UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Northeast Power Coordinating Council ) Docket No. ER99-1957-000
Central Hudson Gas & Electric Corporation ) Docket No. ER99-1973-000
Consolidated Edison Co. of New York, Inc. )
LIPA )
New York State Electric & Gas Corporation )
Orange and Rockland Utilities, Inc. )
Rochester Gas and Electric Corporation )
Power Authority of the State of New York )
New York Power Pool )

Allegheny Power Service Corporation ) Docket No. ER99-2002-000
on behalf of )
Monongahela Power Company )
The Potomac Edison Company )
West Penn Power Company )

The Detroit Edison Company ) Docket No. ER99-2014-000
Consumers Energy Company )

Not Consolidated

MOTION TO REQUEST WAIVER TO FILE ANSWER TO PROTESTS
AND ANSWER

The Northeast Power Coordinating Council (“NPCC”) on behalf of the Member Systems of the New York Power Pool and joined by Allegheny Energy, Inc., Consumers Energy Co., and the Detroit Edison Company, and with the support of Ontario Central Market Operations (hereinafter “Joint Supporters”) hereby file a request to answer the protests of Electric Clearinghouse, Inc. (ECI) and Enron Power Marketing, Inc. (“EPMI”) to the Lake Erie Emergency Redispatch (“LEER”) procedure filed by Joint Supporters in this proceeding. The Joint Supporters request waiver of the Commission’s Rule 213, 18 C.F.R. § 385.213, in order to correct material misstatements of fact contained in the protests and in order to provide a more accurate record for the Commission to act upon in this proceeding. ¹

I. Response to Protest of Electric Clearinghouse, Inc. (ECI)

ECI’s Protest indicates that it has a number of concerns about the LEER procedure and that it seeks more information as to how the LEER procedure fits with the Redispatch Pilot proposal submitted by NERC in Docket No. ER99-2012-000. Additionally, ECI states that it is unclear how a marketer delivering power to a participating utility would be able to protect its transactions under the LEER procedure. The Joint Supporters provide the following additional information to clarify these points.

A. LEER Procedure’s Interaction with NERC Redispatch Pilot

The transmittal letter states that “LEER is a form of system redispatch as opposed to a market redispatch procedure and it would complement proposed market redispatch procedures” (Transmittal Letter at p. 3). LEER specifies that where it conflicts with NERC Operating Policy 9 or FERC filed tariffs, those arrangements will be followed instead of the LEER procedure. The LEER procedure was signed by the majority of its current participants in October of 1998 and therefore predates, but is consistent with and supportive of the NERC Market Redispatch Pilot (MRP).

As a form of system redispatch, LEER will serve to complement the proposed NERC market redispatch pilot program and provide an additional tool that system operators may invoke as a coordinate means of relieving transmission congestion to avoid the curtailment of firm load. The NERC MRP is intended to provide protection, through redispatch, to those transactions whose owners have purchased this option based on economic considerations. The LEER procedure would provide an alternative to TLR in circumstances where a pre-arranged redispatch option has not been established by the market segment. The NERC Pilot only applies to fourteen flow gates in the Eastern Interconnection as identified by the NERC Congestion Management Working Group. The LEER procedure will provide protection to transactions serving firm load for all flow gates in the Lake Erie Region.

B. All Market Participants Benefit From and Receive Comparable Treatment Under LEER Procedures

The LEER procedure states that “[r]e-dispatch service shall be available to any participants within the Lake Erie Control Areas relying on interconnection transactions to meet firm load.” The LEER participants are the signatories to the LEER procedure. Those signatories have an obligation to make every effort possible to ensure the continuity of electric supply. They also are required to operate in a nondiscriminatory manner towards all market participants. The current LEER procedure has been developed with the assistance of market segment representatives. Involvement by all market segments wishing to be parties to the Lake Erie Security Process (LESP) in future plans to develop and extend the LESP procedures is welcome.

The comparability of treatment is illustrated by the following example that depicts how marketers will share equally in the benefits of the implementation of the LEER procedure by the protection of their transactions which are necessary to meet firm load. For example, the Dependent System (“System A”), finds itself reliant on non-firm interchange transactions provided
by marketers to ensure adequate capacity to meet the firm load commitment in its area. Assume a TLR event is initiated to relieve a constraint on System B, the Constrained System. Via the LEER communication process, System B will be made aware of System A’s dependency on these transactions to supply firm load. Under the LEER procedure, transactions that are required to serve firm load may be protected irrespective of the nature of the supplier. In the absence of the LEER procedure these transactions would be curtailed to relieve the system constraint, resulting in the loss of firm load. Under LEER, the marketers’ transactions may be protected also, provided that the entities involved in the transaction desire such protection and agree to share in the compensation required to bring about the necessary redispatch. As a result of being protected under the LEER procedure, all protected transactions will be assessed the economic costs of providing redispatch after the fact.

Dependency of a Control Area’s transactions is determined by the affected Control Area via the normal utility practice of daily supply/demand operational planning, which includes (import) transactions, by all parties. Therefore, transactions arranged by the marketing segment are included. Marketing segment representatives are not included in the conference call necessary to identify potential transmission constraints and transaction dependency owing to the commercially sensitive nature of the information.

II. Response to Protest of Enron Power Marketing, Inc. (EPMI)

EPMI’s protest claims that the LEER procedure is discriminatory because it does not protect all entities whose transmission service is threatened with curtailment. In addition to the discussion above, the Joint Supporters provide the following response to correct this misstatement of fact.

A. LEER is Non-Discriminatory Because it Protects all Firm Load, Regardless of the Entity Selling the Power to the Load.

The LEER Procedure is an emergency procedure and by definition is designed to provide a tool to avoid the need to shed firm load that might otherwise result from implementation of the NERC TLR procedures. The identity of the entity supplying the firm load through its transaction is irrelevant.

The LEER procedure was designed in 1998 as an emergency procedure so that the existing tariffs of the participants would readily allow implementation. The LEER participants filed the LEER procedure in keeping with FERC’s directive to file a procedure for implementation in summer of 1999. A more comprehensive procedure addressing redispatch of generation for off-system constraints will require participants to develop and file amendments to their tariffs to accommodate this type of redispatch. The process of developing and filing such amendments will make implementation of this type of redispatch procedure impossible before summer 1999.
B. LEER Protects All Firm Load with Redispatch

As an emergency procedure, the application of the LEER procedure is intended to protect those non-firm transactions required to serve any firm load whether it is served by a transaction of an unaffiliated marketer, a marketer affiliated with a transmission provider, or a traditional utility. The LEER procedure is intended to be a step toward broadening the use of redispatch to reduce the need to implement TLR procedures.

Respectfully submitted,

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