

140 FERC ¶ 61,175
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

ISO New England Inc.

Docket No. ER12-2214-000

ORDER ACCEPTING UNEXECUTED LARGE GENERATOR
INTERCONNECTION AGREEMENT

(Issued September 4, 2012)

1. In this order, the Commission accepts the July 6, 2012 Filing by ISO New England Inc. (ISO-NE) and Green Mountain Power Corporation (Green Mountain) (collectively, the Filing Parties) of their unexecuted large generator interconnection agreement¹ (KCW LGIA) pursuant to section 205 of the Federal Power Act² and Order No. 2003.³ The Commission accepts the filing effective July 7, 2012, as requested.

I. The KCW LGIA Filing

2. The Filing Parties state that the Kingdom Community Wind Project (KCW Project) is a wind farm located in Lowell, Vermont being developed by Green Mountain.

¹ The interconnection agreement has been designated as Original Service Agreement No. LGIA-ISONE/GMP-12-01 under ISO-NE's Open Access Transmission Tariff (OATT) contained in ISO-NE's Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3 (Tariff).

² 16 U.S.C. § 824d (2006).

³ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,146 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

The KCW Project consists of twenty-one VESTAS V112 Wind Turbines, rated at 3.075MW each, for a total generating capacity of 64.575 MW.

A. Non-Conforming LGIA Provisions

3. The Filing Parties have submitted the unexecuted KCW LGIA to the Commission, pursuant to Order No. 2003, because it contains certain terms and conditions that do not conform to the *pro forma* LGIA included in Schedule 22 of ISO-NE's OATT.⁴ The Filing Parties explain that the KCW LGIA is unique because it provides for the interconnection of Green Mountain's large generating facility, with Green Mountain functioning as both the Interconnection Customer and the Interconnecting Transmission Owner.⁵ To reflect Green Mountain's status, the Filing Parties request the following deviations from the *pro forma* LGIA: (i) creating a two party interconnection agreement, and (ii) replacing "Point of Change of Ownership" with "Point of Change of Function." The Filing Parties state that the Commission has accepted these same changes for a similar interconnection agreement involving Green Mountain as both Interconnection Customer and Interconnecting Transmission Owner.⁶

4. The Filing Parties state that the proposed KCW LGIA reflects a two-party agreement, as opposed to the three-party agreement in ISO-NE's *pro forma* LGIA with changes primarily in the preamble, the "Whereas" clauses, and the signature page.⁷

5. The Filing Parties also explain that under the *pro forma* LGIA, the point at which the Interconnection Customer's and the Interconnecting Transmission Owner's interconnection facilities connect is referred to as the Point of Change of Ownership. Because Green Mountain is a vertically-integrated utility, Green Mountain states that there is no Point of Change of Ownership in the present case. However, Green Mountain explains that there is an operational need to provide a point of demarcation between the facilities that would normally be associated with the Interconnection Customer from those associated with the Interconnecting Transmission Owner. Green Mountain states that as shown in Appendices A and A-1 of the KCW LGIA, the Point of Interconnection is the point at which the 3.6-mile 46 kV circuit from the large generating facility's

⁴ See ISO-NE Filing at 4 (citing Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 915).

⁵ *Id.* at 5.

⁶ *Id.* (citing *ISO New England Inc.*, Docket No. ER10-919-000 (May 17, 2010) (delegated letter order)).

⁷ *Id.*

collector bus to the Lowell 46 kV Substation is connected to the 46 kV bus at the Lowell Substation. Therefore, the Point of Interconnection is the same location as the Point of Change of Function, and all Interconnection Facilities for the KCW Project constitute the Interconnection Customer's Interconnection Facilities. Green Mountain states that to reflect the change in terminology from "Point of Change of Ownership" to "Point of Change of Function," the following definitions in Article 1 of the KCW LGIA for the following terms have been revised: (1) "Interconnecting Transmission Owner's Interconnection Facilities," (2) "Interconnection Customer's Interconnection Facilities," and (3) "Point of Change of Ownership."⁸ Green Mountain states that these changes are necessary due to the fact that Green Mountain serves as both Interconnection Customer and Interconnecting Transmission Owner, and that the changes clarify the demarcation of the Interconnection Facilities, avoiding potential future confusion.

6. The Filing Parties request an effective date for the KCW LGIA of July 7, 2012.⁹ The Filing Parties request waiver of the Commission's 60-day notice requirement set forth in its regulations.¹⁰ The Filing Parties state that the waivers will have no adverse effect on ISO-NE, Green Mountain or their customers. The Filing Parties further explain that the waiver will actually provide substantial benefits to Green Mountain and its customers due to the testing and synchronization of the KCW Project's generators to the grid that is scheduled to begin in July.¹¹

B. Disputed Network Upgrade

7. The Filing Parties explain that the KCW LGIA is unexecuted because Green Mountain disputes section IV of the agreement, reflecting ISO-NE's determination of the need and cost responsibility for a specific network upgrade.¹² Specifically, the system impact study performed by ISO-NE concludes that Green Mountain must install a 25 MVAR dynamic reactive device to provide support for the power that the KCW

⁸ *Id.* at 6-7.

⁹ *Id.* at 13.

¹⁰ 18 C.F.R. § 35.3(a)(1) (2012).

¹¹ ISO-NE Filing at 13.

¹² ISO-NE OATT, Schedule 22 (Large Generator Interconnection Procedures) defines network upgrades as "the additions, modifications, and upgrades to the New England Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System."

Project will inject onto the transmission system to mitigate impacts to affected systems. A summary of the system impact study process for the KCW Project, ISO-NE's modeling requirements, and the results of ISO-NE's system impact study follows.

1. ISO-NE's System Impact Study Process

8. ISO-NE states that on May 11, 2011, Green Mountain submitted a new incremental interconnection request to ISO-NE to interconnect the KCW Project to the 46 kV sub-transmission facilities owned by Green Mountain and administered by ISO-NE.¹³ On September 29, 2011, ISO-NE states that it delivered a system impact study report to Green Mountain, which identified the need for a 35 MVAR dynamic reactive device located at the proposed 46kV Jay Tap substation.¹⁴ After further studies, ISO-NE modified the voltage schedule at the proposed Jay Tap substation for the automatic switching of capacitor banks. ISO-NE states that a later addendum to its system impact study showed that the dynamic reactive device network upgrade could be reduced to 25 MVAR. ISO-NE reports that it delivered a final system impact study to Green Mountain on March 30, 2012.¹⁵

9. ISO-NE states that in May of 2012, it issued a final, executable interconnection agreement to Green Mountain. ISO-NE explains that following additional discussions, Green Mountain notified ISO-NE that it would not execute the agreement. ISO-NE reports that on June 26, 2012, Green Mountain provided new wind turbine data to ISO-NE to replace the data used to complete the final system impact study report.¹⁶ ISO-NE determined it could not meet the July 15, 2012, initial synchronization date if it granted Green Mountain's request to re-run the final system impact study. ISO-NE also explains that to comply with section 11 of its Large Generator Interconnection Procedures (LGIP),¹⁷ ISO-NE cannot make an interconnection agreement effective while continuing to revise its studies. ISO-NE states that there are interconnection requests in the ISO-NE queue below the KCW Project, with at least one such request involving a proposed wind farm that may have a point of interconnection on the portion of the system that is

¹³ ISO-NE Filing at 7; *see also* ISO-NE Filing, Testimony of Kevin E. Mankouski at 4 (Mankouski Testimony). Mr. Mankouski is the Manager of Transmission Service Studies at ISO-NE.

¹⁴ *Id.*

¹⁵ ISO-NE Filing at 8; *see also* ISO-NE Filing, Mankouski Testimony at 5-6.

¹⁶ ISO-NE Filing at 8; *see also* ISO-NE Filing, Mankouski Testimony at 7.

¹⁷ *See* Schedule 22 of the ISO-NE OATT.

impacted by the KCW Project. ISO-NE states that any changes to the KCW Project or its related upgrades at this stage may have a material impact on the cost or timing of any interconnection studies or upgrades associated with the later-queued project.¹⁸

2. ISO-NE's Modeling Requirements

10. ISO-NE states that the system impact study followed the dictates of its Tariff and Planning Procedures.¹⁹ ISO-NE states that section 4.1.2.1 of the KCW LGIA (modeled on ISO-NE's *pro forma* LGIA) provides that, in order for the Interconnection Customer to obtain Network Resource Interconnection Service, "the System Operator and Interconnecting Transmission Owner must conduct the necessary studies, and the Interconnecting Transmission Owner and Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable to that in which all other Network Resources are interconnected under the [Network Capability] Interconnection Standard."²⁰ The Network Capability Interconnection Standard directs ISO-NE to the Planning Procedures, which dictate the parameters ISO-NE must follow in performing a system impact study. ISO-NE explains that Planning Procedure No. 5-6, Scope of Study for System Impact Studies under the Generation Interconnection Procedures (Planning Procedure 5-6), sections 1.c and 1.d, require the system impact study to identify the minimum required upgrades necessary such that the new resource "does not diminish the transfer capability" across any transmission line or relevant interface "under reasonably stressed conditions."²¹

11. ISO-NE summarizes that together, these provisions require a system impact study to assess a new resource's impact on the New England Transmission System's ability to

¹⁸ ISO-NE Filing at 9.

¹⁹ *Id.*

²⁰ *Id.*

²¹ Section 1.b of Planning Procedure No. 5-6 specifies that other resources may be dispatched off or "redispatched" in an amount that does not exceed the capacity of the new resource. ISO-NE states that footnote 3 to section 1.c explains, "reasonably stressed conditions" are those described in section 3 (Conditions for Analyses) of Planning Procedure No. 5-6. ISO-NE states that both sections 3.A.6 and 3.C.3 of Planning Procedure No. 5-6 specify that a new resource must be evaluated at the system conditions reflecting peak load, intermediate load, and light load levels. Section 1.a of Planning Procedure 5-6 also requires minimum upgrades to meet the criteria in sections 3.1, 3.2, 4, and 5 of Planning Procedure No. 3—Reliability Standards for the New England Area Bulk Power Supply System.

withstand all relevant design criteria contingencies under reasonably stressed transfer conditions to ensure that the new resource does not degrade the transfer capability of any interfaces. ISO-NE further states that section 1.e of Planning Procedure 5-6 also requires that a new resource “not create a significant adverse effect on [ISO-NE]’s ability to reliably operate and maintain the system.” Therefore, the Interconnection Facilities and Network Upgrades required for the reliable interconnection and operation of any new Resource must be practically manageable in the normal operation of the New England Transmission System.²²

3. ISO-NE’s System Impact Study Results

12. ISO-NE explains that the system impact study tested the impact the KCW Project would have on the New England Transmission System by considering different reasonably stressed conditions, including light system load levels at reduced Northern Vermont voltages that have occurred and are expected to continue to occur. ISO-NE explains that the study analyzed many different contingencies, such as transmission facility outages in accordance with Planning Procedure 5-6 and the reliability criteria used to plan and operate the system.²³ ISO-NE states that the KCW Project raised several substantial concerns related to sufficient voltage support in the surrounding transmission systems for the KCW Project. ISO-NE states that, as a result, the system impact study concluded that Green Mountain would need to install a dynamic reactive device to provide dynamic reactive support for the power the KCW Project will inject onto the transmission system to mitigate impacts to affected systems. ISO-NE states that the system impact study demonstrates that adding the KCW Project without adding a dynamic reactive device to the Green Mountain system would result in a degradation of transfer capability across all load levels.²⁴

4. Green Mountain’s Challenges to the System Impact Study

13. ISO-NE reports in the filing that Green Mountain raised numerous challenges to the system impact study methodology.²⁵ As Green Mountain stated in a letter to ISO-

²² ISO-NE Filing at 9; *see also* ISO-NE Filing, Mankouski Testimony at 8-10.

²³ ISO-NE Filing at 10-11; *see also* ISO-NE Filing, Mankouski Testimony at 11.

²⁴ ISO-NE Filing at 12; *see also* ISO-NE Filing, Mankouski Testimony at 13.

²⁵ While Green Mountain co-filed the unexecuted KCW LGIA with ISO-NE, it did not join in certain sections of the filing regarding the system impact study or the discussion of challenges by Green Mountain to the system impact study. Instead, Green Mountain reserved the right to protest this issue and subsequently submitted a separate protest. Green Mountain’s protest is discussed in Section II of this order.

NE, its basic concern is that its ratepayers are being asked to shoulder an unwarranted \$10.5 million cost for the 25 MVAR dynamic reactive device.²⁶ Green Mountain also stated that its ratepayers would be asked to assume this burden based on a low probability of the simultaneous occurrence of a combination of several different events that could result in low voltage conditions. Green Mountain stated that this combination of events would occur perhaps once in several years, if at all. Green Mountain also argued there are less expensive options than the \$10.5 million dynamic reactive device. Green Mountain suggested that the reinforcement of a specific line and installation of a 10 MVAR dynamic reactive device at a combined cost of \$8.95 million would achieve the same voltage correction results as the more expensive 25 MVAR dynamic reactive device. Green Mountain also suggested that a special protection system would automatically trip the KCW Project in the event of an outage and would also be a less expensive alternative.²⁷

5. ISO-NE's Response

14. In its filing, ISO-NE disputes Green Mountain's claim that a system impact study should take into account the likelihood that any given contingency will occur. ISO-NE suggests that such an approach would conflict with the Network Capability Interconnection Standard and related Planning Procedures, which provide deterministic (not probabilistic) criteria for ISO-NE to follow for planning and operating the transmission system. ISO-NE states that these criteria evaluate whether the system will withstand contingent outages of facilities under reasonably stressed conditions with different contingencies. ISO-NE states that the application of deterministic contingencies in generation system impact studies is consistent with North American Electric Reliability Corporation criteria, consistent with how generator interconnections are studied throughout North America, and consistent with how the system is normally operated. ISO-NE explains that a reasonably stressed condition is one having the most severe load and resource conditions that are reasonably expected to occur.²⁸

15. ISO-NE states that Green Mountain also suggests that ISO-NE should change some of the reliability criteria relied on in performing the system impact study. ISO-NE argues that the LGIA, its Tariff, and the ISO-NE Planning Procedures do not allow for ISO-NE to alter any reliability criteria for a particular study. ISO-NE states that its practice is to complete a system impact study based on the reliability criteria that is in

²⁶ Green Mountain's June 4, 2012 letter is submitted as an attachment by the Filing Parties in the ISO-NE Filing.

²⁷ ISO-NE Filing, Green Mountain June 4, 2012 Letter at 1-3.

²⁸ ISO-NE Filing at 12-13; *see also* ISO-NE Filing, Mankouski Testimony at 17.

place at the time it completes the system impact study, and the Interconnection Customer is responsible for any upgrades needed to mitigate any impacts the project poses to the system based on existing criteria. ISO-NE explains that it assesses the voltage impact of a proposed generator interconnection and determines any required network upgrades to mitigate any identified unacceptable impacts based on the specific transmission owner voltage criteria.²⁹

II. Notice of Filings and Responsive Pleadings

16. Notice of the filing was published in the *Federal Register*, 77 Fed. Reg. 41,397 (2012) with interventions and protests due on or before July 27, 2012. Green Mountain submitted a timely protest. On August 13, 2012, ISO-NE submitted an answer to Green Mountain's protest. On August 22, 2012, Green Mountain submitted an answer to ISO-NE's answer. On August 29, 2012 ISO-NE submitted an answer to Green Mountain's answer.

A. Green Mountain's Protest

17. In its protest, Green Mountain states that the network upgrade is based on ISO-NE's invalid modeling assumptions.³⁰ Green Mountain claims that corrected power plant control settings might eliminate the need for the 25 MVAR dynamic reactive device or at least reduce the cost and size of any dynamic reactive device that might be needed.³¹

18. In addition, Green Mountain contends that the system impact study model does not allow available capacity at the Jay Substation capacitor bank to contribute post-contingency to mitigate or eliminate the model's finding of post-contingency voltage concerns.³² Green Mountain argues that ISO-NE's modeling assumption that these capacitors will not function in accordance with their purpose and design as and when

²⁹ ISO-NE Filing at 13; *see also* ISO-NE Filing, Mankouski Testimony at 18-19.

³⁰ Green Mountain July 27, 2012 Protest at 2. For example, Green Mountain challenges ISO-NE's use of a lower 0.98 per unit (pu) voltage for the Highgate capacitor instead of a 1.005 pu voltage. Green Mountain states that the use of the 0.98 pu assumption unrealistically assumes that the Vermont Electric Power Company system operator during low voltage conditions would deliberately manipulate the Highgate voltage control to cause deterioration in system voltage below unity and thereby expose the system to potential "violation" of applicable voltage criteria.

³¹ *Id.*

³² *Id.* at 5.

needed to provide reactive power to protect system voltage is arbitrary, unreasonable and inconsistent with realistic power system operation.³³

B. ISO-NE's Answer

19. In its answer, ISO-NE details the technical aspects of the system impact study and various considerations that informed its decision to require the dynamic reactive device. For example, ISO-NE also explains that the system impact study appropriately modeled the Highgate Converter voltage at 0.98 pu and that its Tariff and procedures require a system impact study to reflect the Highgate Converter's operating characteristics under "reasonably stressed conditions." ISO-NE asserts that a voltage level of 0.98 pu accurately reflects such reasonably stressed conditions and that the Highgate Converter periodically operates at 0.98 pu and lower voltage levels.³⁴ ISO-NE refers to Tariff language and to Mr. Mankouski's testimony to further explain the procedures and modeling assumptions of the system impact study that Green Mountain is challenging. ISO-NE also attaches a chain of e-mail communications between Green Mountain, ISO-NE, and Vermont Electric Power Company, in which certain of the challenged modeling assumptions were explained prior to filing the unexecuted KCW LGIA.³⁵

20. ISO-NE also argues that the ISO-NE OATT provides a remedy for an Interconnection Customer that wishes to challenge a system impact study, but that Green Mountain chose not to employ that remedy.³⁶ According to ISO-NE, Green Mountain opted to finalize the system impact study and commence the LGIA process, rather than follow the system impact study procedures to challenge the modeling assumptions that it now assails through its protest.³⁷ ISO-NE asserts that the LGIP prohibits this approach in order to provide more certainty to later-queued projects, and that the risk of impacting such projects exists in this case because ISO-NE is nearing completion on a Feasibility Study for another interconnection request in Northern Vermont.³⁸ ISO-NE also states

³³ *Id.*

³⁴ *Id.* at 4-5.

³⁵ ISO-NE August 13, 2012 Answer at Attachment 1.

³⁶ *Id.* at 6.

³⁷ *Id.* at 6-7.

³⁸ *Id.* at 9.

that Green Mountain can only now challenge the system impact study results through a section 206 complaint.³⁹

C. Green Mountain's Answer

21. On August 22, 2012, Green Mountain submitted an answer to ISO-NE's Answer. Green Mountain disagrees with ISO-NE's position that the system impact study may be challenged only via a section 206 complaint. Green Mountain repeats its claims regarding ISO-NE's failure to justify the modeling assumptions used by ISO-NE in conducting the system impact study. Finally, Green Mountain contends that ISO-NE's Answer incorrectly claims it has properly implemented a deterministic analysis in its system impact study. Green Mountain states that several aspects of the system impact study design are probabilistic and not deterministic in nature, involving a degree of subjectivity, such as the decision to use a 0.98 pu Highgate voltage assumption, the assumptions of light load, high generation and high transfer conditions, and the decisions not to operate Highgate reactive capability to prevent a voltage violation and not model the full reactive capacity of the Jay capacitor banks.⁴⁰

D. ISO-NE's Answer to Green Mountain's Answer

22. In its second answer, ISO-NE presents data to rebut Green Mountain's claims regarding the Highgate voltage modeling assumptions.⁴¹ In particular, ISO-NE provides information demonstrating that the Highgate voltage has dropped before to approximately 98 percent when Highgate and/or other Northern Vermont generating sources are transferring significant energy. In addition, ISO-NE asserts that Green Mountain's protest and answer constitute section 206 complaints that should be rejected as a matter of law.⁴²

³⁹ See 16 U.S.C. § 824e (2006).

⁴⁰ *Id.* at 20.

⁴¹ ISO-NE August 29, 2012 Answer at 4-6.

⁴² *Id.* at 2-3.

III. Discussion

A. Procedural Matters

23. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the answers filed by ISO-NE and Green Mountain because each has provided information that assisted us in our decision making process.

B. Determination

24. We will accept the KCW LGIA for filing, to become effective July 7, 2012, and grant the requested waiver of the 60-day notice requirement. We agree with the Filing Parties that given Green Mountain's role as both the Interconnection Customer and Interconnecting Transmission Owner, the non-conforming changes may help clarify the demarcation of the Interconnection Facilities, thereby avoiding potential future confusion.

25. In taking this action, we note that only section IV of the KCW LGIA is in contention, and, specifically, whether the 25 MVAR dynamic reactive device is necessary to mitigate impacts to affected systems. The relevant inquiry regarding this issue is whether ISO-NE followed its Commission-approved Tariff in preparing the relevant system impact study. As discussed below, Green Mountain takes issue with the outcome of the system impact study and certain aspects of the modeling that ISO-NE utilized in the system impact study, based upon whether certain contingencies might occur. However, Green Mountain has not asserted that ISO-NE violated its Tariff or failed to follow its Planning Procedures. We find that ISO-NE indeed abided by its Tariff, as well as relevant Planning Procedures, in conducting the system impact study and therefore, we reject Green Mountain's arguments concerning section IV of the KCW LGIA.⁴³

26. The crux of Green Mountain's argument is that in conducting the system impact study, ISO-NE should have considered various factors relevant to determining whether certain contingencies are likely to occur. We disagree. Identical to section 4.1.2.1 of the *pro forma* LGIA, the KCW LGIA provides that, in order for the Interconnection Customer to obtain Network Resource Interconnection Service, "the System Operator and Interconnecting Transmission Owner must conduct the necessary studies and Interconnecting Transmission Owner and Affected Parties must construct the Network Upgrades needed to interconnect the Large Generating Facility in a manner comparable

⁴³ Cf. *ISO New England, Inc.*, 135 FERC ¶ 61,147 (2011) (stating that where internal market monitor acted in accordance with requisite Tariff provisions, the Commission will not strike the resultant determinations).

to that in which all other Network Resources are interconnected under the [Network Capability] Interconnection Standard.” This provision requires ISO-NE to look to the Network Capability Interconnection Standard for further criteria on interconnection.

27. Section I of ISO-NE’s LGIP⁴⁴ defines “Network Capability Interconnection Standard,” which is repeated in Article 1 of the KCW LGIA, as “the minimum criteria required to permit the Interconnection Customer to interconnect in a manner that avoids any significant adverse effect on the reliability, stability, and operability of the New England Transmission System, including protecting against the degradation of transfer capability for interfaces affected by the Generating Facility, as *detailed in the ISO New England Planning Procedures.*”⁴⁵

28. Next turning to the Planning Procedures, we find that Planning Procedure No. 5-6 sets the parameters ISO-NE must follow in performing a system impact study, including as per sections 1.c and 1.d the requirement that the system impact study identify the minimum required upgrades necessary such that a new resource “does not diminish the transfer capability” across any transmission line or relevant interface under “reasonably” stressed conditions. Mr. Mankouski, testifying for ISO-NE, explains that the system impact study tested the impact the KCW Project would have on the New England Transmission System by considering different “reasonably” stressed conditions, including light system load levels at reduced Northern Vermont voltages that have occurred and are expected to continue to occur.⁴⁶ Mr. Mankouski also states that the study analyzed many different contingencies, such as transmission facility outages in accordance with Planning Procedure 5-6 (and the reliability criteria used to plan and operate the system).⁴⁷ Mr. Mankouski further states that the network upgrade was identified in order to rapidly provide reactive power to maintain post contingency voltage on an affected system. He explains that adding the KCW Project without adding a dynamic reactive device to the Green Mountain system would result in a degradation of transfer capability across all load levels resulting in a reduction in transfer capability—a violation of the standard in Planning Procedure 5-6.⁴⁸

⁴⁴ See Schedule 22 of ISO-NE’s OATT.

⁴⁵ See ISO-NE Filing, KCW LGIA Article 1 (emphasis added).

⁴⁶ ISO-NE Filing, Mankouski Testimony at 11.

⁴⁷ *Id.*

⁴⁸ *Id.* at 14.

29. Without asserting that ISO-NE failed to follow its Tariff or Planning Procedure 5-6, Green Mountain argues that “its ratepayers would be asked to assume this burden [of constructing the dynamic reactive device] based on the extremely low probability of the simultaneous occurrence of a combination of several different events that could result in low voltage conditions.” Therefore, Green Mountain challenges the system impact study to the extent that it did not consider the likelihood of a contingency occurring. As Mr. Mankouski explains in his testimony, ISO-NE cannot take the probability of a contingency occurring into account in the conduct of its system impact study since it would conflict with the Network Capability Interconnection Standard and related Planning Procedures, “which provide deterministic (not probabilistic) criteria for [ISO-NE] to follow for planning and operating the Administrated Transmission System.”⁴⁹ Mr. Mankouski further explains that “[t]hese criteria evaluate whether the system will withstand contingent outages of facilities under reasonably stressed conditions with different contingencies regardless of the probability of any facility outage.” “Reasonably stressed” is defined in Planning Procedure 5-6 as conditions described in Section 3 of Planning Procedure 5-6 “Conditions for Analyses.”

30. We find that ISO-NE followed proper procedures for conducting the system impact study as required by its Tariff, and nothing in the record before us, which includes numerous exhibits submitted by Green Mountain, suggests otherwise. Accordingly, we will not second-guess ISO-NE’s determination as to the necessity of the specific dynamic reactive device required by section IV of the KCW LGIA.⁵⁰ In addition, the record demonstrates that Green Mountain and ISO-NE were in contact and engaged in discussions before, during, and after the study process.

The Commission orders:

(A) The proposed KCW LGIA is hereby accepted for filing, to become effective July 7, 2012, as discussed in the body of this order.

⁴⁹ *Id.* at 17.

⁵⁰ For the same reason, we will not analyze the alternatives proffered by Green Mountain or ISO-NE’s explanation of its consideration of the alternatives.

(B) The Filing Parties' request for waiver of the 60-day notice requirement is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.