

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Transmission Relay Loadability)
Reliability Standard)**

Docket No. RM08-13-000

COMMENTS OF ISO NEW ENGLAND INC.

ISO New England Inc. (the “ISO”) submits these comments in response to the Notice of Proposed Rulemaking issued by the Federal Energy Regulatory Commission (the “Commission”) on May 21, 2009, in the above-captioned docket (the “NOPR”).

I. COMMUNICATIONS

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II. BACKGROUND

In the NOPR, the Commission proposes to approve Reliability Standard PRC-023-1 (the “Standard”) developed by the North American Electric Reliability Corporation. The proposed Standard requires certain transmission owners, generator owners, and distribution providers to set load-responsive phase protection, in a manner that does not limit transmission loadability or interfere with system operators’ ability to protect system reliability. In addition, the Commission

proposes in the NOPR to direct NERC to develop modifications to the proposed Reliability Standard to address specific concerns identified by the Commission.

III. COMMENTS

The ISO is the private, non-profit entity that serves as the regional transmission organization (“RTO”) for New England. The ISO operates the New England bulk power system and administers New England’s organized wholesale electricity markets pursuant to the ISO New England Inc. Transmission, Markets and Services Tariff, and the Transmission Operating Agreement with the New England Participating Transmission Owners.

In its capacity as an RTO, ISO-NE has the responsibility to protect the short-term reliability of the New England Control Area and to operate the system according to reliability standards established by the Northeast Power Coordinating Council (“NPCC”) and NERC. As the Balancing Authority for the New England region (except for the Maine Public Service Company territory in Northern Maine, which is interconnected to New Brunswick), the ISO plays a critical role in ensuring that the region’s bulk power system functions in a reliable manner.

IV. COMMENTS

In general, the ISO supports the Standard as described by the Commission in the NOPR. The ISO is requesting that the Commission add clarity to its proposed direction to NERC to modify one element of the Standard. Otherwise, the direction could be interpreted as requiring the assignment of an obligation, as part of a reliability standard, to a non-user, non-owner or non-operator of the Bulk Power System – contrary to the Commission’s ruling in Order No. 693.

A. The ISO Seeks Clarification That the Commission Is Not Directing NERC to Revise the Proposed Standards to Create a New Obligation for Regional Entities Within a Reliability Standard But, Rather, to Cross-Reference Existing Critical Designations by Those Regional Entities.

The Commission is proposing to direct the NERC to revise PRC-023-1 so that it is applicable to “facilities that are operated below 100 kV that are designated by the Regional Entity as critical to the reliability of the bulk electric system.”¹ The ISO is requesting that the Commission clarify – in the order eventually issued in this proceeding – that this directive simply seeks the addition of a cross-reference to the designation of such facilities that has already been made by the Regional Entities pursuant to the NERC “Statement of Compliance Registry Criteria” noted in the NOPR as part of the compliance registry process,² as opposed to directing the creation of a new obligation (*i.e.*, to designate facilities) within the Standard that is enforceable against a Regional Entity.

The ISO notes that the clarification is important for two reasons. First, as the Commission explained in Order No. 693, a reliability standard cannot be enforced against an entity that is not a “user, owner or operator” of the bulk electric system.³ In noting that a Regional Entity was not such a user, owner or operator, the Commission directed that such organizations should not be listed as responsible entities under the standards.⁴ Thus, the NOPR’s direction to revise the Standard should not be read as creating an enforceable obligation to the Regional Entity, which is not a “user, owner or operator” of the bulk power system.

Second, it appears that the Regional Entities have already been delegated by NERC the role of designating critical facilities under 100 kV as part of the compliance registry process.

1 NOPR at P 45.

2 NOPR at P 44.

3 *See Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Statutes and Regulations, Regulations Preambles 2006-2007 ¶31,242 at P 146 *et seq.*, *order on reh’g*, Order No. 693-A, 120 FERC ¶61,053 (2007).

4 *Id.* at P 157.

The ISO submits that if a facility has been deemed critical to bulk electric system reliability, then it is so designated and is subject to the reliability standards regime. In other words, if the loss of an element would have a critical impact on the bulk electric system, that should hold true across the board, so that critical elements would be covered by relay standards as well as vegetation management standards, for example. In the order that will be issued in this proceeding, the ISO requests that the Commission make it clear that it does not intend the Regional Entities to undertake – solely for the purposes of the application of PRC-023-1 – another separate designation of facilities under 100 kV deemed critical for bulk electric system operation, but that such a designation has already been made by the Regional Entities and the Commission’s direction is intended to cross-reference the work that has occurred in conjunction with the compilation of the compliance registry.

V. CONCLUSION

Wherefore, the ISO respectfully requests that the Commission consider these comments, and make the requested clarification.

Respectfully submitted,

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