

New York Energy Highway

September 13, 2012



New York Transco

New York Energy Highway Initiative

Background

- Effort Initiated by Governor Cuomo
 - Rebuild infrastructure to reduce constraints to downstate regions
 - Assure long term reliability is maintained in the face of system uncertainties
 - Encourage development of renewables throughout the State
 - Encourage resource diversity and create opportunities for economic development and job creation
- Task Force led by NYPA, NYDEC, NYESDC, NYPSC, NYSERDA
 - Received RFI responses from 85 organizations
 - Committed to develop action plan in the Fall
- NYTOs jointly responded to form a new “New York Transco”
 - Projects based on STARS, with adjustments



State Transmission Assessment & Reliability Study

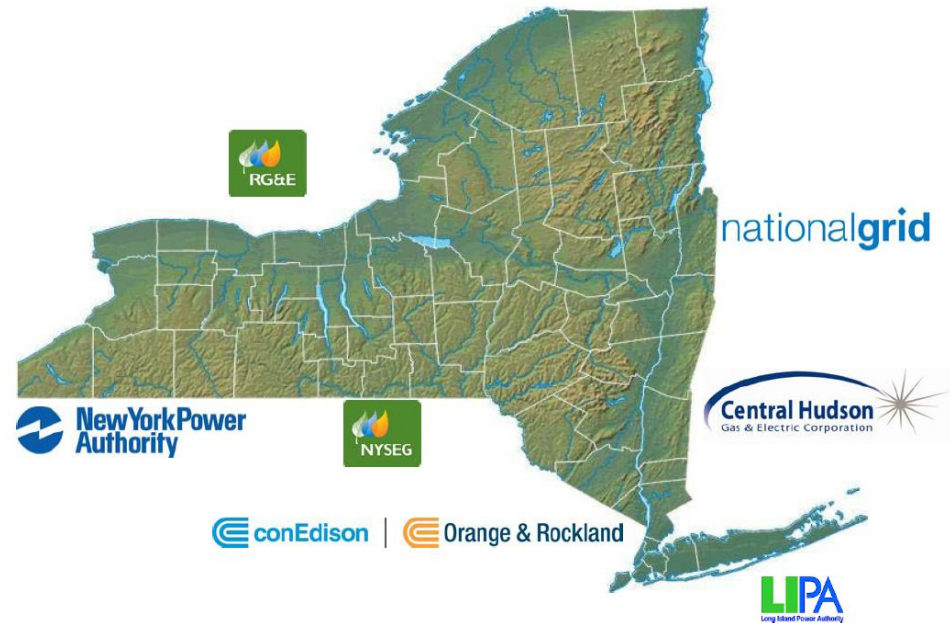
STARS Overview

- Long-range evaluation of the NY electric transmission system
 - Beyond NYISO's existing 10-year planning horizon
- STARS focus
 - Rebuilding / rehabilitating aging infrastructure
 - System expansion/modernization to meet future NYS energy needs
 - Reliability, economics, renewables
 - Upgrades to facilities requiring rebuild / rehab
 - New transmission build
 - Leverage existing right of ways where possible
- Joint NYTO plan
 - Preferable due to interconnected nature of the NY BPS



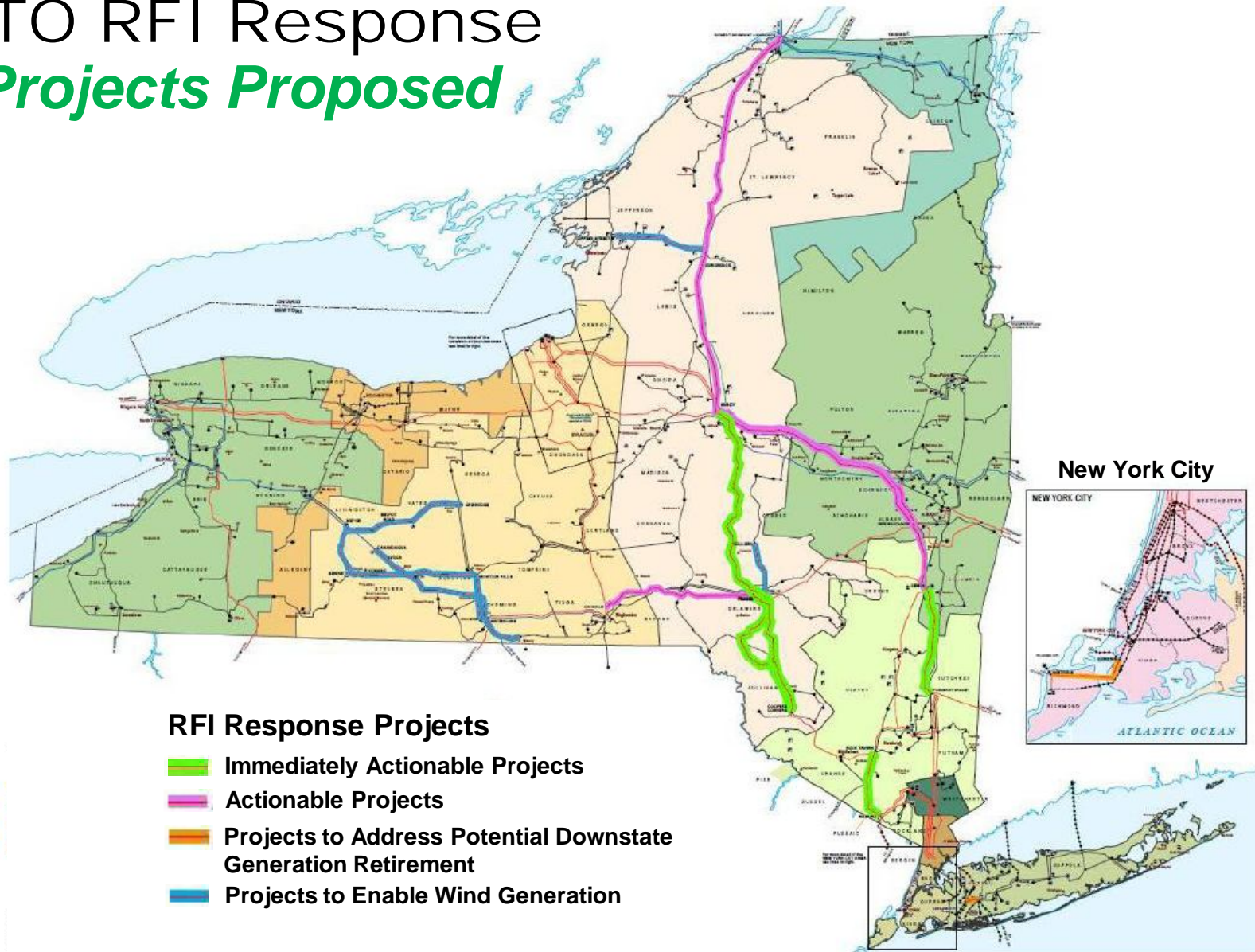
NYTO Energy Highway RFI Response

- \$2.9 billion investment
 - \$1.9 billion by NY Transco, with \$1.0 billion associated replacement by some NYTOs
- NY Transco participants include
 - Central Hudson
 - Con Edison / O&R
 - National Grid
 - NYSEG / RGE
 - NYPA
 - LIPA







NYTO RFI Response

18 Projects Proposed



RFI Response Projects

-  Immediately Actionable Projects
-  Actionable Projects
-  Projects to Address Potential Downstate Generation Retirement
-  Projects to Enable Wind Generation

Long-Term Benefits for New York State

- Generate \$7.2 billion in economic activity
 - 12,000 direct jobs
 - 38,000 total jobs
- Generate \$175 million of annual production cost savings
- Reduce annual CO₂ and NO_x emissions by 370,000 tons and 200,000 tons, respectively
- Facilitate development of renewable generation
 - Estimated to generate \$4.6 billion in economic activity
 - Additional 8,000 direct jobs
- Enhance NY electric system reliability
- Relieve transmission constraints



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