UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION
Docket No. RM02-1-000

COMMENTS OF THE
NORTHEAST POWER COORDINATING COUNCIL


I. INTRODUCTION

On April 24, 2002, the Commission published a NOPR on Standardizing Generator Interconnection Agreements and Procedures and invited comments by industry participants. The NOPR proposes to amend the Commission’s regulations to require public utilities to file the standardized interconnection agreement and procedures described in the attachment to the NOPR and to take and provide interconnection service under them.

NPCC commented on the Advance Notice of Proposed Rulemaking on Standardizing Generator Interconnection Agreements and Procedures ("ANOPR")² and participated in the in the Commission process that lead to the issuance of this NOPR.


² See Comments of the Northeast Power Coordinating Council, Docket No. RM02-1-000, Standardizing Generator Interconnection Agreements and Procedures (February 1, 2002) (“February Comments”). To the extent that NPCC’s comments to the ANOPR were not directly addressed in the NOPR, we hereby incorporate those comments by reference.
As a Regional Reliability Council (“RRC”), NPCC’s comments specifically focus on the reliability aspects of the NOPR and the proposed standardized NOPR I.A. and NOPR I.P. NPCC’s Members may also provide additional comments on the remaining aspects of the NOPR, as appropriate.

II. BACKGROUND

NPCC is the RRC responsible for assuring the reliability of the bulk power system in the Northeastern United States and Eastern Canada. Reliability is assured through the establishment of reliability criteria; coordination of system design and operations; and, assessment and enforcement of compliance with such reliability criteria. As an RRC, NPCC is represented in the governance structure of the North American Electric Reliability Council (“NERC”).

NPCC is a voluntary, non-profit organization. Membership is available to all entities that participate in the interconnected electricity market in Northeastern North America. The NPCC Membership Agreement provides for open, inclusive membership and fair and non-discriminatory governance with NPCC’s activities directed by a balanced stakeholder Executive Committee. The NPCC Membership Agreement also allows for non-voting membership to be extended to regulatory agencies with jurisdiction over participants in the electricity market in Northeastern North America. It also extends

3 NPCC’s international membership is comprised of electric utilities, transmission providers, independent generators, power marketers, transmission customers, Independent System Operators (ISOs), an Independent Electricity Market Operator (IMO), a statewide sub regional reliability council, and provincial and state regulatory authorities. Each member is a signatory to the Council’s Membership Agreement, which defines the membership requirements and obligations, and is consistent with the latest changes affecting the electric industry structure. The geographic area of NPCC totals one million square miles and includes New York State, the six New England states, Ontario, Quebec and the Maritime Provinces. The total population served is approximately 56 million people. From an electric load perspective, 20% of the Eastern Interconnection load is served within NPCC. For Canadian electricity requirements, 70% of the country's load is located within the NPCC Region. A list of NPCC’s members can be found at http://www.npcc.org/members.htm.
membership to public interest organizations expressing interest in the reliability of electric service in Northeastern North America.

III. EXECUTIVE SUMMARY

NPCC continues to support the Commission’s initiative in creating a standardized generator interconnection agreement and procedures. In our February Comments on the ANOPR, we identified several provisions in the Consensus Interconnection Agreement and Procedures that affect interconnection reliability and are of primary concern to NPCC. These provision are: the need for conformance with established reliability best-practices; continuation of the regional council’s role in the review of impact studies affecting multiple control areas; inclusion of merchant transmission projects in the standardized interconnection process, and finally the involvement of non-jurisdictional parties in the interconnection process.

The NOPR I.A. and I.P. sufficiently address NPCC’s concern that the applicable reliability standards are adhered to both during the interconnection evaluation process and during operation after successful interconnection. Furthermore, the NOPR I.A. and I.P. encouraged non-jurisdictional entities to adopt the standard I.A. and I.P. to the extent possible. However, several essential areas of NPCC’s comments are not addressed in the NOPR. These are: the inclusion of RRC approval, when applicable, in the interconnection permit acquisition process; providing that RRC criteria is controlling in cases of duplication or inconsistencies with other standards; and the inclusion of merchant transmission projects in the standardized interconnection process. NPCC believes these issues to be essential to maintaining a reliable interconnection and should be included in the NOPR I.A. and NOPR I.P.

IV. COMMENTS ON THE NOPR I.A. and I.P.

Several areas of the NOPR I.A. and I.P. are of primary importance to NPCC since they directly affect the reliability of the interconnected systems within Northeastern
North America. Furthermore, in addition to the comments provided below, NPCC incorporates by reference herein those February Comments that were not directly addressed in the NOPR.

A. Regional Reliability Councils Must Continue to be an Integral Part of the Interconnection Review Process

The NOPR I.A. and I.P. should describe the integral role an RRC plays in interconnection evaluation. As we emphasized in our February comments,\(^4\) NPCC is an integral part of the interconnection review process in Northeastern North America. Unlike studies conducted by individual ISOs or Transmission Owners, the investigations conducted by the NPCC examine the affect of adding the aggregate of new projects on a wide-area, interregional and international basis. This broader perspective can and has identified potential operating concerns for the interconnecting facility to address and mitigate.

In the NOPR, the Commission stated its concern about added sequential reviews and their effect on generation projects.\(^5\) NPCC shares this concern. However, in the case of regional reliability reviews, there will be no added delay or added barrier to entry since in most cases, much of the review process can be conducted in parallel to the interconnection assessments performed by the Transmission Provider.

Recognizing the essential and unique role NPCC plays in the reliability review of its member’s interconnection process, any final rule must recognize the Regional Reliability Council’s essential role in the interconnection review process.

\(^4\) See February Comments at 5-7. Our February Comments detail the degree of coordination and review provided by NPCC for its members with respect to generator interconnection evaluation.

\(^5\) NOPR at 34,177.
B. Adherence to Regional Reliability Council Criteria is Critical

While the Commission recognized that adherence to RRC criteria is necessary, as evidenced through the definition of Applicable Standards in the NOPR I.A.\(^6\) and reference to adherence to these Applicable Standards in many provisions of the NOPR I.A., the Commission appears to have overlooked several comments offered by NPCC.

First, in Section 12.2 of the NOPR I.P., Construction of Transmission Provider Interconnection Facilities and Network Upgrades - Permits, RRC approval, where applicable, should be included in the interconnection permit acquisition process. RRC review and approval will reduce the chances that a project having adverse inter-area reliability affects is placed in service without a remedy. Moreover, the RRC will provide the process for joint coordination of the remedy.

Second, under Article 9 of the NOPR I.A., Operations, there should be a provision stating that RRC criteria, guides, and procedures are controlling in the case of duplication or where inconsistencies with other standards arise, unless more stringent local reliability rules apply. Exclusion of this provision appears to be an oversight since Article 7 of the I.A., Metering, contains this very language.

Finally, NPCC is concerned about the position taken in the NOPR pertaining to the recognition of regional differences. The NOPR states that an approach similar to that taken in Order No. 888 will be adopted for evaluating proposed deviations from the standard documents for regional differences.\(^7\) As stated in NPCC’s February

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\(^6\) See NOPR I.A. § 1.6, Definition of “Applicable Standards.”

\(^7\) See NOPR at 34,178.
Comments,\(^8\) existing reliability best practices should not be cast aside unnecessarily for the sake of achieving uniformity. Regional differences in reliability practices address the specific physical, operational and geographic characteristics of the electrical infrastructure of a particular region. As such, when the Commission considers regional variations in the parties’ compliance filings, deference should be given to documented regional and local variations that currently exist.

C. Standardized Interconnection Procedures Needed for Merchant Transmission Projects

In our February Comments, we urged the Commission to consider broadening the scope of its rulemaking to include transmission projects with inter-area impacts in the standardized interconnection procedures.\(^9\) Simply accounting for transmission projects in the interconnection study base cases, as stated in section 2.3 of the NOPR I.P., fails to guarantee the needed level of study coordination between proposed merchant transmission projects and proposed generation interconnection projects that is needed to maintain a reliable system. In some cases, merchant transmission projects pose a great potential for wide-area impact and should be included in the Standardized Interconnection Process. RRCs are uniquely situated to provide the study oversight needed to evaluate the wide-area effects such projects may have.

\(^8\) See February Comments at 7-8.

\(^9\) See February Comments at 11-12.
V. CONCLUSION

For the foregoing reasons, NPCC respectfully requests that the Commission consider adopting the recommendations proposed by NPCC in its final rule and provide for interconnection procedures that recognize and continue to promote the important and necessary role that the RRCs play in the generator interconnection review process.

Respectfully submitted,

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Dated: June 17, 2002