

December 7, 2012 for the changes, with a final order to be issued within sixty days of the filing.⁴

As detailed below, NESCOE appreciates and supports this effort to improve coordination between the natural gas and electricity markets in the shared interest of reliability. NESCOE also respectfully asks the Commission to resolve expeditiously issues raised regarding a non-disclosure agreement (“NDA”) in connection with the Pipeline Information-Sharing Changes, as described further below, so that these changes are implemented as soon as possible.

I. COMMUNICATIONS

Pursuant to Rules 203 and 2010,⁵ the persons to whom correspondence, pleadings, and other papers in regard to this proceeding should be addressed and whose names are to be placed on the Commission’s official service list are designated 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 and is funded through a regional

⁴ *Id.* at 1, 11.

⁵ 18 C.F.R. §§ 385.203 and 385.2010 (2011).

tariff administered by ISO-NE.⁶ NESCOE's mission is to represent the interests of the citizens of the New England region by advancing policies that will provide electricity at the lowest reasonable cost over the long-term, consistent with maintaining reliable service and environmental quality.

The instant proceeding has its genesis in ISO-NE's identification of resource performance and increased reliance on natural gas-fired generation as emerging risks to the region's electric system reliability.⁷ ISO-NE has classified the Pipeline Information-Sharing Changes as near-term improvements needed to enhance communication between ISO-NE operators and pipeline operators, with the objective of augmenting their respective understandings of system conditions and increasing ISO-NE's ability to "anticipate and address potential reliability problems in the event that there is insufficient fuel for all gas-fired generators to meet their schedules."⁸ In short, ISO-NE's operational actions to preserve system reliability will be informed by and based upon information shared by pipeline operators regarding gas availability.⁹

Moreover, as ISO-NE states in its filing, the Pipeline Information-Sharing Changes are one step in a larger series of integrated operational and market revisions that ISO-NE has proposed or intends to propose through the stakeholder process to address these emerging

⁶ ISO New England Inc., 121 FERC ¶ 61,105 (2007).

⁷ See ISO New England Inc., *Strategic Planning Risk Summary*, Apr. 21, 2011, at 4, available at http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/spd_risk_summary_apr_2011.pdf; ISO New England, *Addressing Gas Dependence*, July 2012, available at http://www.iso-ne.com/committees/comm_wkgrps/strategic_planning_discussion/materials/natural-gas-white-paper-draft-july-2012.pdf.

⁸ Information-Sharing Filing at 4, 8.

⁹ See *id.* at 7-8.

challenges.¹⁰ All of these proposed solutions, whether viewed individually or as a package, must appropriately weigh reliability, consumer costs, and environmental implications. NESCOE has been closely engaged in regional discussions on these critical issues.

Based on the foregoing, NESCOE has a direct and substantial interest in this proceeding, which will not be 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 leave to intervene in this matter.

III. COMMENTS

NESCOE supports this timely effort to protect reliability by enhancing communication between natural gas pipeline operators and ISO-NE. Coordination of the natural gas and electricity markets is imperative to exploring the broadest range of potential cost-effective solutions to reliability risks, both in the immediate term and over a longer horizon. NESCOE appreciates the collective work of ISO-NE, generators, pipeline operators, and other stakeholders to forge partnerships in the interest of system reliability.

ISO-NE details in its filing discussions among ISO-NE, generators, and pipeline companies regarding a NDA that ISO-NE proposed to enter into with the pipelines to provide additional protection of shared confidential information.¹¹ Ultimately, the parties were unable to achieve consensus on the NDA language. ISO-NE describes extensively the stalled negotiations resulting from discussions of a third party beneficiary clause that would have allowed generators to enforce violations of the NDA directly against the pipelines.¹² While NESCOE does not take

¹⁰ *Id.* at 2.

¹¹ ISO-NE included a pro forma NDA as part of the proposed Pipeline Information-Sharing Changes, which would become a new appendix to the ISO New England Information Policy. *Id.* at 7.

¹² *Id.* at 8-11.

a position on the NDA language, this issue has the potential to delay the implementation of changes that would improve gas-electric coordination for the benefit of system reliability. The Commission should resolve this and other issues raised in the proceeding as quickly as is practicable.¹³ Setting aside the NDA language at issue, there was broad stakeholder support for ISO-NE's proposal to promote reliability through a more robust informational flow with pipeline operators.¹⁴ Further, as ISO-NE notes, New England's coldest months will likely begin in the coming weeks, heightening the importance of having in place improved gas-electric coordination that may help mitigate operational risks.¹⁵

IV. CONCLUSION

For the reasons stated herein, NESCOE respectfully requests that the Commission grant its Motion to Intervene and consider its comments in this proceeding.

Respectfully submitted,

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¹³ In its November 15, 2012 Order directing a technical conference on information sharing between the natural gas and electricity markets, the Commission acknowledged the potential for issues of this nature to arise. Coordination Between Natural Gas and Electricity Markets, Order Directing Further Conferences and Reports, 141 FERC ¶ 61,125 (2012), at P 5. NESCOE appreciates the Commission's timely and proactive approach to addressing such challenges.

¹⁴ Information-Sharing Filing at 10.

¹⁵ *Id.* at 11-12.

CERTIFICATE OF SERVICE

In accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served by electronic mail a copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Longmeadow, Massachusetts this 21st day of November, 2012.

Respectfully submitted,

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