Clean Energy Transmission Working Group
Friday, November 17, 2023
9:00 am – 11:00am
Via zoom: **click here to join meeting**
Meeting agenda and notice

William Zipf, Vice President of Development, JERA Americas
Oral Comments on Surplus Interconnection Service Opportunities

Good morning, I'm Will Zipf, Vice President of Development at JERA Americas, the subsidiary of a large, international energy company based in Japan and the owner of the Canal Generating Station in Sandwich, Mass., a facility JERA acquired last year.

Thank you Chairpersons Marshall and Van Nostrand for the opportunity to offer comments to the Working Group. I'd also like to thank Representative Roy and Senator Barrett for their leadership on this topic.

I'd like to focus on the simple idea that sharing existing resources is a cheaper option than building new resources.

Further, the low-cost benefits of shared resources should be included, not prohibited, in future RFPs for offshore wind and any other clean energy procurement by the Commonwealth of Massachusetts.

One example of fully utilizing existing resources ("Sharing") is the Surplus Interconnection Service, or SIS.

SIS is a policy of deploying under-utilized existing infrastructure in connecting renewable energy to the grid.

ISO-NE and FERC have permitted SIS.

However, it has not been adopted by Massachusetts energy regulators, although the Massachusetts Department of Public Utilities recently stated that the concept had promise and should be explored.

SIS recognizes the importance of legacy infrastructure in playing a role in facilitating clean energy. It's a concept that is more timely than ever, as the escalating costs of building new interconnection transmission makes deploying existing infrastructure extremely compelling.

As the economics of offshore wind forces developers to cancel contracts throughout the Northeast and has raised questions about the economic viability of offshore wind, legacy sites present an important opportunity to be efficiently repurposed for the new era of clean energy.

It's the story behind Brayton Point and the Rise/Ravenswood project in New York.

Both projects look to reduce costs by utilizing existing substation and system infrastructure and siting. Unlike with SIS, however, neither of these assets will be operational when the wind generation comes online. In contrast, SIS provides a reliability advantage to the system as the asset is still available to provide firm power when wind is unavailable.

Unfortunately, the current language used in the Massachusetts RFPs, and across other NE States, discourages the practice of fully utilizing existing resources ("sharing"), by requiring new resource to provide incremental capacity in accordance with the Capacity Capability Interconnection Standard (CCIS).

After analyzing interconnection cost increases, based on numbers published by Berkley Labs, we estimate that a 1200MW offshore wind project could save as much as $500 million in project costs if it could find a site with an existing interconnection.

With SIS, there would be no need for costly additional system upgrades, because shared interconnection means existing capacity is fully utilized.

SIS sites also have the benefit of shortening the regulatory process by avoiding the ‘in-the-queue’ process that would require lengthy analysis.

Plants, like the one we own at Canal, which serves as a peaker plant to support the grid and whose interconnection capacity of approximately 1,200 megawatts is idle 99 percent of the time, is a perfect candidate for SIS.

As we have written in comments to the DPU, SIS offers a cost-effective option to connect offshore wind energy to the grid.

Our suggestion is that the Working Group recommend that RFPs for both renewable and other clean power solutions remove the requirement that the new resource provide incremental capacity in accordance CCIS Standards.

This would expand all RFPs to allow for solutions like surplus interconnection service to compete with other options.

JERA’s vision for the markets where we participate is both one of increased renewables and increased reliability.

We look forward to continuing to bring innovative solutions to the challenges of meeting the Commonwealth’s clean energy goals.

Thank you for the opportunity to offer our perspective.