

**COMMENTS OF SHELL ENERGY NORTH AMERICA (US), L.P. AND
SHELL NEW ENERGIES, LLC ADDRESSING
PARTICIPATING NEW ENGLAND STATES
REGIONAL TRANSMISSION INITIATIVE - REQUEST FOR INFORMATION**

Shell Energy North America (US), L.P. has actively participated in the Northeast wholesale electric markets since their inception two decades ago. Through its affiliate, Shell New Energies, LLC, Shell has been awarded contracts by the Commonwealth of Massachusetts and the State of New Jersey to develop large offshore wind (“OSW”) generation facilities in each region utilizing a portion of its interests in leasehold areas in the Atlantic Ocean.¹ In addition, Atlantic Shores Offshore Wind Bight, LLC, a subsidiary of Shell’s Atlantic Shores joint venture, was named a winning bidder in the Bureau of Ocean Energy Management’s (“BOEM”) auction this past spring giving Shell leasehold interests in the New York Bight area in the Atlantic Ocean.² With available leasehold rights secured in both auctions, Shell affiliates are actively exploring the development of additional OSW projects in the Northeast in response to OSW solicitations.

However, the timely, efficient and cost-effective development of the transmission infrastructure necessary to provide reasonable access to the grid to deliver this emissions-free energy is a major obstacle to OSW development. For years, Shell has emphasized that a comprehensive and coordinated network approach is needed to integrate OSW resources and the offshore and onshore components of their respective interconnections to the bulk transmission systems in the Northeast ISOs/RTOs. As the New England States foster the development of

¹ Shell Energy North America (US), L.P. and Shell New Energies, LLC are collectively referred to herein as “Shell.” In Massachusetts, Shell New Energies, LLC, through its 50-50 joint venture Mayflower Wind Energy LLC, is developing an offshore lease area with the potential to generate over 2,400 megawatts (MW). In New Jersey, Shell New Energies, LLC, through its 50-50 joint venture Atlantic Shores Offshore Wind, LLC (“Atlantic Shores”), is developing an offshore lease area with the potential to generate over 3,000 MW. (See <https://www.boem.gov/renewable-energy/state-activities/atlantic-shores> (New Jersey); and <https://www.boem.gov/renewable-energy/state-activities/mayflower-wind> (Massachusetts).)

² Through its Atlantic Shores joint venture alone, Shell has one of the largest U.S. OSW lease area portfolios on the Eastern seaboard comprising 262,404 acres able to site a total of over 4.5 GW of OSW generation.

additional OSW resources, the need to coordinate the interconnection of these facilities is paramount first on a regional basis and, subsequently, as a critical building block for the development of an integrated interregional transmission network. Indeed, absent coordination now, consumers in New England will needlessly be deprived of economic and environmental benefits and the New England States' ability to reach prescribed OSW generation levels will be jeopardized.

With a number of States significantly increasing the size of their OSW programs to address their climate change initiatives over the past few years both in New England and throughout the Northeast, physical space and system configuration issues are quickly becoming insurmountable. The “radial only” approach that could be used to interconnect OSW projects at the inception of these programs is simply no longer viable. Large-scale OSW project development across the Northeast presents unique opportunities to develop regional and interregional transmission infrastructure. Moreover, taking the critical step to ultimately implement an interregional OSW transmission network will not only resolve these threshold issues, it will enable the dispatch of these resources among the Northeast ISO/RTOs to account more effectively for varying regional weather patterns, system conditions and consumer needs thereby delivering additional energy reliability, system resiliency and economic benefits.

Achieving State climate goals as effectively and efficiently as possible requires action now to integrate Northeast OSW projects through a comprehensive and coordinated network system of offshore transmission and related upgrades to the bulk transmission system in each region. Action must be taken -- first in New England and then more expansively on a Northeast basis -- to move beyond the stand-alone transmission approach as implemented initially to the next stage of OSW development.

Shell thus appreciates the initiative that the Participating New England States have taken to confront and resolve these issues head-on and takes this opportunity to respond to the transmission network development inquiries delineated in the Regional Transmission Initiative Notice.³ To efficiently and cost effectively build out OSW generation, Shell respectfully urges the Participating States to proceed on two tracks.

On the first track, the Participating New England States must address near term concerns for developers with BOEM leasehold interests and queue positions by relying on existing means in the region today to facilitate the integration of OSW generation to the grid, including: (1) the New England States Committee on Electricity (“NESCOE”); (2) the FERC Order No. 1000 public policy processes as implemented in the ISO New England, Inc.’s (“ISO-NE”) tariffs; and (3) Regional Greenhouse Gas Initiative, Inc. (“RGGI, Inc.”). The Participating New England States should leverage these mechanisms to: (i) improve regional coordination and integration of OSW projects into the New England grid utilizing ISO-NE tariff mechanisms augmented to effectively address State public policy initiatives; (ii) address the associated substantial costs for network upgrades necessary for their interconnection by devising a viable cost allocation structure thereunder; and (iii) explore ways to more efficiently manage interconnection processes to meet current policy goals. Specific issues that must be addressed include interconnection process and cost allocation considerations.

On the cost allocation front, it is critical for the Participating New England States to develop a methodology utilizing existing tariff mechanisms, augmented as necessary, to allocate the costs of an integrated regional transmission network among the New England States

³ See Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island, *New England Energy Vision*, “Regional Transmission Initiative – Notice of Request for Information and Scoping Meeting” (dated September 1, 2022) (hereinafter, “Participating New England States,” “Regional Transmission Initiative RFI” and “Regional Transmission Initiative Notice,” respectively). By notice, the comment due date was set for October 28, 2022.

commensurate with regional benefits.⁴ NESCOE is an effective vehicle to coordinate this effort for the States and explore ways to utilize existing public policy planning mechanisms to identify projects that support more efficient and timely integration of OSW generation in New England.

With respect to interconnection processes, the Participating New England States should work closely with ISO-NE in the short term to confirm that its interconnection queue rules currently ensure queue projects advance and to consider ways projects may be coordinated outside the cluster process. Guided by the principle of “do no harm” to developers with existing queue positions, ways must be found to coordinate their activities more effectively. Over the long term, the Participating New England States should advance efforts under the first track by supporting implementation of a “first ready, first served” rule to advance projects through the interconnection process more expeditiously. The New England states can show the nation how to advance renewable resource integration by getting their “house in order” and form the critical foundation to advance the second track.

On a separate second track, the Participating New England States should collaborate with each other as well as the States of New York and New Jersey and develop a comprehensive transmission plan to capitalize on interregional opportunities and synergies for the integration of renewable resources in the Northeast.⁵ Specific to OSW development, an integrated,

⁴ As established *infra*, both the New York Public Service Commission (“NYPSC”) and the Federal Energy Regulatory Commission (“FERC”) have approved a structure that will allow the costs of transmission projects that support climate change initiatives to be spread to all consumers statewide in New York. While implemented on a one-State basis, it may be possible to build on this concept and apply it on first a regional ISO/RTO basis and then on an interregional basis among the Northeast ISOs/RTOs.

⁵ On October 26, 2022, the NJBPU advanced a “transmission-first” approach to offshore wind, which it found “will lower costs, reduce the chance of delays in offshore wind projects, and minimize community and environmental impacts” when “undertaken in partnership with its regional grid operator, PJM Interconnection LLC (“PJM”).” New Jersey Board of Public Utilities Docket No. QO20100630, *In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey*, Order on the State Agreement Approach SAA Proposals at 1 (issued October 26, 2022). (hereinafter “NJBPU SAA Transmission Order”), available at: <https://www.nj.gov/bpu/pdf/boardorders/2022/20221026/8A%20ORDER%20State%20Agreement%20Approach.pdf>,

comprehensive network solution is needed, a solution that is cost prohibitive for any one OSW developer (or even a small group of OSW developers) to incorporate in its individual project alone. Shell respectfully recommends that the Participating New England States advocate for the Joint ISO/RTO Planning Committee (“JIPC”) to expeditiously complete a study of potential OSW development utilizing the BOEM leases to provide the Northeast States with options by Spring 2023 to develop an offshore, integrated interregional transmission network to connect OSW projects in a manner that will maximize reliability, system resilience and energy deliverability at the lowest cost to consumers in the Northeast.⁶ Utilizing a combination of their own State solicitation parameters and existing Northeast ISO/RTO tariff provisions, this network should then be implemented expeditiously to ensure consumers in the Northeast reap the benefits of project awards issued in the future that are efficient and cost effective.

I. Background

In 2015, BOEM held an auction to sell leasehold interests in the Atlantic Ocean off the coast of Massachusetts, and separately off the coast of New Jersey, which kick-started OSW development in the Northeast. Recognizing the nascent of OSW technology in the United States, Northeast States implemented specialized OSW programs administered through separate solicitations to augment their existing efforts to address climate change. Since that time, Massachusetts, along with New York and New Jersey, have all announced major OSW project awards.⁷

⁶ The importance of improving the efficiency of the transmission interconnection process for OSW generation is magnified by the cost increases developers are now facing to bring these projects on line.

⁷ Information on the OSW solicitations held in Massachusetts to date are available in the 83C sections here: <https://macleanenergy.com/>.

No State-awarded projects to date have mandated construction of any form of network transmission infrastructure. Instead, each of these projects will utilize a radial connection to interconnect to the bulk transmission system in its respective ISO/RTO.

The viability of this approach both physically and financially over the longer term, however, is now in doubt, as the OSW industry matures given the announced (and likely growing) size of OSW programs in the Northeast.⁸ For example, addressing limitations with interconnecting OSW projects on Cape Cod under the current approach, the Brattle-Anbaric New England Study demonstrates that awarded OSW projects face over \$750 million in upgrade costs and estimates more than double those costs will be incurred in the future as the next 3,600 MW of OSW generation proceed with development and seek to be interconnected in New England.⁹

Nor are these threshold interconnection and energy deliverability issues unique to the New England system. The January 2022 NYPSC Power Grid Study reached similar conclusions, finding significant physical limitations with siting OSW transmission lines through New York City harbors as well as transferring power across Long Island to the rest of New York.¹⁰ Likewise, New York Independent System Operator, Inc. (“NYISO”) system planning and interconnection

⁸ As established by the report recently published by the Business Network for Offshore Wind, growth in offshore wind energy targets in Q3 2022 was unprecedented, led by California’s adoption of a 2045 25 MW goal and increases throughout the Northeast. (See Business Network for Offshore Wind, “U.S. Offshore Wind Quarterly Market Report” (dated October 2022) (noting that New Jersey’s 3.5 GW addition to its OSW program “set[] the bar for other states along the Atlantic Coast to raise their respective targets”).

⁹ The Brattle Group, “Offshore Transmission in New England: The Benefits of a Better-Planned Grid” (dated May 2020) (prepared for Anbaric) available at: https://www.brattle.com/wp-content/uploads/2021/05/18939_offshore_transmission_in_new_england_-the_benefits_of_a_better-planned_grid_brattle.pdf (hereinafter, “Brattle-Anbaric New England Study”) (reporting, “already selected projects connecting to Cape Cod face up to \$787 million in onshore transmission upgrades and continuing this approach in the next procurements could lead to an additional \$1.7 billion in onshore upgrades.”).

¹⁰ See NYPSC Case 20-E-0197, *Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act*, “Initial Power Grid Study Report” (filed January 19, 2021) (hereinafter “January 2022 NYPSC Power Grid Report”) at 60-62. The Power Grid Study was commissioned to identify necessary transmission upgrades to support New York’s renewable energy development efforts.

studies have revealed that staying the current course will result in significant OSW curtailments and massive upgrade costs totaling hundreds of millions of dollars.¹¹

Taking the study results in these two regions together, it is reasonable to expect these problems will only fester in New England if a radial approach is maintained for OSW projects.¹² Indeed, as renewable development is evolving, so, too, are mounting system composition and system condition issues. Specific to OSW build-out, two important recent developments further precipitate the need to ultimately implement an integrated network that spans the Northeast bulk transmission systems. First, a number of States in the Northeast have significantly expanded the size of their OSW programs. For example, Massachusetts increased its OSW program by 1,600 MW, bringing its new total to 5.6 gigawatts (“GW”), while New Jersey just last month established a new OSW goal of 11 GW by 2040, up almost 50% from its previously stated goal of 7.5 GW by 2035.¹³

¹¹ See New York Independent System Operator, Inc., “2021-2040 System & Resource Outlook” (dated September 22, 2022) at 29-30, available at <https://www.nyiso.com/documents/20142/33384099/2021-2040-Outlook-Report.pdf/a6ed272a-bc16-110b-c3f8-0e0910129ade?t=1663848567361>; see also New York Independent System Operator, Inc., “Notice of SDUs Requiring Additional Study” (dated August 18, 2022), available at: <https://www.nyiso.com/documents/20142/1396587/CY2021-Notice-of-SDUs-Requiring-Additional-Study.pdf/7fc0861f-b77c-c60a-3eab-bfc319830b4d> and New York Independent System Operator, Inc., “Class Year 2021 Studies – Additional Deliverability Analysis” (presented at August 18, 2022 Operating Committee meeting), available at https://www.nyiso.com/documents/20142/32821895/04a_CY21%20PreliminaryDIS_Presentation_OC.pdf/4b1a821a-1344-fe77-372a-ff495123811a (identifying estimated costs of over \$900 million for a group of developers including OSW projects to interconnect on Long Island). As discussed below, in response to State public policy driving the need for transmission to support OSW development and the associated significant interconnection issues therewith, the NYISO is currently exploring the issuance of an award under its public policy planning process for transmission upgrades to expand transfer capability across Long Island that could be dovetailed into the joint initiative to structure an interregional transmission network.

¹² As addressed *infra*, flexibility and optionality should also be given to existing awards to ascertain if, and which, transmission integration steps can be taken without materially changing the original economic benefits of each contract.

¹³ See, Ch. 8 of the Acts of 2021, (Massachusetts Session Laws) and Massachusetts 2050 Decarbonization Roadmap, December 2020, available at <https://www.mass.gov/doc/ma-2050-decarbonization-roadmap/download> (hereinafter MA Decarbonization Roadmap); see also Executive Order 307 (September 21, 2022), available at <https://www.nj.gov/infobank/eo/056murphy/pdf/EO-307.pdf>. Taking just Rhode Island, Massachusetts and New Jersey into account, recent actions have increased OSW procurement levels by over 6,000 MW. Notably, the Climate Action Council, the entity charged with developing a Scoping Plan to implement New York’s Climate Leadership and Community Protection Act (“CLCPA”), has suggested that New York will need to substantially expand the build-out

Adding to this dynamic, project development is also being accelerated. States either have solicitations underway or are projected to issue solicitations in Q1 2023 that may lead to additional OSW awards totaling thousands of incremental MW in less than a year. For example, New Jersey has issued a request for information and has indicated it intends to conduct its next OSW solicitation in Q1 2023. Meanwhile, New York is currently conducting its OSW solicitation seeking at least 2 GW and potentially up to approximately 4.6 GW to comply with its 9 GW statutory mandate.¹⁴

Second, BOEM successfully conducted the auction of leasehold interests in the New York Bight area. Taken together with the previously issued BOEM leases, the locations of a substantial number of leasehold interests have been defined, interests that can be used to provide OSW energy in all three Northeast ISO/RTO regions. It is now possible to effectively design some form of an integrated transmission network across the Northeast regions.¹⁵

Moving to an integrated transmission structure to accommodate OSW projects has been the subject of extensive study since the inception of the OSW programs in the Northeast. There is thus a foundation to proceed with an integrated interregional OSW transmission network and actions have begun to be taken. For example, following an extensive study process that began

of OSW resources beyond the 9 GW currently mandated by the statute in order to meet the statutory requirement of an emissions-free electric system by 2040.

¹⁴ See New York State Energy Research and Development Authority, “Purchase of Offshore Wind Renewable Energy Certificates - Request for Proposals ORECRFP22-1” (dated July 27, 2022) (hereinafter, “ORECRFP22-1”), available at https://portal.nyserda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0r8z0000005RE8AAM&_gl=1*1dp3r50*_ga*MTI0NzQ2MTAyNC4xNjU0NTQ3MjIx*_ga_DRYJB34TXH*MTY2Njg4Njk1NC4xNi4xLjE2NjY4ODY5NTguMC4wLjA. Proposals are currently due by January 26, 2023.

¹⁵ See NYPSC Case 18-E-0071, *In the Matter of Offshore Wind Energy*, Order Authorizing Offshore Wind Solicitation in 2020 (issued and effective April 23, 2020); see also NYPSC Case 18-E-0071, *supra*, “Comments of Shell Energy North America (US), L.P. and Shell New Energies, LLC” (dated April 20, 2020) at 15 (highlighting “Renewable Siting Act now arms the Commission with the tools to study, define and implement the capital plans necessary to develop an OSW backbone transmission system and associated land-based infrastructure for future OSW generation projects.”) *Id.*, citing Ch. 58, L. 2020 the Accelerated Renewable Energy Growth and Community Benefit Act.

with New York's inception of its OSW program in 2018, the NYPSC issued an order earlier this year directing NYSERDA to require bidders in future solicitations to propose "mesh ready" projects to ensure optionality in the future given the limited incremental cost and high value proposition.¹⁶

Pertinent here, in its assessment, the NYPSC laid the predicate for both a regional and an interregional integrated OSW transmission network, recognizing that extending a network structure beyond New York to encompass New Jersey and New England facilities would produce system resiliency, economic, efficiency and system operations benefits.¹⁷ NYSERDA thereafter issued its ORECRFP22-1 solicitation expressly including a "meshed ready" design directive as an eligibility requirement to secure an OSW award thereby marking the first step toward interregional integration.¹⁸

II. Comments

A. The Participating New England States Should Consider Options Under the Existing ISO-NE Wholesale Market Structure To More Effectively Advance a Regional OSW Platform and Most Efficiently and Cost Effectively Foster OSW Development Across the Northeast

The nature, size and location of OSW projects provide a unique opportunity for regional collaboration and coordination among the New England States. The ISO-NE tariff provides the vehicle to implement this structure and effectuate the climate change public policy initiatives of the Participating New England States efficiently and cost effectively.

¹⁶ See January 2022 NYPSC Power Grid Order at 9-15 (finding the meshed approach would be the most flexible, would help to mitigate generator tie outages and would allow generators to direct their energy to the point on the system with the highest value while adding limited cost); *see also id.* at 12-13 (noting that further study was necessary to ensure that costs and benefits of meshed network were understood and directing NYSEDA to undertake such study in coordination with DPS Staff).

¹⁷ See January 2022 NYPSC Power Grid Order at 11.

¹⁸ See ORECRFP22-1, Section 2.1.3 at 17-18 ("Each Proposal, including Alternate Proposals, *must* be Meshed Ready in accordance with the specifications noted in Appendix G and utilize HVDC technology." (Emphasis added).

Specifically, from an interconnection study standpoint, it is critical to ensure projects in the queue are advancing (*i.e.*, to eliminate queue “squatting”) to avoid undue delay in confirming the specific interconnection path for each OSW project and its associated costs. Over the longer term, Shell supports the proposal in FERC’s Generator Interconnection NOPR to apply a first-ready, first-served approach and respectfully urges the Participating New England States to advocate for its expeditious implementation to streamline the interconnection process for projects going forward.¹⁹

Along these same lines, ISO-NE’s tariff currently contains a mechanism to develop Public Policy Transmission Upgrades (“PPTUs”) that offers the benefits of an existing platform for default cost allocation, flexibility to adjust a cost allocation methodology and a ready-made framework that can be activated now.²⁰ While the Participating New England States have fairly identified some shortcomings with this process, OSW transmission network solutions are needed at this juncture as it is becoming increasingly challenging for their costs to be borne on a project-by-project basis. The urgency to find solutions to address these OSW transmission network issues therefore dictates considering the avenues available under this mechanism with fresh eyes. For example, in the near term, State input concerning the transmission solutions evaluated under this process could be incorporated more effectively as this process proceeds.

The Participating New England States should thus encourage ISO-NE to explore opportunities under its existing tariff to allow for a more collaborative exchange with the States. For example, given that these projects are being developed to achieve State public policy, a

¹⁹ See FERC Docket No. RM22-14-000, *Notice of Proposed Rulemaking Improvements to Generator Interconnection Procedures and Agreements* (issued June 16, 2022) at P 64 (providing “[a] first-ready, first-served cluster study process is a more efficient way of studying a large interconnection queue because transmission providers can perform larger interconnection studies encompassing numerous proposed generating facilities, rather than separate studies for each individual interconnection customer.”).

²⁰ See, Attachment K, Section 4A.1, ISO-NE Open Access Transmission Tariff (the “OATT”).

memorandum of understanding could be developed between NESCOE and ISO-NE establishing the opportunities for the States to provide input on OSW transmission solutions including, but not limited to: (i) the evaluation and selection of public policy driven transmission projects; (ii) project benefit and cost allocation considerations; (iii) offramps that should be considered to conclude the process when necessary without selecting a project; and (iv) cost savings mechanisms. In addition, a memorandum of understanding could clearly specify the timing for State input in these areas and the process for collaboration on cost allocation.

To further this collaboration, the Participating New England States could simultaneously undertake an assessment of the capability of RGGI, Inc., to serve as a vehicle for OSW transmission funding, coordination, and/or procurement. At a minimum, the Participating New England States could build on the successful RGGI, Inc., platform to facilitate networked transmission development to integrate OSW to meet their decarbonization goals.

By utilizing mechanisms that are already available in the ISO-NE tariffs but more effectively aligning and executing the processes thereunder, the Participating New England States will facilitate OSW development on a regional basis.²¹ This step, in turn, will position the Participating New England States to look beyond New England's borders and work collaboratively with neighboring regions advancing OSW development to secure the benefits of an integrated interregional transmission network.

²¹ Proceeding in this way will also allow the Participating New England States to address onshore grid upgrades to bolster the ability of some of the coastal points of interconnection to accept additional OSW generation.

B. System Developments and Study Results Support Proceeding with New York and New Jersey at this Juncture To Assess Projected OSW Program Facility Development, Identify the Associated Time Line for Project Commercial Operation and Design an Integrated Interregional OSW Transmission Network for the Northeast

In the Regional Transmission Initiative RFI, the Participating New England States canvassed the studies conducted to date and correctly concluded that the extensive renewable energy build-out in New England will drive the need for additional transmission beyond the levels built or under construction at this time.²² Further, correctly noting large scale transmission development “takes many years,” the Participating New England States then posited a series of questions focused on completing this work in a manner that will “maximize the reliability and economic benefits of regional clean energy resources.”²³

Large scale OSW development at the scale needed to meet various State decarbonization and climate change public policy goals will require a transmission network to ensure reliability, reduce operational risk, limit curtailment and manage congestion issues. Importantly, however, the Participating New England States need not start from “square one.” Multiple studies conducted to date already demonstrate that an integrated interregional OSW transmission system should be implemented to support OSW development.

For example, as ISO-NE highlights in its 2021 Economic Study, weather patterns and storms move through the Northeast in sequential fashion and can have staged and predictable impacts on wind and solar production in each of these regions.²⁴ Notably, winter is the peak output period for OSW resources, the period that New England already faces the most significant operating challenges which may well be exacerbated when economy-wide decarbonization

²² See Regional Transmission Initiative RFI at 2-3.

²³ *Id.* at 2, 4-6.

²⁴ See ISO-NE Report at 11.

initiatives indisputably drive higher winter demand in the future.²⁵ As the Massachusetts Decarbonization Roadmap has already shown, increasing interconnections in the Northeast, and notably between New York and New England, produces potential benefits resulting from significant incremental interchange.²⁶

The NYPSC identified similar benefits in its January 2022 NYPSC Power Grid Study. Noting that an interregional network could deliver additional value via export capability and potential cost sharing measures, the NYPSC highlighted there may be “additional benefits in terms of trading opportunities and increased reliability by making available alternative delivery routes through a neighboring system in the event offshore outages should affect the direct transmission links.”²⁷ Critical to the concerns raised by the Participating New England States in their Regional Transmission Initiative RFI, study results demonstrate such benefit would inure at a limited incremental cost that will be recoupable over relatively short payback periods.²⁸

Moreover, while Shell acknowledges that embarking on the development of an interregional transmission network would mark new ground in the United States, the benefits gained and lessons learned from the European Union’s (“EU”) Renewable Energy Strategy can provide important guideposts. As addressed in more detail below, with 22 GW of OSW generation installed over the past two decades which – like in the Northeast, initially relied solely on radial

²⁵ *Id.* at 9.

²⁶ See MA Decarbonization Roadmap at 13; *see also* ISO-NE Report at 25.

²⁷ See January 2022 NYPSC Power Grid Order at 11; *see also id.* (citing a Brattle Group study’s findings of potential production cost savings, improved on shore grid reliability and resiliency, additional ancillary services and capacity from increased transfers within downstate New York regions).

²⁸ See Regional Transmission Initiative RFI at 5 (seeking comments on “ways to minimize adverse impacts to ratepayers”); *see also* January 2022 NYPSC Power Grid Order at 12 (estimating costs of \$120 to \$240 million per link between mesh-ready offshore substations); *see also* NJBPU SAA Transmission Order at 61 (finding full cost of innovative coordinated Larrabee Tri-Collector Project was \$1.08 billion, or \$1.03 per month for the average residential customer).

connections -- the EU has found its Member States fostering OSW development must develop an integrated meshed network to achieve identified OSW generation levels of 60 GW and 300 GW by 2030 and 2050, respectively.²⁹

As is becoming ever more readily apparent from the results of study after study conducted to date, the time for consideration of *whether* to develop a regional transmission network in New England and ultimately an interregional transmission network across the Northeast has clearly passed. Failing to act *now* will not only inefficiently increase costs for consumers, it also risks jeopardizing the development of OSW generation at the levels needed for the Northeast States to achieve their climate goals.³⁰

C. The Participating New England States Should Advocate for JIPC To Expediently Complete the Necessary Studies and Design an Integrated Interregional Transmission Network in Parallel with DOE's OSW Assessments

In its Regional Transmission Initiative RFI, the Participating New England States seek input on how to develop transmission solutions that will maximize the reliability and economic benefits of their renewable energy programs, how to limit ratepayer impacts and, relatedly, how to best access United States Department of Energy (“DOE”) funding to support their efforts.³¹ For the reasons set forth below, Shell respectfully submits that a multi-faceted strategy is required to achieve these ends.

²⁹ European Union, “Offshore Renewable Energy and Grids: An analysis of visions towards 2050 for the Northern seas region and recommendations for upcoming scenario-building exercises” (published February 11 2022) at 32, available at <https://op.europa.eu/en/publication-detail/-/publication/4f032acc-8d45-11ec-8c40-01aa75ed71a1/language-en> (finding development trajectory tended to be lumpy and scaled up programs led to the recognized need for more centralized backbone approaches and shared connections); *see also* Regulation (EU) No. 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (“TEN-E”), available at: <https://eur-lex.europa.eu/eli/reg/2013/347/oj>.

³⁰ Notably, TEN-E amendments took an extensive period of time to be adopted. March 2019 marked the commencement of the negotiations to revise the 2013 TEN-E Regulations, with a goal set for completion by December 31, 2020. The revision was proposed by December 15, 2020; however, the revised regulation was not published until June, 2022. (*See,* https://energy.ec.europa.eu/topics/infrastructure/trans-european-networks-energy_en*.)*

³¹ *See* Regional Transmission Initiative RFI at 4-5.

Shell first wishes to recognize DOE's multi-task approach to comprehensively address Northeast OSW transmission issues. Addressed in seven discrete steps and currently projected to be completed before year end 2023, DOE's work is expected to provide important data points that will assist the Northeast States in addressing these fundamental transmission issues.³²

Time, however, is of the essence. Indeed, the urgency to resolve these issues has only grown since DOE initiated its study work in 2021 and important information concerning the location of New York Bight sites has fallen into place. For example, when Massachusetts increased its OSW procurement levels by roughly 40%, it also accelerated its procurement timeline to 2027. Likewise, in its CES 2.0 Order implementing New York State's CLCPA, the NYPSC directed NYSERDA to complete its OSW solicitations by 2027 to ensure the statutorily mandated 9 GW of OSW resources would be commercially operable by the prescribed 2035 deadline.³³

Thus, while Shell appreciates the DOE's study work is underway and believes it can serve as a catalyst to support project design and federal funding of needed OSW transmission upgrades in the Northeast, widespread State efforts to combat climate change and the resultant substantial reformation of electric systems throughout the Northeast are outpacing this work. Additional efforts are now required to complement the DOE study.

As Shell established in a presentation made in 2021, the individual RTO/ISO regions conduct studies and consider solutions to transmission needs to address their own region's

³² See Greg Brinkman, Department of Energy, "Atlantic Offshore Wind Transmission Study and the Value of Planning" (presented at October 7, 2022 ISO-NE Technical Meeting), available at https://ctdeep.zoom.us/rec/share/OrWaqpzUV40IKUu1BTRX-5w2e_zCsr5dNIZ4VPNx8_veto_Wb54_jw6ypcWCwyAT.vXTJvSyGaB4srhXv.

³³ See NYPSC Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and Clean Energy Standard, Order Adopting Modifications to Clean Energy Standard* (issued and effective October 15, 2020) (hereinafter, "CES 2.0 Order") at 46. As noted *supra*, notably, NYSEDA has specified in its currently pending ORECRFP22-1 solicitation that it may issue incremental project awards up to approximately 4,600 MW in the coming months.

requirements.³⁴ New England can utilize the PPTU in the ISO-NE tariffs to develop a network structure in its own region. The PJM and NYISO tariffs have similar provisions.

Pertinent hereto, New York's third PPR designation, currently pending, is focused on the potential need to build out the Long Island system to accommodate the transfer of large amounts of OSW generation. Likewise, the State Agreement Approach under the PJM tariff currently is being utilized by New Jersey to focus on that State's needs. In fact, earlier this week, the NJBPU issued the NJBPU SAA Transmission Order selecting the Larrabee Tri-Collector Project sponsored by a Shell affiliate, Mid-Atlantic Offshore Development, LLC.³⁵ These region-specific efforts can clearly be used as the building block to support an integrated interregional transmission network system and demonstrate developers can -- and will -- provide cost effective solutions in response thereto.

However, these efforts in each region do not align nor do they look for synergies or more comprehensive opportunities beyond the borders of the respective connecting RTO/ISO system. Proceeding with transmission planning and development on only a parochial, region-centric basis is neither viable over the long term nor sensible in the OSW context. This is particularly the case given the fact that the OSW generation project characteristics uniquely lend themselves to the

³⁴ In response to IPSAC's request for comments on interregional study opportunities following the June 4, 2021 IPSAC meeting, Shell submitted comments establishing the joint development of transmission infrastructure to more efficiently accommodate OSW generation projects in the Northeast as a potential interregional project and urging study completion by Q4 2021. (See Shell Energy North America (US), L.P. and Shell Renewables and Energy Solutions Letter to Inter-Regional Planning Stakeholder Advisory Committee (dated July 2, 2021), available at <https://www.pjm.com/-/media/committees-groups/stakeholder-meetings/ipsac/2021/20210604-ipsac-ny-ne/20210604-item-06-shell-comment-letter.ashx>.)

³⁵ The Larrabee Tri-Collector Solution (LTCS) offshore wind transmission project, jointly proposed by Mid-Atlantic Offshore Development (MAOD) and Jersey Central Power & Light Co. (JCP &L), marks the first use of the SAA approach between the NJBPU and PJM. (See <https://njbiz.com/njbpu-selects-project-to-help-bring-offshore-wind-power-onshore/>; see also <https://www.nj.gov/bpu/newsroom/2022/approved/20221026.html>.) With over 80 projects submitted by 13 developers in this round of the SAA and a successful award, the NJBPU notably directed its staff to begin preliminary steps to support a future SAA procurement.

development of an interregional transmission network that will efficiently and cost effectively deliver OSW generation throughout the Northeast.

Specifically, the BOEM leasehold interests issued to date are situated in areas where OSW facilities that are constructed could provide emission-free energy to all three Northeast ISO/RTOs. At the same time, a number of States in this region are substantially expanding their OSW programs and/or expediting their implementation in a race to secure projects that can utilize these rights.

The combination of these two important recent developments drives the need to proceed with a clear, integrated structure for offshore transmission and associated bulk system upgrades in New England to support OSW development now. Furthermore, these facts and circumstances support extending that structure beyond New England to encompass New York and New Jersey.

Importantly, more effective utilization of existing tools will support the Northeast States in proceeding on an interregional basis. The JIPC is composed of transmission planners from each Northeast ISO/RTO and is utilized, in part, to support requirements emanating from FERC's issuance of Order No. 1000 addressing regional and interregional public policy planning. Meeting biennially with the Interregional Planning System Advisory Committee ("IPSAC"), JIPC's efforts to date have largely centered around providing updated regional system models to ensure consistency in planning study results throughout the Northeast and advising each other when a proposed project in one] region may affect an adjoining region.

However, the scope of its charge can be – indeed, in the OSW context, now must be -- much broader. Working together with the transmission owners in their respective regions, the ISOs/RTOs have an in depth understanding of the vagaries of their systems, uniquely situating them to complement DOE's study efforts. Indeed, FERC directed the RTO/ISOs to coordinate the

results of their regional transmission plans for the express purpose of identifying more efficient or cost-effective interregional opportunities. Utilizing this mechanism both ensures that the engineers and operators with the most “hands on” system knowledge are leading this charge and demonstrates State support of FERC’s focus on fostering interregional transmission development.

The EU experience in building out its OSW systems also provides helpful guidance. Having earmarked development of 300 GW of OSW generation and established a common goal of “carbon neutrality” by 2050, the EU determined that the siloed bulk electric system in each nation was blocking the implementation of hybrid offshore interconnections and must be redressed.³⁶ It thus comprehensively studied the technical hurdles with interconnecting large OSW projects in the North Sea.³⁷ To drive these levels of OSW development, the EU also amended its “TEN-E” regulations, initially adopted in 2013, to define projects of common interest (“PCI”).³⁸

As a result of the TEN-E amendments, the EU Member Systems fast-tracked a project under a new PCI, Project 1.19, jointly being developed by the Netherlands, Germany and Denmark.³⁹ Based on the results of a number of feasibility studies, this EU consortium has

³⁶ See https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en, noting that all 27 EU Member States have committed to climate neutrality by 2050. This commitment was made in April, 2021. Two months later, the European Parliament ratified it, making it a binding accord among the Member States. <https://www.europarl.europa.eu/news/en/press-room/20210621IPR06627/eu-climate-law-meeps-confirm-deal-on-climate-neutrality-by-2050; see also> European Commission, Directorate-General for Energy, Antoine, O., Papangelis, L., Michels Alfaro, S., et al., Technical requirements for connection to HVDC grids in the North Sea, Publications Office, 2020, available at <https://data.europa.eu/doi/10.2833/493628> at 10..

³⁷ *Id.*

³⁸ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (“TEN-E”) available at: <https://eur-lex.europa.eu/eli/reg/2013/347/oj>. Notably, while the EU Member States are standardizing their bulk electric systems for interoperability, gaps in existing code requirements will nevertheless require resolution to connect HVDC cables, the likely infrastructure to link the offshore network to the onshore bulk power system. (*Id.* at 145-147.) In the case of the North Sea Power Hub, the design is still open and therefore could be either DC or AC power at the Hub. (*Id.* at 31.)

³⁹ Project 1.19 is described as “One or more hubs in the North Sea with interconnectors to bordering North Sea countries (Denmark, Germany, Netherlands) [currently known as “North Sea Wind Power Hub”].” (See, <https://northseawindpowerhub.eu/knowledge/towards-the-first-hub-and-spoke-project>.)

determined that the proposed network was technically feasible, more cost effective and could maximize the benefits that may result from further market design changes under review.⁴⁰

Like the EU, the Participating New England States, acting together with New York and New Jersey, are positioned to effectuate an integrated interregional OSW transmission network.⁴¹ The Participating New England States should thus coordinate with New York and New Jersey and jointly advocate for the JIPC to conduct interregional assessments and define transmission options in parallel with the ongoing DOE study effort to complement, and potentially, augment DOE's findings.

D. The Participating New England States Should Implement Carefully Devised HVDC Requirements

In their RFI, the Participating New England States ask a series of questions concerning the installation of HVDC lines for the transfer of energy from OSW facilities, including its costs and benefits, whether the size of such lines should be prescribed (*e.g.*, should 1200 MW, 525 kV lines

⁴⁰ See, <https://www.entsoe.eu/outlooks/offshore-development/>. ENTSO-E, which was established and given legal mandates by the EU's Third Legislative Package for the Internal Energy Market in 2009 now consists of 42 electricity transmission system operators (TOs) from 35 countries across Europe. They have also advocated for an Offshore Bidding Zone, (See Market and Regulatory Issues, October 15, 2020 available at: https://eepublicdownloads.azureedge.net/cleandocuments/Publications/Position%20papers%20and%20reports/2021/entso-e_pp_Offshore_Development_02_Market_Reg_Issues_201014.pdf; see also, https://eepublicdownloads.azureedge.net/cleandocuments/Publications/Position%20papers%20and%20reports/2021/entso_e_pp_Offshore_Development_01_200528.pdf; European Commission, Directorate-General for Energy, Kern, S., Zorn, T., Weichenhain, U., et al., Hybrid projects : How to reduce costs and space of offshore development: North Seas offshore energy clusters study, Publications Office, 2019, <https://data.europa.eu/doi/10.2833/416539> (hereinafter "North Seas Cluster Study") (finding the 25-year lifetime savings would total about 2.5 Bn EUR compared to the reference case as a result of "the elimination of interconnector systems, the installation of electrical equipment on the hub rather than offshore and the provision of operations and maintenance services from the hub rather than from shore.").

⁴¹ See Shell Energy North America (US), L.P. and Shell Renewables and Energy Solutions Letter to Inter-Regional Planning Stakeholder Advisory Committee (dated July 2, 2021), available at <https://www.pjm.com-/media/committees-groups/stakeholder-meetings/ipsac/2021/20210604-ipsac-ny-ne/20210604-item-06-shell-comment-letter.ashx>.) The Natural Resources Defense Council has raised similar concerns. In response, JIPC pointed to the fact that DOE had just initiated its study efforts. However, as established herein, intervening events have further redefined the playing field, precipitating the need for the JIPC to initiate and proceed through parallel efforts with DOE to address these issues. The States are uniquely positioned to advocate for, and encourage, JIPC and their respective "home" ISOs/RTOs to commit the necessary resources to complete this work expeditiously.

be the “preferred standard”) and whether their use will facilitate interregional transmission in the future.⁴² As Shell has established herein, OSW development provides unique opportunities to expand transmission systems effectively and is well-suited to utilize HVDC technology given long distances to onshore landing points. Moreover, since utilizing HVDC technology will align well with New York’s development efforts, its carrying capability should not be prematurely circumscribed.

While it is true that HVAC lines may initially be less expensive to construct, it is well-established that HVAC systems face constraints and loss of value over long distances due to increased losses.⁴³ Given physical space constraints as well as the size of the OSW programs already announced which are projected to grow, it is possible that using HVAC lines will cause the programs to “max out” physically before climate change initiative goals are met.⁴⁴

In contrast, HVDC lines function well in these areas and, for that reason, have been implemented in several interregional projects to date.⁴⁵ Moreover, creating guidelines for the type of HVDC lines to be used can provide stability and support a standardized approach going forward.

Notably, citing space and cost concerns, the NYPSC directed NYSERDA to “require the use of HVDC transmission where appropriate to preserve the maximum efficient use of constrained cable corridors.”⁴⁶ To address concerns about interoperability with meshed networks,

⁴² See Regional Transmission Initiative RFI at 5.

⁴³ For example, the January 2022 NYPSC Power Grid Study confirmed that high voltage AC lines require three times as many cables as transmission using HVDC lines for the same amount of energy. (See January 2022 NYPSC Power Grid Study at 15.)

⁴⁴ *Id.*

⁴⁵ For example, the Neptune Project, developed by Neptune Regional Transmission System, LLC, a 65-mile undersea and underground HVDC transmission line that extends from Sayreville, New Jersey to Nassau County on Long Island, was granted a Certificate of Environmental Compatibility and Public Need by the NYPSC in 2004; the Hudson Transmission Project (HTP), a 660 MW HVDC transmission link between New York City and Ridgefield, New Jersey, was granted a Certificate of Environmental Compatibility and Public Need by the NYPSC in 2011.

⁴⁶ See January 2022 NYPSC Power Grid Order at 16.

the NYPSC further directed NYSERDA “to standardize the radial designs for HVDC and mesh-ready design parameters for all projects, as NYSERDA determines is necessary to the successful implementation of the OSW program.”⁴⁷ Shell appreciates the foresight of the Participating New England States in ensuring HVDC lines are installed that can be used in the future as part of an integrated interregional OSW transmission network and respectfully submits that the Participating New England States can work together with neighboring States and regions to issue similar directives in their OSW procurement processes to ensure consistency.

However, at this juncture in OSW development, Shell would also urge the Participating New England States to refrain from prescribing size limits. Safety and reliable grid operations are at the root of this issue. To the extent that the proposed 1,200 MW level is intended to address single contingency or other related issues, these market design issues should be addressed comprehensively in the ISO-NE stakeholder process. It is also important to note that moving to an integrated interregional OSW transmission network system offers the benefits of additional reliability, system resiliency and energy deliverability. Simply put, the power will have more paths to follow to reach consumers.

Indeed, the economic and environmental benefits that may be secured by adopting a flexible approach to the integration of OSW facilities onto the grid were borne out earlier this week in the announced completion of the first New Jersey State Agreement Approach (“SAA”) process. As reflected there, the Larrabee Tri-Collector Project was selected because it utilized HVDC lines to maximize transfer capability, delivering up to 4,890 MW of OSW energy to a “tri-collector” to be distributed to three existing points of interconnection onshore.⁴⁸ Thus, Shell respectfully

⁴⁷ *Id.* at 17.

⁴⁸ See NJBPU SAA Transmission Order at 2 (finding, “the savings New Jersey ratepayers realize from the selection of these transmission projects are estimated to be over \$900 million. In addition, the scope of the Larrabee Tri-Collector Solution was tailored to maximize federal tax incentives moving forward, preserving an additional \$2.2

submits that the Participating New England States should, at a minimum, forego prescribing size limitations until the design for the integrated interregional OSW transmission network is developed.

E. Cost Allocation Issues and DOE Funding Opportunities Must Also Be Addressed

In the Regional Transmission Initiative RFI, the Participating New England States seek input on cost allocation mechanisms that would prevent cost shifting among States and ask a series of additional questions that appear to be underpinned by “beneficiaries pay” principles.⁴⁹ Relatedly, in light of various grants and other federal funding streams now available, the Participating New England States also seek input on how the region can best position itself to access these funds.⁵⁰ Shell certainly agrees that cost allocation issues must be addressed comprehensively and respectfully submits that the two-track process identified above can be effectively extended to resolve these issues. Shell thus respectfully urges the Participating New England States to work through the PPTU to define a cost allocation structure for an integrated OSW transmission network regionally which can then be used to meaningfully address the cost allocation considerations associated with integrated interregional transmission networks.

billion of ratepayer benefits. The awarded projects also position the State to seek direct federal funding for future expansions of the OSW transmission grid, *including the potential to award a full OSW backbone in connection with the Board’s future OSW solicitations*, and preserves preferable interconnection locations and transmission corridors for future use.”) (emphasis added); *see also id.* at 60.

⁴⁹ See Regional Transmission Initiative RFI at 6.

⁵⁰ *Id.* at 4-5. On the DOE funding front, in addition to the federal funding streams now available, the Participating New England States should stridently advocate for federal funding eligibility for network transmission, specifically in the form of the 30% ITC that is currently only available to Gen-Tie Lines under the Inflation Reduction Act. As the NJBPU just determined in its SAA Transmission Order, being cut off from this federal funding stream disadvantages network transmission solutions. (*See* NJPBU SAA Transmission Order at 45 (finding “a revision to the ITC that enables independently-developed OSW transmission facilities to qualify for this tax credit, and/or additional sources of federal funding, would materially improve the comparative cost-effectiveness of independent transmission solutions.”))

Study results to date demonstrate utilizing an interregional transmission network is expected to be far more cost effective across projects as a whole than repeating the radial only status quo approach for new projects.⁵¹ That fact alone warrants pursuing its development.⁵²

In its Vision Statement issued in 2020, NESCOE concluded that proceeding with a regional transmission planning effort is a multi-step process which must be completed serially to produce effective results.⁵³ In the intervening two-year period, additional information has been developed that provides the opportunity to now meaningfully assess the possible transmission network options and estimate, perhaps at a higher level in some cases, the types and magnitude of costs of these projects and potential savings available to the New England region from pursuing this option.

Moreover, delineating a regional cost allocation process first will not only resolve these issues *within* the region, it is a necessary precursor to effective interregional offshore transmission development. For example, when designing the interregional network, it will also become necessary to consider a series of additional issues to determine whether they may be implicated, including operational control as well as bidding, scheduling and dispatch decisions.⁵⁴ These issues

⁵¹ See January 2022 NYPSC Power Grid Report at 72; *see also* See January 2022 NYPSC Power Grid Order at 11-12, *citing* NYPSC Case 20-E-0197, *supra*, Brattle “NYSERDA Report on Benefit and Cost of Preserving the Option to Create a Meshed Offshore Grid” (filed November 24, 2021). Flexibility and optionality should be given to developers with projects contracted and already under development for a developer to determine on a project-by-project basis whether its respective project can be assimilated into any regional or interregional integrated transmission network solution adopted in the future without materially changing the original economic benefits of its contract.

⁵² See The Business Network for Offshore Wind, “Offshore Wind Policy Briefing: Advancements in Coordinated Transmission Approaches, Brandon Burke and John Dalton” (dated May 12, 2021, available at: <https://online.flippingbook.com/view/71311632/> (noting that a National Grid study assessing options for planned transmission in Great Britain showed that even a five-year delay in transmission planning integration and coordination would deprive consumers of almost half of the savings of the planned transmission project).

⁵³ New England States’ Vision for a Clean, Affordable and Reliable 21st Century Regional Electric Grid (hereinafter, “NESCOE Vision Statement”) (dated October 2020) at 3-4, available at https://nescoe.wpenginepowered.com/wp-content/uploads/2020/10/NESCOE_Vision_Statement_Oct2020.pdf.

⁵⁴ Notably, the Energy Market Regulators and Transmission Owners in the EU member states have conducted numerous studies to consider the cost savings associated with international OSW transmission networks. Recognizing multiple entities would benefit from its implementation and the costs were too significant to be borne by one entity alone, the TEN-E regulations require that “the national regulatory authorities take coordinated decisions on the allocation of investment costs to be borne by each system operator for the project, as well as their inclusion in tariffs”

could bear on interregional cost allocation. Thus, because taking the next step of moving to an interregional approach will trigger the need to allocate costs *among* regions, delineating a regional cost allocation structure first is all the more important.

In addition, given that an interregional transmission project of the scope and nature anticipated by the facts and circumstances specific to OSW projects has not been contemplated since the ISOs/RTOs were formed in the Northeast, viable cost recovery mechanisms must also be identified.⁵⁵ Shell respectfully urges the Participating New England States to take steps now for the JIPC to complete this study effort by Spring 2023 to ensure the cost allocation and recovery issues can be resolved in advance of DOE study completion. By completing this work while DOE's study is pending, the Participating New England States will be best poised to proceed on a regional basis more effectively, ascertain how to assess DOE opportunities later in 2023 as applied both regionally and interregionally, resolve cost allocation and cost recovery considerations and ultimately develop an efficient and cost effective, integrated, interregional OSW transmission network most expeditiously.

taking into account the actual or estimated: (i) congestion rents or other charges; (ii) revenues from the associated compensation mechanism; and (iii) the costs and benefits of the projects in the Member States concerned. (See, [EUR-Lex - 02013R0347-20220428 - EN - EUR-Lex \(europa.eu\)](#) Article 12). Earlier this week, the NJBPU identified similar criteria to evaluate the benefits of proposals offered in the SAA process and selecting the Larrabee Tri-Collector Project. (See NJBPU SAA Transmission Order at 71-72 (finding the solution was the most desirable and represented the best option for New Jersey ratepayers after carefully weighing all potential benefits and risks)).

⁵⁵ Shell would note that, while a case of first impression, precedent is being developed to address projects necessitated by climate change initiatives. For example, earlier this year, both the NYPSC and FERC accepted a proposal submitted by the New York transmission owners to use a rate schedule incorporated in the NYISO tariff for a transmission owner to recover the costs of a project on the distribution system or local system in its service territory from New York customers statewide. (See NYPSC Case 20-E-0197, *supra*, Order Accepting Compliance Filings (issued and effective May 12, 2020); *see also* *Consolidated Edison Company of New York, Inc., et al.*, 180 FERC ¶ 61,106 (2022) (accepting a NYISO rate schedule as the mechanism to implement a statewide cost allocation on a volumetric load ratio share basis for local transmission projects selected by the NYPSC to meet New York State public policy goals subject to subsequent NYPSC and FERC approval of specific costs on a project-by-project basis.) The EU's TEN-E Regulations also include a process to account for “the economic, social and environmental costs and benefits of the projects in the Member States concerned.” (See n. 27 *supra*.)

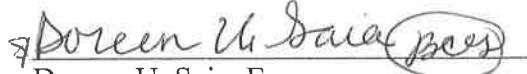
III. Conclusion

For the foregoing reasons, Shell urges the Participating New England States to: (i) address the transmission study and cost allocation issues associated with developing an offshore regional transmission network to support OSW development in New England in the first instance; and (ii) collaborate with New York and New Jersey and jointly advocate for the JIPC to complete studies and develop options and cost allocation mechanisms by Spring 2023 for an integrated interregional transmission network to ultimately be implemented for OSW projects in the three ISOs/RTOs to efficiently and more cost effectively deliver emissions-free energy to consumers throughout the Northeast.

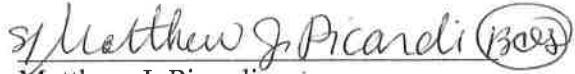
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