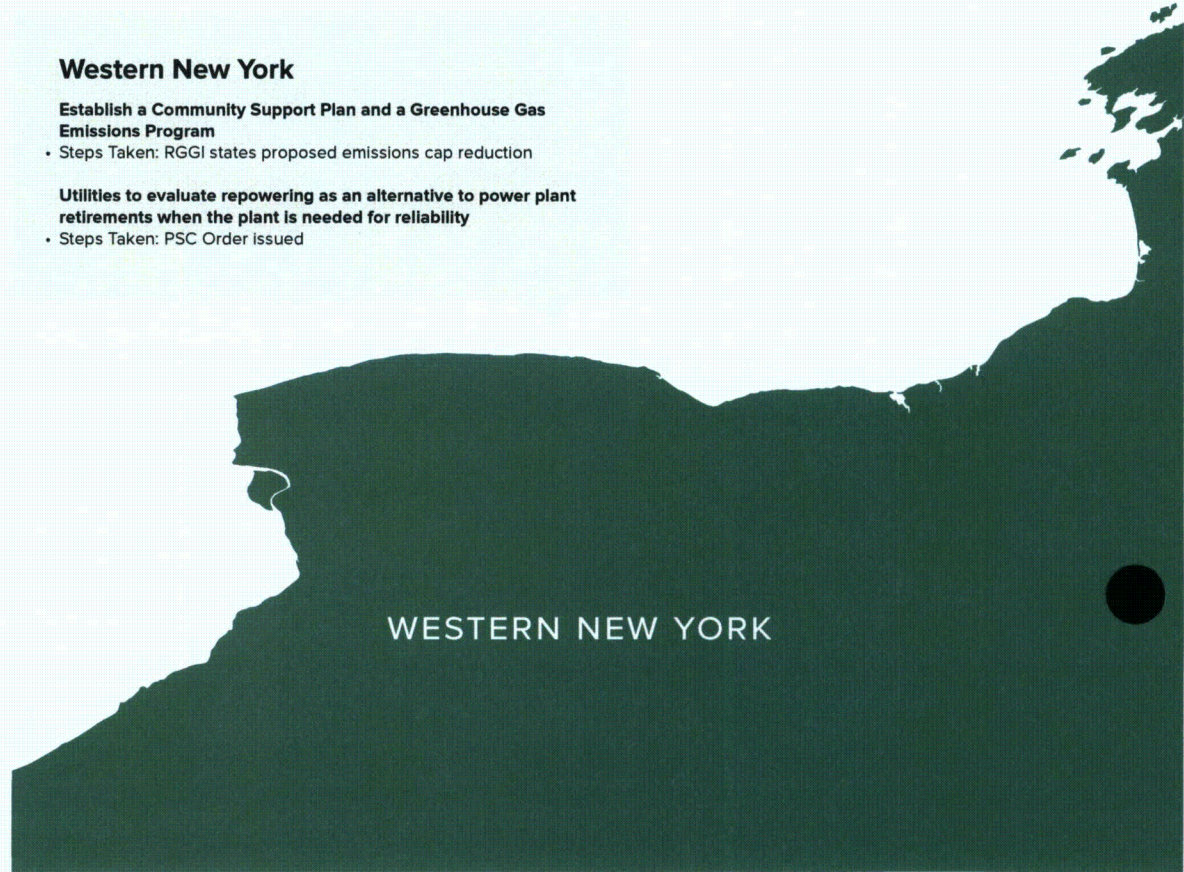
Western New York

Establish a Community Support Plan and a Greenhouse Gas Emissions Program

- Steps Taken: RGGI states proposed emissions cap reduction

Utilities to evaluate repowering as an alternative to power plant retirements when the plant is needed for reliability

- Steps Taken: PSC Order issued



Statewide

Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements

- Steps Taken: PSC Orders issued

Accelerate investment in public and private sector generation, transmission, and distribution and private sector natural gas distribution

- Steps Taken: NYPA program approved by its Board; PSC Order issued

Conduct a competitive solicitation and contract for new renewable resources as part of the New York State Renewable Portfolio Standard

- Steps Taken: RFP issued

Establish a Community Support Plan and a Greenhouse Gas Emissions Program

- Steps Taken: RGGI states proposed emissions cap reduction

Utilities to evaluate repowering as an alternative to power plant retirements when the plant is needed for reliability

- Steps Taken: PSC Order issued

Fund Smart Grid demonstration projects

- Steps Taken: Awarded funding for five projects

NORTHERN NEW YORK



Northern New York

Initiate transmission upgrades to help facilitate renewable energy development

- Steps Taken: Article VII permit filing in progress



CENTRAL NEW YORK

Central New York

Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate

- Steps Taken: PSC Orders issued



Downstate

Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate

- Steps Taken: PSC Orders issued

Characterize offshore wind resources

- Steps Taken: Study scoping in progress

Initiate process for repowering of inefficient power plants on Long Island

- Steps Taken: LIPA Board approved Power Supply Agreement



Hudson Valley

Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate

- Steps Taken: PSC Orders issued

Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements

- Steps Taken: PSC Orders issued

HUDSON VALLEY


DOWNSTATE



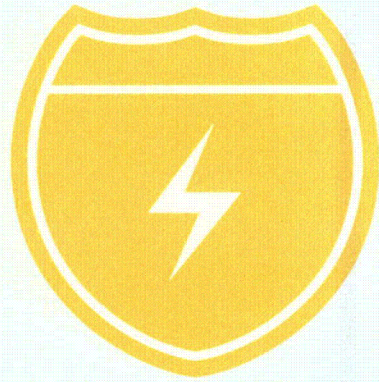
A Four-Part Strategy



The Energy Highway Task Force identified four main areas of focus in the Blueprint that collectively address the goals and objectives identified by Governor Cuomo and in the RFI:

- **Expand and Strengthen the Energy Highway**
 - **Accelerate Construction and Repair**
 - **Support Clean Energy**
 - **Drive Technology Innovation**
- 

As part of a transparent process, the Energy Highway Task Force has compiled an update on each of the actions identified in the Blueprint issued in October 2012.



**Expand and Strengthen
the Energy Highway**



**Accelerate Construction
and Repair**



Support Clean Energy



**Drive Technology
Innovation**



ESTIMATED INVESTMENT POTENTIAL

Up to \$2 billion

POTENTIAL CAPACITY INSTALLED

Up to 2,200 MW of transmission and generation capacity by 2018

EXPECTED BENEFITS

Enhance reliability; increase system operations flexibility; address major planning uncertainties; reduce transmission congestion and improve efficiency



Expand and Strengthen The Energy Highway



A key component of the Energy Highway initiative is the modernization of the State's generating and transmission infrastructure. While New York has a reliable electric system, critical infrastructure is aging and in urgent need of replacement and some of these facilities have uncertain futures. The Energy Highway Blueprint looks to leverage ongoing in-kind replacement of aging infrastructure and identify specific areas to expand transmission capacity to move excess power from upstate power plants to downstate, while providing significant reliability, economic, and environmental benefits. The following actions laid out in the Blueprint improve the efficiency of the Energy Highway system and benefit New York residents and businesses:



- Initiate Alternating Current transmission upgrades to increase the capacity to move excess electric power from upstate to downstate
- Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements
- Provide public power entities flexibility in contracting for public-private partnerships

ACTION → Initiate Alternating Current transmission upgrades to increase the capacity to move excess power from upstate to downstate

STEPS TAKEN

PSC Orders issued regarding AC transmission upgrades

ASSIGNED AGENCY

New York State Department of Public Service

PARTNERS

New York Power Authority, Long Island Power Authority, New York Independent System Operator, Investor-Owned Utilities, Private Sector

INITIATE

By the end of 2012

ESTIMATED COMPLETION DATE

DPS permitting process complete in time to begin construction by 2014; projects to be completed in phases, expected from 2015 to 2018

ESTIMATED INVESTMENT POTENTIAL

\$1 billion for a total of over 1,000 MW of increased capacity

Introduction

The Energy Highway Task Force recommended in the Blueprint that the DPS call for projects that relieve congestion between the Mohawk Valley Region, the Capital Region, and the Lower Hudson Valley.

Steps taken since Blueprint Issuance

The New York Public Service Commission (PSC) issued an Order on November 30, 2012 (Case 12-T-0502) instituting a proceeding and asked for Statements of Intent from developers (by January 25, 2013) to develop projects. A Technical Conference was held with interested parties to the proceeding on December 17, 2012. DPS received Statements of Intent from New York Transco, NextEra Energy Resources, Boundless Energy NE, West Point Partners, Cricket Valley Energy Center, and North America Transmission, for a total of six responses, which can be found on the DPS website (www.dps.ny.gov).

Current Status

On Schedule

Path Forward

On April 18, 2013, the PSC issued an Order establishing a competitive Article VII process to consider alternatives, with initial project Article VII applications due



While New York has a reliable electric system, critical infrastructure is aging and in urgent need of replacement, and some of these facilities have uncertain futures.

to the PSC by October 1, 2013. In the intervening period, the issues of cost allocation, cost recovery, risk mitigation and additional regulation revisions required to carry out the competitive Article VII process will be addressed.

ACTION → Develop and implement Reliability Contingency Plans to prepare for potential large power plant retirements

STEPS TAKEN

PSC Orders issued regarding Reliability Contingency Plan

ASSIGNED AGENCY

New York State Department of Public Service

PARTNERS

New York Power Authority, New York Independent System Operator, Investor-Owned Utilities, Private Sector

INITIATE

By the end of 2012

ESTIMATED COMPLETION DATE

Proceed with project development by 2014 if needed, so that necessary new resources would be in place by summer 2016

ESTIMATED INVESTMENT POTENTIAL

Dependent on selected solution, estimated to be between \$1 billion and \$2 billion for approximately 1,200 MW of additional capacity if needed, additional requirements may be identified in the contingency plans

Introduction

The Energy Highway Task Force recommended in the Blueprint that DPS implement a process to develop Reliability Contingency Plans to avoid the possibility of additional costs to customers and ensure a reliable supply of power for cases in which the retirement of a power plant in New York raises significant risks and uncertainties.

Steps taken since Blueprint issuance

The PSC issued an Order on November 30, 2012 (Case 12-E-0503) instituting a proceeding and soliciting an Indian Point Contingency Plan, assigning Con Edison as the responsible transmission owner with assistance from NYPA. A technical conference was held on January 14, 2013 with interested parties. The Reliability Contingency Plan for the Indian Point Energy Center was filed on February 1, 2013, with comments received by February 22, 2013.

Current Status

On Schedule

Path Forward

Following approval from the PSC in a March 2013 Order, NYPA issued an RFP for a target of 1,350 MW of generation and transmission capacity on April 3, 2013, with responses due by May 20, 2013. In an April 2013 Order, the Commission allowed the utilities to undertake preliminary development activities for their proposed transmission solutions (subject to further review and action when the Commission reviews the RFP responses), required Con Edison to file a more refined Energy Efficiency and Demand Reduction plan within 45 days of the Order, and directed DPS staff to issue a straw proposal to address cost recovery and cost allocation issues for further comments.

ACTION → Provide public power authorities flexibility in contracting for public-private partnerships**STEPS TAKEN**

Legislation being drafted

ASSIGNED AGENCY

New York Power Authority, Long Island Power Authority

INITIATE

Early 2013

ESTIMATED COMPLETION DATE

End of 2013

Introduction

Given that the Blueprint includes actions with a focus on a potential combination of public and private financing, the Task Force recommended supporting the statutory changes necessary for public power authorities to participate in public-private partnerships.

Steps taken since Blueprint issuance

Legislation is being drafted for consideration in the 2013 Legislative session.

Current Status

On Schedule

Path Forward

Legislation is planned to be introduced in the 2013 Legislative session.







ESTIMATED INVESTMENT POTENTIAL

\$1.3 billion

EXPECTED BENEFITS

Strengthen reliability, safety, and storm resilience;
reduce costs to consumers; reduce emissions

