

107 FERC ¶ 61,103
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Con Edison Company of New York, Inc.

Docket No. ER04-621-000

ORDER ACCEPTING INTERCONNECTION AGREEMENT FOR FILING

(Issued May 4, 2004)

1. In this order the Commission accepts for filing an executed Interconnection Agreement (IA) between Consolidated Edison Company of New York, Inc. (ConEd) and Astoria Energy LLC (Astoria), to be effective March 8, 2004, as requested. This order benefits customers because it ensures that the rates, terms, and conditions of interconnection service are just and reasonable.

I. Background

2. On March 5, 2004, ConEd filed an executed IA between ConEd and Astoria, under the New York Independent System Operator (NYISO) open access transmission tariff (OATT). The IA provides for the interconnection to ConEd's transmission system of a 1000 MW electric generating facility that Astoria proposes to construct and operate in the Borough of Queens, New York, that is scheduled to begin commercial operation by 2006. The IA governs the responsibilities of ConEd and Astoria to one another with regard to that interconnection.

II. ConEd's IA

3. Section 3.04(b)(6) of the IA states that, in accordance with New York State Reliability Council (NYSRC) Local Reliability Rule No. 3 (Rule No. 3), Astoria shall design and construct its generating facility so that upon notification from the ConEd System Operator or upon experiencing a low gas pressure condition it can automatically switch fuel from natural gas to fuel oil without interrupting plant output. The IA permits the interconnection with ConEd's transmission system provided that this condition, among others, is met.

III. Notice of Filing and Responsive Pleadings

4. Notice of ConEd's filing was published in the Federal Register, 69 Fed. Reg. 12,313 (2004), with comments, protests, and motions to intervene due on or before March 26, 2004. KeySpan-Ravenswood, LLC (KeySpan) filed a timely motion to intervene and comments.

5. KeySpan states that NYSRC Rule No. 3 requires certain generators in New York City to have the capability of switching to oil when there are potential gas transmission problems under high load conditions. KeySpan argues that inclusion of a provision like section 3.04(b)(6) in an IA is not proper or necessary, and that such a provision crosses the line between the responsibilities of a load serving entity (LSE) and the responsibilities of a transmission owner. It states that a transmission owner is responsible for ensuring that the transmission system's electrical characteristics are not harmed by an interconnection; that dual-fuel capability is not an analysis conducted in determining whether an interconnection will harm the transmission system; that dual-fuel capability should be dealt with in the contract between the generator and the LSE, not be imposed by the transmission owner as a condition of interconnection; and that the provision in section 3.04(b)(6) should be deleted from the IA so it cannot be viewed as a requirement of interconnection for future developer projects.

6. On April 9, 2004, ConEd filed an answer to KeySpan's comments wherein ConEd opposes the deletion of the dual-fuel requirement from the IA. ConEd states that contrary to KeySpan's statement, all in-city generators are bound only by the general requirements of NYSRC Rule No. 3., i.e., that the bulk power system shall be operated so that the loss of a single gas facility does not cause a loss of load, and that certain generators switch to an alternate fuel under certain conditions. ConEd contends that an outage of a gas transmission facility that supplies multiple generating units is a common mode failure that could interrupt the operation of generators and result in electric system reliability problems. ConEd notes that the Commission has determined that IAs should comply with applicable reliability requirements.¹ ConEd argues that section 3.04(b)(6) is proper because it applies a local reliability rule promulgated by the NYSRC, and because the provision is acceptable to the parties to the IA, of which KeySpan is not one.

¹ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, Appendix 6, § 9.1, 68 Fed. Reg. 49,846 (Aug. 19, 2003), FERC Stats. & Regs., Regulations Preambles ¶ 31,146 (2003) (Order No. 2003), order on reh'g, Order No. 2003-A, 69 Fed. Reg. 15,932 (2004), FERC Stats. & Regs., Regulations Preambles ¶ 31,160 (2004), reh'g pending.

IV. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2003), KeySpan's timely, unopposed motion to intervene serves to make it a party to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2003), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept ConEd's answer because it provided information that has assisted us in our decision-making process.

B. Commission Decision

8. Our review indicates that the proposed IA is just and reasonable and has not been shown to be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. The IA also is consistent with the approved NYISO provisions.²

9. This IA between ConEd and Astoria does not necessarily require dual-fuel capability for all future generators interconnecting to ConEd's system. Further, while the NYISO OATT that is currently in effect does not provide a standard form of IA, neither does it explicitly limit what such an IA must contain. Conformance with local reliability rules is important to ensure reliable delivery of electric energy. Because of our concern for maintaining system reliability, we included a provision in the Order No. 2003 Standard Large Generator Interconnection Agreement (LGIA) that each party shall comply with applicable reliability council requirements.³ We believe that the inclusion of reliability conditions, such as dual-fuel capability, will help to ensure reliable delivery of electric energy in New York City.

10. We therefore will not grant KeySpan's request to remove the dual-fuel requirement from the IA between ConEd and Astoria. The IA's requirement is consistent with the general reliability requirement of NYSRC Rule No. 3, has not been shown to be unjust and unreasonable, and has not been contested by Astoria, the counterparty to the IA. Contrary to KeySpan's assertion, ConEd has not proposed or otherwise attempted to apply this requirement to all future IAs; our acceptance of this IA does not mean that future IAs must contain the same provision. In addition, we will grant ConEd's request

² While NYISO's Order No. 2003 compliance filing is pending (in Docket No. ER04-449-000), it is sufficient that this proposed IA is consistent with NYISO's current, approved provisions.

³ Order No. 2003, Appendix 6, § 9.1.

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for waiver of the Commission's 60-day prior notice requirement.⁴ Accordingly, we will accept the IA for filing, to become effective March 8, 2004, as requested.

The Commission orders:

ConEd's Interconnection Agreement is hereby accepted for filing, to become effective March 8, 2004.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

⁴ See Central Hudson Gas & Electric Corp., 60 FERC ¶ 61,106 at 61,339, reh'g denied, 61 FERC ¶ 61,089 (1992).