

# SEHAM, SEHAM, MELTZ & PETERSEN, LLP

ATTORNEYS AT LAW  
445 HAMILTON AVENUE, SUITE 1204  
WHITE PLAINS, NEW YORK 10601  
TEL: (914) 997-1346  
FAX: (914) 997-7125  
ssmplaw@ssmplaw.com  
www.ssmplaw.com

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March 16, 2012

**By E-Mail: secretary@dps.ny.gov**

Hon. Jaclyn A. Brillig  
Secretary  
New York State Public Service Commission  
Three Empire Plaza  
Albany, New York 12223

Re: Case 10-T-0139 – Application of Champlain Power Express, Inc. and CHPE Properties, Inc. for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the Construction, Operation and Maintenance of a High-Voltage Direct Current Circuit from the Canadian Border to New York City

Dear Secretary Brillig:

The New York Energy Consumers Council, Inc. (“NYECC”) was created on July 30, 2004 as a result of the consolidation of the Owners Committee on Electric Rates (“OCER”) and the New York Energy Buyers Forum (“NYEBF”). NYECC’s members represent a broad spectrum of energy buyers, including hospitals, universities, financial institutions, residential and commercial property managers, public benefit corporations, energy service companies and energy consultants.

NYECC appreciates the opportunity afforded herein, as an interested party, to submit a Statement in Support of the Joint Proposal (“JP”) filed by the signatories to the JP pursuant to the Ruling on Schedule, issued on March 2, 2012 in the above referenced proceeding.

NYECC is a consistent proponent in its rate case interventions for the safe and reliable delivery of energy to its members at the lowest possible prices. Critical to NYECC’s support for the instant JP is that the HVDC Transmission System (“System”) at issue is being developed on a merchant basis rather than at ratepayer expense.<sup>1</sup> NYECC’s support is contingent upon the

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<sup>1</sup> Case 10-T-0139 - Application of Champlain Power Express, Inc. and CHPE Properties, Inc. for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the Construction, Operation and Maintenance of a High-Voltage Direct Current Circuit from the Canadian Border to New York City, Joint Proposal, (February 24, 2012), p. 53.

absence of any ratepayer financing for the System or for any purchase power agreement that might result in placing further financial burdens upon current and/or future ratepayers. Indeed, the NYECC's support for this JP is conditioned upon that assertion. If it should transpire that the plant can only be funded at ratepayer expense or with financing conditional upon ratepayer financial commitments, the NYECC would withdraw its support for this JP.

The JP states that among the benefits to be derived from the needed delivery of an estimated 7640 gigawatt hours per year of energy are reductions in wholesale electric power prices.<sup>2</sup> Specifically, the JP anticipates substantial reductions in wholesale energy prices to the 2018 test year ranging between \$405 million and \$720 million.<sup>3</sup> NYECC appreciates the effort to introduce additional, competitive, and low-carbon electricity into the constrained New York City area, especially if this additional energy results in the anticipated substantial reductions in wholesale energy prices.

NYECC is pleased to note that the NYISO's System Reliability Impact Study for interconnecting the System at NYPA's 345 kV bus at Astoria shows that the System can be connected to the New York State Bulk Power System without adversely affecting reliability.<sup>4</sup> Based on the language of the JP, NYECC believes that any system upgrades needed and any options to be pursued to prevent an overload of the cable circuits (provided that any upgrades or options pursued are at no ratepayer expense), will have no significant adverse impact on the reliability of the New York State Transmission System, so long as the approval of the NYISO or other applicable authorities is obtained. NYECC's support is conditioned upon the assertions of the JP. If it transpires that such connection is impractical, unworkable, or unfeasible, and no other viable interconnection point can be made, the NYECC would withdraw its support for the JP.

In addition, although the NYISO's 2010 Comprehensive Reliability Plan identifies several risks that could affect the implementation of the reliability plan and future system reliability, some or all of which may not materialize, the facility in this instance should help mitigate the potential adverse impacts that may be associated with these risk factors even though the extent of any such mitigation is not certain at this point.<sup>5</sup> In addition, NYECC has no doubt that delivery of up to 1,000 MW of electricity to the New York City area will enhance system reliability.

Finally, overall system reliability is expected to increase for the reasons set forth in the JP, including the System providing another source into the Con Edison control area, and the highly controllable nature of the System, which enables fast voltage control and the ability to energize at a lower voltage level when required.<sup>6</sup>

Accordingly, the NYECC respectfully requests that the Commission adopt the Joint Proposal in this proceeding as filed.

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<sup>2</sup> Id. at 13.

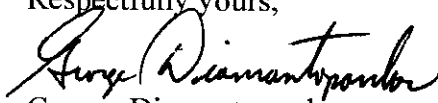
<sup>3</sup> Id. at 59.

<sup>4</sup> Id. at 55.

<sup>5</sup> Id. at 13-14.

<sup>6</sup> Id. at 63.

Respectfully yours,

A handwritten signature in black ink, appearing to read "George Diamantopoulos". The signature is written in a cursive style with a large initial "G".

George Diamantopoulos  
Counsel for the NYECC

cc: Interested Parties