

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY

*Recd. DOE*  
1999 SEP 27 P 3:41

Proposed Open Access Requirement )  
For International Electric Transmission )  
Facilities and Delegation to the Federal ) FE Docket No. 99-1  
Energy Regulatory Commission )

COMMENTS OF THE  
NORTHEAST POWER COORDINATING COUNCIL

**Introduction**

On July 21, 1999 the Department of Energy, hereinafter "DOE" or the "Department", issued its Notice of Proposed Amendment to the Presidential Permits and Export Authorizations and Delegation and Assignment to the Federal Energy Regulatory Commission.<sup>1</sup>

In this Notice, the Department states its intention to amend existing Presidential Permits issued for the construction, operation, maintenance, or connection of facilities at the international border for the transmission of electric energy between the United States and foreign countries to require permit holders to provide non-discriminatory open access transmission services. Notice is also given of the delegation and assignment by the Secretary of Energy to the Federal Energy Regulatory Commission (FERC) of the authority to carry out functions of the Secretary of Energy related to the implementation and enforcement of this open access requirement. Comments, protests, or requests to intervene must be submitted on or before September 27, 1999. The Northeast Power Coordinating Council ("NPCC") hereby respectfully submits comments in the above-captioned action.

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<sup>1</sup>See FE Docket No. 99-1

### **Description of NPCC**

NPCC is the Regional Reliability Council ("RRC") responsible for assuring the reliability of the international, interconnected bulk power system in the Northeastern United States and Eastern Canada. Reliability is assured through the establishment of reliability criteria; coordination of system design and operations; and, assessment and enforcement of compliance with such reliability criteria. As an RRC, NPCC is represented in the governance structure and fully participates in the activities of the North American Electric Reliability Council ("NERC"). NPCC is a voluntary, non-profit organization. Its membership is diverse. Included are electric utilities, transmission providers, non-utility generators, power marketers, transmission customers, power pools, Independent System Operators ("ISOs"), an Independent Electricity Market Operator, a state-wide reliability council, and provincial, state, and municipal authorities. The geographic area covered by NPCC includes New York, the six New England states, and the Provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. The total population served is approximately 49 million of which approximately 20 million are electric customers. The area covered is approximately 1 million square miles.

The NPCC Membership Agreement, amended on November 5, 1998 through NPCC's Open Process provides for open, inclusive membership and fair and non-discriminatory governance. Full membership is available to all entities that participate in the interconnected electricity market in Northeastern North America. Two voting classes are established in which Full Members are classified as either Transmission Providers or Transmission Customers and have one vote within their voting class. In addition, the Membership Agreement allows for non-voting membership to be extended to regulatory agencies with jurisdiction over participants in the

electricity market in Northeastern North America. It also extends membership to public interest organizations expressing interest in the reliability of electric service in Northeastern North America.

### **NPCC Comments to the Notice**

#### **Impact on Electric Reliability**

NPCC notes that the delegation and assignment to FERC, by the Secretary of Energy, is related to the implementation and enforcement of the rates, terms and conditions of the open access requirement only. As such, the Department of Energy (DOE) will maintain the authority to issue and authorize the granting of Presidential Permits.

Before a Presidential Permit is issued by the DOE, the action must be found to be consistent with the public interest. The two criteria used by DOE to determine if a proposed project is consistent with the public interest are 1) Environmental Impact and 2) Impact on Electric Reliability.

Regarding impact on electric reliability, DOE considers the effect that the proposed project would have on the operating reliability of the U.S. electric power supply system; i.e. the ability of the existing generation and transmission system to remain within acceptable voltage, loading and stability limits during normal and emergency conditions. The standards DOE applies include the applicable criteria established by the appropriate RRC(s) and the standards of NERC.

The Department has in the past requested appropriate RRCs to conduct reliability impact assessments and, it is understood, will continue to utilize this practice when and if the proposed amendments to the Presidential Permits and Export Authorizations are granted. The assignment of the above mentioned responsibilities to the FERC will not affect this practice.

NPCC recommends that the regulations used by the Department, for defining the contents of the Application for Presidential Permits Authorizing the Construction, Connection, Operation

and Maintenance of Facilities for Transmission of Electric Energy at International Boundaries,<sup>2</sup> should be revised to include a specific reference to the reliability assessments done by the appropriate RRC(s) during the course of the application process. This important component of the process should be continued.

Respectfully submitted,

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<sup>2</sup>10 CFR 205 - Administrative Procedures and Sanctions: Sec. 205.322