

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

New York Independent System Operator,)	
Inc.'s and New York Transmission Owners')	
Compliance Filing for Order No. 792,)	Docket No. ER14-2573-000
Regarding Small Generator Interconnection)	
Agreements and Procedures)	

**REQUEST FOR LEAVE TO ANSWER AND ANSWER OF
THE NEW YORK INDEPENDENT SYSTEM OPERATOR AND
THE NEW YORK TRANSMISSION OWNERS**

Pursuant to Rule 213 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.213, the New York Independent System Operator, Inc. ("NYISO") and Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company d/b/a LIPA, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (referred to herein as the "New York Transmission Owners" or "NYTOs"), individually and collectively request leave to file an answer and submit this answer in response to the August 22, 2014 motion to intervene and protest of the Interstate Renewable Energy Council ("IREC") in the above-captioned proceeding.¹

¹ The Interstate Renewable Energy Council, Inc.'s Motion to Intervene and to Protest New York Independent System Operator's and New York Transmission Owners' Small Generator Interconnection Procedures Compliance Tariff, Docket No. ER14-2573-000, filed Aug. 22, 2014 ("Protest").

I. REQUEST FOR LEAVE TO ANSWER

The NYISO and the NYTOs (collectively, “Filing Parties”) request leave to file this Answer because it will help to clarify the issues before the Commission, provide additional information that will assist the Commission, or will otherwise be helpful in the development of a more complete and accurate record in this proceeding.²

II. ANSWER

On August 1, 2014, the Filing Parties made a compliance filing (“Filing”) in accordance with the requirements of Order No. 792.³ Among other things, the Filing requested a variation from the Commission’s *pro forma* Small Generator Interconnection Procedures (“SGIP”) concerning the amount of the fee to be charged for preparation of pre-application reports. In Order No. 792, the Commission established a default fee of \$300 for preparation of a pre-application report and specified that the fee should “only include the cost of providing the incremental information required under this Final Rule.”⁴ The Commission also determined that the Transmission Provider could propose an alternative fixed cost-based fee supported by cost justification because “it would be unjust and unreasonable for Transmission Providers not to

² See, e.g., *N.Y. Indep. Sys. Operator, Inc.*, 99 FERC ¶ 61,246, at 62,040 (2002) (accepting answers to protests that helped to clarify issues and did not disrupt the proceeding); *Morgan Stanley Capital Group, Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer that was “helpful in the development of the record”); *N.Y. Indep. Sys. Operator, Inc.*, 91 FERC ¶ 61,218, at 61,797 (2000) (allowing an answer deemed “useful in addressing the issues arising in these proceedings”); *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138, at 61,381 (1999) (accepting otherwise prohibited pleadings because they helped to clarify complex issues).

³ *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,149 (2013).

⁴ Order No. 792 at P 46.

recover their actual pre-application report preparation costs.”⁵ It further provided that such fees should reflect the cost of providing the “incremental information” required by Order No. 792.⁶

In accordance with the Commission’s directives, the Filing Parties proposed to set a cost-based fee of \$1000 for the NYISO and the NYTOs to prepare a pre-application report for an interconnection customer.⁷ By identifying “several Small Generator Facility projects previously included on the NYISO’s interconnection queue and perform[ing] the work necessary to complete a pre-application report for these projects,” the Filing Parties determined that \$1000 was a more accurate representation of their actual costs of preparing pre-application reports than the default \$300 fee, based on the actual time it took to assemble the necessary information.⁸

IREC protests that, since Transmission Providers were required to provide certain information to interconnection customers at no cost prior to the issuance of Order No. 792, not all of the costs identified in the examples provided by the Filing Parties constitute incremental costs.⁹ This criticism is misplaced. The pre-application report will predominantly contain information not previously provided by the NYISO and the NYTOs to interconnection customers prior to submission of a formal Interconnection Request. In addition, as stated in the Filing, the Filing Parties “performed the work necessary to complete a pre-application report” and “reviewed the time and resources required to complete the sample reports” in developing the proposed fee.¹⁰ The Filing Parties thus made clear that preparation of pre-application reports in

⁵*Id.*

⁶ *Id.*; *see* SGIP §§ 1.2.1 and 1.2.2-4.

⁷ Filing at 6-7.

⁸ *Id.* at 6-7.

⁹ Protest at 6.

¹⁰ Filing at 6-7.

compliance with Order No. 792's formal requirements is a new obligation to be borne by transmission providers, and the full amount of the fee constitutes an incremental cost.

The Filing Parties have developed a cost-based fee consistent with the Commission's express directives providing for such fees. IREC itself concedes that the Commission set a default fee that was intended to cover the costs of preparing pre-application reports, but provided for variations in cases where the default fee does not cover actual costs.¹¹ IREC further does not question whether the Filing Parties' proposed fee is cost-based, but instead objects to the fee on other grounds that are irrelevant under the fee development framework established by the Commission.

Beyond claiming that the proposed fee is not based on incremental costs, IREC relies on the notion that the Filing Parties' proposed fee would act as a deterrent to small interconnection customers.¹² While the Protest asserts that small generators cannot afford the fee,¹³ it fails to acknowledge that most of the small generators about which it expresses concern are connected to local distribution systems (rather than selling into wholesale markets), and are thus outside the Commission's jurisdiction and unaffected by the proposed fee. The example cited in the Protest, a Massachusetts rule providing for preparation of reports at no cost,¹⁴ illustrates this fact and does not support IREC's position. The Massachusetts rule applies to state-jurisdictional generators that are connected to the local distribution system only.

¹¹ Protest at 4-5.

¹² *Id.* at 6.

¹³ *Id.*

¹⁴ *See id.* at 7.

III. CONCLUSION

For the foregoing reasons, the NYISO and the NYTOs request that the Commission accept the Filing Parties' report preparation fee as proposed in the Filing.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan, Senior Attorney
New York Independent System Operator,
Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-4702
skeegan@nyiso.com

/s/ Elias G. Farrah by EES

Elias G. Farrah
Erica E. Stauffer
Winston & Strawn LLP
1700 K St., N.W.
Washington, DC 20006-3817
Email: efarrah@winston.com
estauffer@winston.com

Counsel to the New York Transmission Owners

/s/ John Borchert by EES

John Borchert
Senior Director of Energy Policy and
Transmission Development
Central Hudson Gas & Electric Corporation
284 South Avenue
Poughkeepsie, NY 12601
Email: jborchert@cenhud.com

/s/ Susan Vercheak by EES

Susan Vercheak, Esq.
Assistant General Counsel
Consolidated Edison Company of New York, Inc.
Orange and Rockland Utilities, Inc.
4 Irving Place, Room 1815-S
New York, NY 10003
Email: vercheaks@coned.com

/s/ Jacqueline Hardy by EES

Jacqueline Hardy
Assistant General Counsel
Power Supply Long Island
333 Earle Ovington Boulevard, Suite 403
Uniondale, NY 11553
Email: jhardy@lipower.org

/s/ Glenn D. Haake

Principal Attorney
New York Power Authority
30 South Pearl Street - 10th Floor
Albany, NY 12207-3245
Email: glenn.haake@nypa.gov

/s/ David Clarke by EES

David Clarke
Deputy Director of FERC/RTO Policy
Power Supply Long Island
99 Washington Avenue, 10th Floor
Albany, NY 12210-2822
Email: dclarke@lipower.org

/s/ Timothy R. Roughan by EES

Timothy R. Roughan
Director of Energy & Environmental Policy
Niagara Mohawk Power Corporation
d/b/a National Grid
National Grid USA Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451-1120
Timothy.Roughan@nationalgrid.com

/s/ R. Scott Mahoney by EES

R. Scott Mahoney, Esq.
New York State Electric & Gas Corporation
Rochester Gas and Electric Corporation
Iberdrola USA
18 Link Drive
P.O. Box 5224
Binghamton, NY 13902-5224
Email: scott.mahoney@iberdrolausa.com

/s/ Amanda C. Downey by EES

Amanda C. Downey
Counsel
Niagara Mohawk Power Corporation
d/b/a/ National Grid
National Grid USA Service Company, Inc.
40 Sylvan Road
Waltham, MA 02451-1120
Email: Amanda.Downey@nationalgrid.com

Dated: September 8, 2014

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 8th day of September, 2014.

/s/ Mohsana Akter

Mohsana Akter
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, NY 12144
(518) 356-7560