

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England, Inc. and
New England Power Pool

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Docket No. ER12-729-000

MOTION TO INTERVENE and COMMENTS of the
NEW ENGLAND STATES COMMITTEE ON ELECTRICITY

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”) and the Commission’s January 3, 2012 Combined Notice of Filings, the New England States Committee on Electricity (“NESCOE”) hereby submits this motion to intervene and comments.

I. COMMUNICATIONS

The names, titles, and offices of the persons to whom correspondence in regard to this proceeding should be addressed are as follows:

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II. MOTION TO INTERVENE

NESCOE is the Regional State Committee for the New England region. NESCOE is governed by a board of managers appointed by the Governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. It is funded through a regional tariff administered by ISO New England, Inc. (“ISO-NE”).¹ NESCOE’s purpose is to represent the interests of the New England citizens by advancing policies that will provide electricity at the lowest possible price over the long term, consistent with maintaining reliable service and environmental quality.

In the instant proceeding, ISO-NE asks the Commission to accept proposed rates, terms, and conditions governing the compensation of generators for System Restoration and Planning Service, also known as Blackstart Service.² As ISO-NE notes in its filing, the proposed rate structure is meant to support a new blackstart plan that was developed by ISO-NE in consultation with Local Control Centers (the “Plan”). This rate structure and the blackstart plan directly impact the reliable operation of the power system and the level of costs borne by New England electricity consumers.

Based on the foregoing, NESCOE has a direct and substantial interest in this proceeding, which is not adequately represented by any other party. In addition, NESCOE’s participation in this proceeding as the representative of the New England Governors will serve the public interest. NESCOE respectfully requests that it be permitted to intervene in this matter.

III.COMMENTS

The current system restoration plan relies on a “bottom-up” approach to restore service in the event of a partial or complete shutdown of the New England Transmission System. Smaller generators along the lower voltage transmission system provide cranking power to larger generators that then energize additional transmission facilities to meet initial restoration goals. In

¹ ISO New England, Inc., 121 FERC ¶ 61,105 (2007).

² Capitalized terms used but not specifically defined in this motion are intended to have the meaning given to such terms in the ISO New England Inc. Transmission, Markets and Services Tariff (“ISO Tariff”) and the proposed Schedule 16 Revisions filed in this proceeding, the Second Restated New England Power Pool Agreement, and the Participants Agreement.

contrast, the new Plan will implement a “top-down” approach, first energizing the higher voltage system, which, in turn, will energize the lower voltage system. According to ISO-NE, the top-down approach “will provide for a more robust Plan that is sustainable and that will lead to faster restoration times.” The plan is also expected to reduce the time needed to provide off-site station service to nuclear plants.³

To implement the Plan, ISO-NE filed the instant proceeding proposing a new rate structure for the payment of incremental capital and operating costs for a generator to provide Blackstart Service. ISO-NE conducted a thorough review of the history of blackstart compensation in New England and other areas of the country and engaged a consultant to develop rates for Blackstart Service based on the operating and maintenance costs of representative (proxy) units. The proposed proxy compensation approach is intended to encourage participation in the Plan by allowing generator owners to recover incremental costs associated with providing Blackstart Service, in addition to a reasonable return on capital investment. NESCOE believes that the ISO’s process was appropriate and generally supports the results.

NESCOE specifically notes that the ISO proposes to reimburse certain Blackstart Service providers for their costs of complying with NERC physical and cyber security requirements (“Critical Infrastructure Protection” or “CIP”). The proposed CIP payments were developed using cost projections representing the typical costs required to convert a non-CIP compliant station into a compliant CIP station and the continuing O&M necessary to remain CIP compliant. NESCOE is concerned about the accuracy of these projections but recognizes that the ISO has little actual cost data to evaluate at this stage. In its filing letter, the ISO states that it will collect and review actual CIP cost information in the future, as it becomes available from Blackstart Owners, and commits to re-evaluate the CIP payments “if necessary.” NESCOE supports the ISO’s determination to review actual cost data but believes the ISO should provide stakeholders with both the results of its evaluation and its rationale for modifying, or leaving in place, the CIP payments proposed with this filing. NESCOE suggests that the Commission require the ISO to share its review with stakeholders (subject to applicable confidentiality restrictions) and to file a

³ ISO New England, Inc. and New England Power Pool, Revisions To Schedule 16 of the OATT, Docket No. ER12-729-000 (December 30, 2011) (“ISO Filing”) at p. 7-8.

report on its evaluation of the cost data in order to insure that CIP payments are set at a just and reasonable rate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served this day upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Albany, NY this 20th day of January, 2012.

Respectfully submitted,

/s/ Susan Z. Ferrara
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