May 10, 2010

VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose, Secretary
The Honorable Nathaniel J. Davis, Sr., Deputy Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Docket No. RM09-18-000, Revision to Electric System Reliability Organization Definition of Bulk Electric System

and

Docket No. RM 10-6- 000, Interpretation of Transmission Planning Reliability Standard

Dear Secretary Bose and Deputy Secretary Davis:

Attached for filing in each of the above-captioned proceedings is Comments of the New England States Committee on Electricity (NESCOE). These Comments are being filed in both Dockets due to the interconnected nature of the subject matter. Please contact me if you have any questions or need any further information regarding this filing.

Respectfully submitted,

_____/s/_____

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UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Revision to Electric System Reliability Organization Definition of Bulk Electric System	**)** **)** **)**	**Docket No. RM09-18-000**
Interpretation of Transmission Planning Reliability Standard	**)**	**Docket No. RM10-6-000**

COMMENTS OF THE NEW ENGLAND STATES COMMITTEE ON ELECTRICITY
May 10, 2010

I. INTRODUCTION

The New England States Committee on Electricity (NESCOE), New England's Regional State Committee, offers these comments in response to the Federal Energy Regulatory Commission's ("Commission" or "FERC") March 18, 2010, "Notice of Proposed Rulemaking" in the Docket No. RM09-18-000, Revision to Electric System Reliability Organization Definition of Bulk Electric System ("100kV Proposal") and Docket No. RM10-6-000, Interpretation of Transmission Planning Reliability Standard ("Single Contingency Proposal"). These comments on the two matters are submitted in both proceedings as the issues are interconnected. NESCOE shares the Commission's interest in continually considering ways to protect system reliability and appreciates the opportunity to provide comments in these matters.

In sum, on the 100kV Proposal, the Commission should collect data from transmission owners, and others as appropriate, prior to acting to inform the Commission's consideration of the final rule and any transition plans that may be filed. On the Single Contingency Proposal, it

is not evident that the proposal would increase reliability in any material way or help to maintain the integrity of the interconnected bulk power system (BPS). Indeed, it could potentially have the opposite result. Outages necessary to perform the work required to bring facilities into compliance with the Commission's proposal could complicate system operations required to maintain reliability and compromise system reliability. Accordingly, NERC's proposed interpretation should be adopted. If the Commission decides to proceed with its proposal, it should as a first order of business collect information from transmission owners about compliance to inform consideration of the issues.

II. THE COMMISSION SHOULD COLLECT DATA TO INFORM THE 100KV BULK ELECTRIC SYSTEM MATTER PRIOR TO ADOPTING A FINAL RULE

In this matter, the Commission proposes to direct the Electric Reliability Organization (ERO) to revise its definition of the term "bulk electric system" (BES) to include all electric transmission facilities with a rating of 100 kV or above. The Commission proposes that a Regional Entity must seek ERO and Commission approval before exempting any facility rated at 100 kV or above from compliance with mandatory Reliability Standards. The Commission states two reasons for the proposed modification to eliminate discretion provided in the current definition for a Regional Entity to define BES in favor of a "bright line" uniform voltage test for facility classification: 1) a 100 kV threshold for identifying BES facilities would protect the reliability of the BES; and, 2) the proposal would provide consistency across the nation's reliability regions regarding the identification of BES facilities.

The impact of the 100 kV Proposal on the New England region is moderated by the current tariff in New England, which already imposes stringent standards on system operations and largely comports with the bright line definition.

One area of concern, however, relates to any prospective change to requirements

associated with the testing of BES facilities, currently performed pursuant to NERC PRC 005. In New England, the 100kV Proposal would result in more facilities being subjected to this standard. If FERC modifies NERC PRC 005 to prescribe more frequent testing intervals, increased outages and costs could follow. On a going forward basis, before considering any changes to testing requirements, the Commission should collect data from transmission owners on any foreseeable changes to outage schedules to enable testing, as well as associated costs.

Finally, the Commission should collect data from affected transmission owners regarding the interplay between and implications of the 100kV Proposal and the North American Electric Reliability Corporation's (NERC) Critical Infrastructure Protection (CIP) standards. If the 100kV Proposal results in assets (e.g., New England substations) being moved under CIP standards, this could create substantial personnel and financial obligations to comply with physical security and other requirements. Prior to adopting a final rule in this matter, the Commission should gather data from New England's transmission owners, and others as appropriate, that provides a clear understanding of whether and the extent to which the 100kV Proposal would create investment and personnel requirements from a CIP standard compliance perspective. This data would provide important information to help shape the final rule as well as the Commission's consideration of transition plans.

III. THE COMMISSION'S PROPOSAL ON THE SINGLE CONTINGENCY MATTER COULD COMPLICATE SYSTEM OPERATIONS REQUIRED TO MAINTAIN SYSTEM RELIABILITY WITHOUT RESULTING IN A MATERIAL IMPROVEMENT TO RELIABLE SYSTEM OPERATIONS.

In this matter, the Commission proposes to reject NERC's proposed interpretation of Requirement R1.3.10 of Reliability Standard TPL-002-0 and, instead, proposes an alternative interpretation of the provision. The Commission expresses a belief that the Requirement R1.3.10 of TPL-002-0 requires that planners study, in their system assessments, the non-

operation of primary protection systems in order to ascertain whether and how reliance on the as-designed backup or redundant protection systems affects reliability and proposes an interpretation of Requirement R1.3.10 of Reliability Standard TPL-002-0 consistent with this understanding.

NESCOE does not support the Commission's proposal. While the proposal has the potential to add a small measure of reliability to serving local load, it is not evident that it would increase reliability in any material way or help to maintain the integrity of the interconnected bulk power system (BPS). Indeed, it is possible that the work to bring facilities into compliance with the Commission's proposal could require outages and therefore compromise system operations required to maintain reliability. Given the relatively small potential enhancement in reliability that the Commission's proposal would likely produce, and the operational complications associated with compliance, NERC's proposed interpretation should be adopted with due consideration given to the nature of loads being served and their interconnections.

It is not clear that locally redundant primary protection systems are needed for all 100 kV and above facilities to maintain reliability of the BPS. Transmission owners in New England have locally redundant primary protection systems on their BPS systems (generally 345kV and some 230 kV) per NPCC requirements but not necessarily on their BES systems. The nexus between locally redundant primary protection systems on these higher voltage systems and reliability of the BPS is clear. Requiring greater infrastructure investments for higher load bearing lines has a direct relationship to ensuring reliability of the BPS and preventing cascading outages. The same relationship does not necessarily exist for facilities that serve local load. In these instances, single primary protection systems, with remote backup, and action by system operators provides sufficient stability without risking operational complications from the installation of locally redundant primary systems.

For those New England transmission owners that do not currently have redundant primary protection systems on their 100 kV and above facilities, the consequences of achieving compliance through installation of a second primary system could be material. To illustrate, in some cases, it could be necessary for transmission owners to install additional station batteries, relay systems, conduits to the substation yard equipment and so forth. In some cases, the control houses could be too small to accommodate these changes and excavation in the yards may be problematic. Any reliability benefits that could potentially result from a redundant protection system requirement must be weighed against the need for outages to install the systems and to maintain the systems, as well as associated costs.

If the Commission determines that it will move forward to consider its proposal, the Commission should as a threshold matter collect from each New England transmission owner, and others as appropriate, an assessment of the nature and the extent of work that would be required for compliance. This information should include specific information on the degree to which operations required to maintain reliability would be implicated in the process of transmission owners working toward compliance, along with cost and other relevant data to help inform the Commission's consideration of the issues. The Commission should not move forward with any further action on this matter until all participants have an opportunity to review that data and offer supplemental comments on the proposal rule in light of that information.

IV. CONCLUSION

NESCOE shares the Commission's interest in continually assessing means to improve system reliability and respectfully requests the Commission take its views into consideration. NESCOE is particularly interested in ensuring that: 1) all participants' and the Commission's consideration of these issues are supported by information and data from the transmission

owners so that the implications of the proposals, if adopted, are explicit; and, 2) ensuring that there is no unintended adverse consequence on system operations or reliability that results from work towards compliance. NESCOE appreciates the Commission's consideration of its views.

Respectfully Submitted,

New England States Committee on Electricity

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