New York's Transmission Reform in a Shifting Federal Energy Landscape

By Michael Hannaman and Meg Holden

Recent federal rollbacks of renewable energy tax credits and wind project approvals have slowed renewable energy development nationwide. Yet even before these changes, one of the most persistent constraints on renewable energy deployment has been transmission. In the current federal landscape, transmission reform is a powerful tool for advancing renewable energy, and states are positioned to take the lead. New York offers a compelling example. Through the RAPID Act, New York is consolidating and accelerating siting for major electric transmission facilities. At the same time, New York is taking other steps to optimize the grid. Efforts to reform transmission position New York to make meaningful progress toward its climate goals even in the face of diminished federal incentives.

Federal Energy Policy Developments

Since returning to office in 2025, President Trump has initiated sweeping changes to federal renewable energy policy. On January 20, he issued a Presidential Memorandum temporarily withdrawing all areas of the Outer Continental Shelf from offshore wind leasing and directing agencies to pause issuance of new or renewed federal approvals, rights-of-way, permits, leases, or loans for onshore and offshore wind projects pending a comprehensive review of federal wind leasing and permitting practices.[1] The administration has also moved to scale back clean-energy tax incentives. On July 4, the President signed the One Big Beautiful Bill Act, which accelerates termination of the technology neutral § 45Y Production Tax Credit and § 48E Investment Tax Credit for wind and solar, while preserving credits for other zero emissions technologies on different phasedown schedules, and curtailing several EV and residential credits.[2]

Fossil fuel development, however, has received explicit support. On January 20, the President declared a "National Energy Emergency" and directed various actions be taken to address that emergency, including expanding domestic extraction and reorienting federal energy policy.[3] On March 12, the EPA launched the "greatest and most consequential day of deregulation in U.S. history," and announced the reconsideration of multiple environmental regulations, including those on power plants, oil and gas, and greenhouse gas emissions.[4] An April 8 executive order entitled "Protecting American Energy from State Overreach" directed federal agencies and DOJ to identify and stop the enforcement of state laws the Administration deems burdensome to domestic energy production.[5] Collectively, these moves reshape federal policy and introduce material uncertainty for clean energy developers and state planners, elevating the importance of state-controlled planning and siting processes.

New York's Transmission Needs

Against this new federal landscape, New York's ambitious climate goals remain. New York's Climate Leadership and Community Protection Act of 2019 (CLCPA) mandates that 70% of the state's electricity be generated from renewables by 2030 and that the state's electricity be zero-emission by 2040.[6] At the same time, demand for electricity is anticipated to increase significantly statewide in the coming decade, driven both by building and vehicle electrification and the interconnection of new large loads to the grid.[7] Achieving the CLCPA targets while ensuring grid reliability will require both adding renewable generation and creating a transmission system capable of delivering that generation to load. However, much of the grid infrastructure in the United

States is aging and in need of a fundamental overhaul. Nationally, the average age of transmission lines is 40 years, with a quarter of lines over 50 years old, which poses a significant risk to reliability.[8] In New York, 60 to 95% of the transmission structures serving some utilities in Upstate New York and the Hudson Valley are over 70 years old.[9] In addition, the transmission system was designed for large, centralized power sources such as coal plants, located near urban areas where power is used.[10] However, utility-scale renewable energy projects must be sited where their associated natural resources are abundant and therefore cannot necessarily be proximate to population centers.

Aging transmission lines and a lack of sufficient infrastructure have increased the time it takes for a renewable project to connect to the grid. Total renewable generation and storage capacity in interconnection queues is growing year after year, with solar and battery storage representing the fastest growing resources.[11] Yet, interconnection wait times are on the rise.[12] Nationally, the typical duration from connection request to commercial operation increased from less than two years for projects built in 2000–2007 to over four years for those built in 2018–2023 (with a median of five years for projects built in 2023).[13]

The state's existing transmission lines have insufficient capacity to connect upstate regions where electricity is generated to downstate regions where demand is concentrated.[14] There are many areas in the state suitable for renewable projects that have no access to transmission, and therefore much of New York's renewable generation potential is yet to be unlocked.

Developments in New York's Transmission Planning

New York initiated legislative and regulatory steps to accelerate transmission planning well before the current presidential administration. In 2020, the New York State Legislature enacted the Accelerated Renewable Energy Growth & Community Benefit (or "Accelerated Renewables") Act,[15] which created the Office of Renewable Energy Siting (ORES) within the Department of State (DOS). The Accelerated Renewables Act tasked ORES with streamlining the environmental review and permitting processes for major renewable energy facilities, defined as facilities with a nameplate generating capacity of 25 MW or more, including co-located energy storage systems and transmission facilities of less than 10 miles connecting such facilities to the state's bulk electric transmission system.[16] Four years later, the state Legislature took further action to streamline the development of renewable energy by enacting the Renewable Action through Project Interconnection and Deployment (or "RAPID") Act.[17] The RAPID Act transferred ORES from the DOS to the New York Department of Public Service (DPS), tasked ORES with the review and permitting of major electric transmission facilities (METs), and created a new permitting process for METs under Article VIII of the Public Service Law.[18] The RAPID Act also required ORES to, within one year, establish "a set of uniform standards and conditions for the siting, design, construction, and operation" of METs and promulgate regulations for implementing a siting permit program.[19]

ORES promulgated proposed regulations in December 2024 to implement a new siting permit program for METs.[20] At the time of this writing, ORES is revising these proposed regulations in response to significant public comments. These proposed regulations reflect an effort to streamline and expedite the review and permitting process for METs. For example, the proposed regulations would require ORES to make a completeness determination within 120 days of receiving an application for an MET, and to issue a final determination on the application (i.e., a permit or a denial) within one year of the completeness determination.[21] The RAPID Act and draft regulations also allow ORES to elect not to apply any otherwise applicable local law or ordinance if it finds that, as applied to the facility, such law or ordinance "is unreasonably burdensome in view of the CLCPA targets and the environmental benefits of and the public need for the proposed facility."[22] Developers must, however, undertake significant and potentially time-intensive upfront planning before submitting an application, including either obtaining, or demonstrating that the project will obtain, site control over any property within the MET's proposed right of way.[23]

ORES's proposed regulations also provide for enhanced public input in the siting process. At least six months before filing an application, developers of METs would need to engage host municipalities and community members in an alternative route scoping process, and respond to any "reasonable alternative routes" that are proposed.[24] Additionally, developers would be required to conduct pre-application consultations with host communities – including municipalities, indigenous nations, and disadvantaged communities – regarding the proposed transmission project and its anticipated impacts.[25]

While the RAPID Act streamlines the siting and permitting of transmission infrastructure, it addresses only part of the challenge. Transmission planning – determining which lines are needed, where they should be built, and how they support broader policy goals – is equally critical. That responsibility falls largely to the New York Independent System Operator (NYISO), which engages in comprehensive system planning encompassing reliability, economic, and public policy transmission planning. Of particular relevance here, NYISO's Public Policy Transmission Planning Process (PPTPP) helps NYISO identify and advance transmission projects aligned with state policy objectives.

The PPTPP begins by NYISO soliciting interested parties to submit proposed public policy goals to the PSC.[26] Once the PSC has identified a Public Policy Transmission Need (PPTN), NYISO then conducts an open solicitation to address the need, assessing proposals for viability and sufficiency, and selects the transmission solutions that best meet that need.[27] Selection under this process does not, however, confer siting authority; developers must still obtain permits.

The PPTPP is currently in the 2024–2025 cycle. On August 22, 2024, NYISO invited stakeholders to submit proposed transmission needs driven by public policy requirements. By November 14, 2024, NYISO had filed 17 such proposals with the PSC. These proposals reflect the growing need to expand transmission capacity in support of the CLCPA and the Accelerated Renewables Act. NYISO's submission to the PSC highlights two key transmission needs: (1) to utilize the existing transmission assets on the Central East interface through additional dynamic reactive power support and (2) to deliver renewable energy from upstate renewable generation pockets in northern and western New York across the state.[28] The PSC is tasked with evaluating these proposals and identifying whether any qualify as PPTNs for which specific transmission solutions should be requested and evaluated by NYISO. Although the PSC has not yet formally identified a PPTN for this cycle, doing so would mark an important step forward toward achieving New York's climate targets.[29]

While the PPTPP helps identify long-term transmission needs aligned with state goals, NYISO is also addressing more immediate challenges that affect renewable deployment—namely, the backlog in interconnection queues. In response to federal reforms under FERC Order No. 2023, NYISO has undertaken a significant overhaul of its interconnection procedures to address interconnection queue backlogs, improve certainty, and better accommodate new technologies.[30]

New York has also advanced broader transmission planning initiatives through legislation and regulatory directives. The Accelerated Renewables Act created the State Power Grid Study and Investment Program to identify investments in distribution, local, and bulk transmission necessary to meet New York's CLCPA goals. The PSC also directed utilities to develop a Coordinated Grid Planning Process (CGPP) as a mechanism for statewide, long-term transmission planning. The first cycle of the CGPP is slated to conclude at the end of 2025, which will produce proposals to the PSC for transmission and distribution upgrades necessary to address the state's needs through 2035.[31] Finally, New York's engagement in interregional transmission planning offers the potential to improve system reliability and remove inefficiencies.[32]

In addition to regulatory reforms and planning, New York can adopt a range of operational strategies to further improve transmission efficiency. These strategies, along with others, complement the RAPID Act and NYISO's planning by maximizing the value of current infrastructure and accelerating progress toward CLCPA targets, even in the absence of federal support. Much can be done to accommodate increased electricity demand in the existing system, including expanding participation of distributed and demand-side resources and offering customers rate options that incentivize patterns of electricity usage that alleviate stress on the grid during peak demand. Another route is to broaden deployment of grid-enhancing technologies, such as dynamic line ratings, advanced power flow control, and topology optimization, which can increase capacity on existing lines without requiring new construction.[33] Utilities can also upsize existing transmission infrastructure; the refurbishment of aging transmission lines could provide an opportunity to do so at low incremental cost.[34] While this article does not attempt to catalog every available strategy, these best practices illustrate some of the opportunities available to advance grid transformation and unlock renewable generation potential.

Looking Ahead

While transmission reform is an important component of meeting New York's climate goals, and offers a pathway for state progress amid federal retrenchment, this alone cannot guarantee success. Federal energy and tariff policies under the Trump administration have erected political and economic roadblocks to the development of renewable energy projects, particularly for the offshore wind industry. Further, to achieve the CLCPA's goal of a zero-emissions electric grid by 2040, identification and approval of the requisite transmission facilities must occur before 2030 – within the next five years.[35] This will require an extraordinary degree of collaboration and coordination between state entities, regional planning boards, utilities, and transmission facility developers. Economic pressures are also a bottleneck to transmission buildout. High interest rates, supply chain disruptions, and workforce shortages contribute to high costs and protracted timelines for transmission development. According to the Energy Planning Board, supply chain delays and workforce shortages are stalling grid upgrades and threatening reliability.[36] While New York's experience demonstrates that state-level action can help offset the federal retreat from renewables, achieving a zero-emissions grid on schedule will require an urgent, vigorous and coordinated effort across multiple levels of government and industry.

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Endnotes

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