

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

PJM Interconnection, L.L.C.)

Docket No. ER13-1947-000

**MOTION TO INTERVENE AND LIMITED PROTEST OF
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 211, 212, and 214 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure, 18 C.F.R. §§ 385.211, 385.212 and 385.214, the New York Independent System Operator, Inc. (“NYISO”) moves to intervene and protests one aspect of PJM Interconnection, L.L.C.’s (“PJM”) July 10, 2013, *Submission of Interregional Transmission Coordination Procedures Between PJM Interconnection, L.L.C. and New York Independent System Operator, Inc.* (“PJM Compliance Filing”) in the above-captioned proceeding.¹ In its filing, PJM argued that its revised agreements with the NYISO² are “insufficient to fully meet Order No. 1000’s requirements for interregional coordination”³ because the parties did not reach agreement on possible changes to the procedures through which PJM Regional Transmission Expansion Plan (“RTEP”) projects interconnect to the New York

¹ *PJM Interconnection, L.L.C.*, Submission of Interregional Transmission Coordination Procedures Between PJM Interconnection, L.L.C. and New York Independent System Operator, Inc., FERC Docket No. ER13-1947-000 (July 10, 2013) (“PJM Compliance Filing”). Aside from the one issue addressed in this limited protest, the NYISO supports the PJM Compliance Filing.

² PJM, along with the NYISO and ISO-NE, submitted revisions to their existing *Northeastern ISO/RTO Planning Coordination Protocol* to set forth enhanced interregional coordination procedures that address Order No. 1000’s interregional planning requirements. In addition, PJM, along with the NYISO, submitted revisions to the *Joint Operating Agreement Among and Between New York Independent System Operator, Inc. and PJM Interconnection, L.L.C.* (“JOA”) to establish the cost allocation requirements for interregional transmission projects involving both the NYISO and PJM.

³ PJM Compliance Filing at p 2.

State Transmission System.⁴ PJM requested that the Commission order the NYISO and it to amend their Joint Operating Agreement (“JOA”) to create a new interconnection process for PJM RTEP projects.⁵

The interregional transmission planning process that the NYISO developed and filed concurrently with its neighboring Commission-jurisdictional regions - *i.e.*, PJM and ISO New England, Inc. (“ISO-NE”) - fully complies with the Order No. 1000 interregional coordination and cost allocation requirements.⁶ As described below, PJM’s request for amendments to the JOA, which would establish an interconnection process outside of the NYISO’s existing interconnection and transmission expansion processes for PJM RTEP projects that are solely proposed in and evaluated through PJM’s regional transmission planning process to address needs in PJM, is beyond the scope of Order No. 1000. In addition, Order No. 1000 does not impose, and PJM does not point to, a requirement that an Independent System Operator (“ISO”) or Regional Transmission Organization (“RTO”) amend its interconnection procedures or exempt certain transmission projects from its interconnection procedures. The Commission should, therefore, deny PJM’s request to direct the NYISO and PJM to amend their JOA.

Although PJM’s proposal is beyond the scope of Order No. 1000, the NYISO has met several times with PJM to discuss its concerns with the interconnection of PJM RTEP projects to

⁴ Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in the NYISO Open Access Transmission Tariff (“OATT”) and Market Administrative and Control Area Services Tariff.

⁵ PJM Compliance Filing at p 22.

⁶ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011) (“Order No. 1000”), *order on reh’g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012) (“Order No. 1000-A”), *order on reh’g and clarification*, 141 FERC ¶ 61,044 (2012) (“Order No. 1000-B”). For convenience, unless otherwise specified, references in this filing to “Order No. 1000” should be understood to encompass Order Nos. 1000, 1000-A, and 1000-B.

the New York State Transmission System. The NYISO has continued to express its willingness to explore with PJM possible revisions to the NYISO's interconnection procedures. However, as such revisions are not mandated by Order No. 1000 and raise complex and important issues regarding the NYISO's interconnection and planning processes, they should be developed between the NYISO and PJM and through their respective stakeholder processes and not through a compliance filing in this docket.

I. COMMUNICATIONS

Communications and correspondence regarding this filing should be directed to:

Robert E. Fernandez, General Counsel
Raymond Stalter, Director of Regulatory Affairs
*Carl F. Patka, Assistant General Counsel
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
rfernandez@nyiso.com
rstalter@nyiso.com
cpatka@nyiso.com

*Ted J. Murphy
Hunton & Williams LLP 2200
Pennsylvania Ave, NW
Washington, DC 20037
Tel: (202) 955-1500
Fax: (202) 778-2201
tmurphy@hunton.com

*Michael Messonnier⁷
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219
Tel: (804) 788-8712
Fax: (804) 343-4646
mmessonnier@hunton.com

II. MOTION TO INTERVENE

The NYISO is a not-for-profit corporation responsible for providing open-access transmission service, maintaining reliability, conducting bulk electric system planning, and administering competitive wholesale markets for electricity, capacity, and ancillary services in New York State. This proceeding concerns the NYISO's and PJM's compliance with the Order

⁷ Waiver of the Commission's regulations (18 C.F.R. § 385.203(b)(3) (2012)) is requested to the extent necessary to permit service on counsel for the NYISO in both Richmond, VA and Washington, DC.

No. 1000's interregional planning requirements that are addressed in the PJM Compliance Filing. PJM raises an issue regarding the sufficiency of the terms of the amended JOA, which the NYISO filed with the Commission as part of its Order No. 1000 compliance filing ("NYISO Compliance Filing") with a certificate of concurrence from PJM.⁸ Accordingly, the NYISO has a direct and substantial interest in the PJM Compliance Filing that is the subject of this proceeding. This interest cannot be adequately represented by any other party, and the NYISO should thus be permitted to intervene in this proceeding.

III. LIMITED PROTEST

A. PJM's Proposal to Establish in the JOA New Interconnection Requirements for PJM RTEP Projects Is Outside the Scope of Order No. 1000

Order No. 1000 directs neighboring planning regions to develop a formal procedure to identify and jointly evaluate interregional transmission facilities proposed to be physically located in two or more neighboring regions to identify interregional solutions that may resolve each region's needs more efficiently or cost effectively.⁹ Order No. 1000 requires that developers propose their interregional projects in each region's regional transmission planning process.¹⁰ The NYISO developed with PJM and ISO-NE and filed concurrently with them an interregional transmission planning process consistent with these requirements. PJM argues that Order No. 1000 also requires the NYISO to establish new interconnection procedures for PJM RTEP projects that connect to the New York State Transmission System but address needs solely within PJM.

⁸ *New York Independent System Operator, Inc., et al.*, Interregional Compliance Filing, FERC Docket Nos. ER13-1942-000 and ER13-1946-000 (July 10, 2013) ("NYISO Compliance Filing").

⁹ Order No. 1000 at P 435.

¹⁰ Order No. 1000 at P 436. The proposed interregional transmission project must be selected in both regions to be eligible for cost allocation under an interregional cost allocation methodology. *Id.*

PJM's proposal exceeds the scope of the Order No. 1000 interregional planning requirements. The PJM RTEP projects at issue are not proposed in or evaluated under the NYISO's regional transmission planning process for purposes of addressing a need on the New York Bulk Power Transmission Facilities. Such projects, therefore, would not be jointly evaluated under the interregional transmission planning process established by the NYISO, PJM, and ISO-NE pursuant to the Order No. 1000 requirements to consider whether an interregional project located in two or more regions would resolve each region's needs more efficiently or cost effectively than regional projects. Rather, the PJM RETP projects at issue are solely submitted to and evaluated through PJM's regional transmission planning process to resolve a need in PJM's region. The establishment of new interconnection procedures for such projects is beyond the scope of Order No. 1000.

B. Order No. 1000 Does Not Require Revisions to ISO/RTOs' Interconnection Procedures

Order No. 1000 does not impose, and PJM does not point to, any requirements to revise an ISO/RTO's interconnection procedures or to exempt proposed transmission facilities from existing interconnection procedures. In addressing certain comments regarding generator and transmission interconnection arrangements, the Commission indicated that interconnection issues do not have to be addressed in interregional planning compliance filings when it emphasized that "issues related to the generator interconnection process and to interconnection cost recovery are outside the scope of" Order No. 1000.¹¹

PJM RTEP projects seeking to interconnect, or modify an existing interconnection, to the New York State Transmission System are subject to the Commission-approved interconnection procedures set forth in Attachment X of the NYISO Open Access Transmission Tariff

¹¹ Order No. 1000 at P 760.

(“OATT”).¹² In its filing, PJM has not demonstrated why it is necessary for RTEP projects that connect, or modify an existing interconnection, to the New York State Transmission System to be evaluated under a different process not applicable to other projects in the NYISO’s interconnection queue. PJM has indicated that it has certain concerns with the timeframe for reviewing the interconnection of RTEP projects required for reliability. However, these timing concerns may be addressed under the existing flexibility contained in the NYISO’s Attachment X interconnection process.¹³ The NYISO notes generally that projects identified as needed for reliability in New York are not exempt from interconnection requirements of Attachment X that would otherwise apply. Moreover, the NYISO has worked previously with PJM to accommodate specific timing concerns when they have arisen.¹⁴

C. The NYISO Remains Willing to Explore Revisions to its Interconnection Procedures to Address PJM’s Concerns

Concurrent with the development of the NYISO’s response to Order No. 1000, the NYISO held multiple discussions with PJM to discuss its concerns with the procedures for interconnecting PJM RTEP projects to the New York State Transmission System and possible, mutually-agreeable revisions to address its concerns. The NYISO remains committed to explore with PJM possible revisions to its procedures. However, as these revisions are outside of the

¹² Article 3 of the OATT establishes the NYISO’s transmission expansion process for the evaluation, construction and operation of facilities that are proposed or requested by Eligible Customers or Transmission Owners to create incremental transfer capability or to address reliability or other operational concerns.

¹³ For example, the NYISO, the Connecting Transmission Owner and developer can agree to forego the Interconnection Feasibility Study. Section 30.6.1 of Attachment X to the OATT. Attachment X also provides for significant coordination during the study process, including coordination with neighboring system operators as applicable. *See, e.g.*, Section 30.3.5 of Attachment X to the OATT.

¹⁴ The NYISO supported PJM’s waiver requests to permit PJM transmission owners to proceed under the NYISO’s transmission expansion process in Article 3 of the OATT instead of the interconnection process in Attachment X. *See, e.g.*, *PJM Interconnection, L.L.C. and Trans-Allegheny Interstate Line Company*, 144 FERC ¶ 61,060 at P 14 (2013).

scope of Order No. 1000, it is not appropriate for such revisions to be addressed through a compliance filing in this proceeding. Rather, the NYISO and PJM should continue to work to develop any appropriate proposed tariff revisions addressing these procedures and allow such proposals to be discussed and considered by stakeholders within their respective stakeholder processes. Revising the NYISO's interconnection and/or transmission expansion processes raises a host of complex issues, including, among other things, how the NYISO will identify upgrades required to reliably interconnect a PJM RTEP project to facilities in New York and how any new study process would intersect with existing processes, including those for the allocation of costs associated with interconnection facilities as set forth in Attachment S of the NYISO OATT. Such determinations could have implications for other proposed projects and, therefore, will require careful review and stakeholder input.

IV. CONCLUSION

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc., respectfully requests that the Commission accept the compliance filings submitted by PJM and the NYISO, including the revised NYISO-PJM Joint Operating Agreement filed by the NYISO with the concurrence of PJM, as fully satisfying the Order No. 1000 interregional transmission planning requirements and deny PJM's request to require additional amendments to the Joint Operating Agreement.

Respectfully Submitted,

/s/ Carl F. Patka
Assistant General Counsel to the
New York Independent System Operator, Inc.

September 9, 2013

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 9th day of September, 2013.

/s/ John C. Cutting

John C. Cutting
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, NY 12144
(518) 356-7521