

**National Association of Regulatory  
Utility Commissioners  
Energy Regulatory Partnership  
Program October 5<sup>th</sup> & 6<sup>th</sup> 2006  
Albany, NY**

**Update on Recent Developments in  
NY's Energy Sector & Regional Energy  
Activities**

**By Paul Powers**

# **Overview of Recent Developments Since July 2006**

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- **Power Outages**
- **Rate Cases**
- **Merger**
- **Facilities Siting**

# Power Outages

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- **Consolidated Edison (Con ED)**
- **Major Outage Events Chart**
- **Actions Taken Summary**

# Major Outage Events in 2006

Events	Location	Customers Affected	Complete Restoration
January Windstorm	Westchester County/Lower Hudson Valley	132,000	Five Days
February Windstorm	Upstate New York	328,000	Five Days
Queens Outage	Long Island City	25,000	Nine Days
July Thunderstorms	Westchester County/Lower Hudson Valley	28,000	Five Days
Labor Day Windstorm	Southeast New York	250,000	Five Days

# Major Outage Events

## Summary of Action Taken

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- Each of the Events in 2006 resulted in:
  - Company self evaluations
  - Independent Staff assessments
  - Long duration of some events triggered third party audit of Consolidated Edison's emergency response planning
- Queens Outage
  - Staff assessment team—over 30 engineers, accountants, consumer service analysts etc.
  - Performing cable and transformer autopsies under Staff's review
  - Numerous public hearings

# Rate Cases

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- **Central Hudson (July 2006)**
- **NYSEG (August 2006)**
- **Con ED Steam (September 2006)**

# Rate Cases-Central Hudson (CH)

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- Approved terms of joint proposal that increases electric and natural gas delivery rates through June 30, 2009
- Electric delivery rates increase by \$17.9 million in each of the three rate years or about 9.4% annually
- Natural gas delivery rate increases about 19% first year and about 11.8% second year and no increase third year
- Rates had not increased in over a decade before
- CH can now increase infrastructure investment, expand assistance to low income customers and meet unavoidable cost increases
- Earning sharing requirement if CH exceeds permitted return on equity
- Certain funds targeted to be used for system reliability and customer service quality and gas safety programs

# Rate Cases - NYSEG

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- Rate reduction and refund
- One year rate plan
- Decrease electric delivery rates by \$36.2 million annually starting in January 2007
- Customers will receive \$77 million in refunds from Con ED's asset sale gain account (ASGA)
- ASGA established with profit from sale of power plants and excess earnings



# Rate Cases- Con ED Steam

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- 2 year rate plan
- 1800 steam customers
- Maintain basic rates at current levels through 9/30/08
- File Annual Steam Strategic Plan to promote preservation and growth of steam business & to ensure reasonable system planning
- File Annual Steam Resource Plan- to identify more cost effective steam service

# Merger - Status

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## ■ National Grid & KeySpan – Pre Merger Status

- Petition for Approval of Stock Acquisition and Other Proposals
  - Petition filed 7/21/06.
  - Petition envisions a collaborative process to begin with a series of technical sessions.
- First technical sessions held on 8/30 & 8/31/06 in Albany and New York City.
- Procedural Process & schedule set via Administrative Law Judge.

# Facilities Siting

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- **NYRI**
- **LNG – Broadwater**
- **Wind Facilities**

# Facilities Siting

## NYRI

- **New York Regional Interconnect, Inc. (NYRI)**

- **What is the Project?**

- Proposal to develop, construct, and operate a high voltage direct current (HVDC) transmission line extending from the Edic Substation in the Town of Marcy in Oneida County to the Rock Tavern Substation in the Town of Windsor in Orange County. The approximate distance of the line is 200 miles. The HVDC transmission line is proposed to be designed and operated with a rated power flow of 1200 MW at a nominal voltage of  $\pm 400$  kV DC. NYRI projects commercial operation by 2011 provided that an Article VII certificate and all regulatory approvals are received in time to start construction in 2008.

- **Project Status**

- Application filed 5/31/06.
    - NYRI has filed an application for a Certificate of Environmental Compatibility and Public Need with the New York State Public Service Commission for transmission line certification under Article VII of the Public Service Law.
    - Significant consumer interest.
    - Procedural rulings issued describing how parties can participate in the proceeding and establishing a deadline for responses to NYRI's request for waiver of certain rules and NYRI's reply to the responses.

# Facilities Siting- LNG - Broadwater

- **What is LNG?**
  - LNG is the acronym for Liquefied Natural Gas.
- **What is Broadwater?**
  - Broadwater is a project to build a an LNG import terminal nine miles off the coast of the Town of Riverhead, New York (about 11 miles from the nearest Connecticut shoreline). The terminal would connect with the existing Iroquois Gas Transmission System pipeline via an underwater connecting pipeline and provide the region's consumers with a source of natural gas.
  - Physically, Broadwater would consist of a ship-like vessel moored in Long Island Sound. The vessel, known as a Floating Storage Regasification Unit, or FSRU, would be about 1,200 feet long and 180 feet wide, and its deck would be about 75 to 80 feet above the water line.
- **State oversight**
- **FERC Independent Review of Project**

# Facilities Siting - Wind Facilities

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- Mandate to increase our use of renewable energy—including wind
- Renewable Portfolio Standard (RPS)
  - Wind energy expected to be large % under RPS—thus will create stable long term market for retail sale of wind energy in New York
- Federal Production Tax Credit—extended through January 2008
- Wind Projects— Phases
  - Sited and Operational
  - Actively Under Development
  - Proposed or Anticipated

# Operational Wind Projects In New York

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## ■ Operational:

- Maple Ridge Wind -- 180 MW (300 MW total by 12/2006)
  - Lewis County - Tug Hill Region
- Fenner Wind -- 20 MW
  - Madison County - Central NY
- Madison Wind - 12 MW
  - Madison County - Central NY
- Weathersfield Wind - 7 MW
  - Wyoming County - Western NY

# Actively Under Development Wind Projects In New York

- **Actively Under Development:**
  - Clinton County: Northern NY
    - Marble River Energy - 220 MW
    - Noble Clinton -- 102 MW
    - Noble Ellenburg -- 81 MW
    - Noble Altona -- 100 MW
    - Windhorse -- 20 MW
  - Erie County
    - Steel Winds -- 20 MW
  - Herkimer County: Central NY
    - Atlantic Wind -- 115 MW
    - Community Energy -- 150 MW
  - Steuben County: Southern Tier
    - Clipper-Paragon Wind - 100 MW
    - EcoGen - Plattsburgh - 125 MW
    - UPC Wind Cohocton - 82 MW
  - Wyoming County: Western NY
    - Dairy Hills Wind -- 160 MW
    - High Sheldon - UPC -- 100 MW
    - Noble Bliss Wind -- 100 MW
  - Off-Shore Long Island:
    - FPL-LIPA -- 140 MW



# Anticipated Wind Projects in New York

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## Anticipated Projects?

■	Catskills Region	200 MW
■	Herkimer County	100 MW
■	Wyoming County	100 MW

# The End

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**Any Questions?**

