

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

Standardizing Generator Interconnection)	
Agreements and Procedures)	Docket No. RM02-1-000
)	
Advance Notice of Proposed Rulemaking)	

**JOINT COMMENTS OF
INDEPENDENT SYSTEM OPERATOR – NEW ENGLAND INC.
AND
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

The Independent System Operator – New England Inc. (“ISO-NE”) and New York Independent System Operator, Inc. (“NYISO”) (collectively “the ISOs”) file the following joint comments to highlight common positions and issues of common concern regarding the Commission’s issuance of the Advance Notice of Proposed Rulemaking (“ANOPR”) regarding a standard generator interconnection agreement and procedures. *See* 66 Fed. Reg. 55,140/2 (Nov. 1, 2001). The ISOs file these joint comments as a supplement to their own, individual comments filed separately today.

The ISOs strongly support the Commission’s standardization efforts to ensure that interconnection service is offered to all customers on terms and conditions fully consistent with Commission policy and precedent. The ISOs supported and participated in the public meetings conducted to pursue consensus on interconnection issues. *See* 66 Fed. Reg. at 55,141/3 (Nov. 1, 2001). The ISOs understand that the drafting groups in those meetings took into account ERCOT policies plus Commission-identified “best practices” in preparing their Standard Interconnection and Operating Agreement, and

their Standard Interconnection Procedures. These drafting group documents both recognize existing, FERC-approved, interconnection policies and procedures in ISO/RTO regions of the country as presumptively establishing interconnection policies and procedures that provide non-discriminatory interconnection service, and that support the continued development of reliable, efficient and competitive wholesale electricity markets. This is a sound approach to a very important issue. The interconnection policies and procedures in these ISO/RTO regions reflect a variety of specific market, institutional and procedural characteristics that are entirely consistent with Commission policy and precedent regarding interconnection. The ISOs believe that the rules developed in this proceeding need to have an effective mechanism to recognize and accommodate such ISO/RTO characteristics.

While the drafting group documents rightly recognize the significance of existing interconnection policies and procedures in ISO/RTO areas, in their current state they do leave unresolved many policy issues – such as how best to define the interconnection service product; how best to distinguish the different obligations of transmission owners and other transmission providers; and how best to determine which entities should be parties to the Standard Interconnection and Operating Agreement. Because of the scope and complexity of these issues, and others not identified here, the ISOs submit that any effort to impose a single set of detailed interconnection procedures across all ISO/RTO regions would be premature and potentially counterproductive.

Also, the ISOs urge the Commission to review how the development of an interconnection agreement and interconnection procedures may impact other important Commission initiatives, including for example, those related to standard market design,

RTO structure and governance, market power, and, of course, the upcoming rulemaking on interconnection cost allocation. As recognized in the Commission's Strategic Plan for 2001 - 2005 (September 25, 2001 Revision B), "interconnection standardization" is only one of many steps that must be taken to fully realize the Commission's ultimate vision for the electric industry.

Establishment of a standard interconnection agreement and standard interconnection procedures can serve important interests. Standardization can certainly provide many benefits to consumers and electric industry participants in areas of the country where ISOs and RTOs do not now exist. In ISO/RTO regions, the results of this proceeding can help resolve issues in areas not presently addressed by established policies and procedures. Ultimately, a properly implemented standardization process can result in significant nationwide benefits. As the Commission fully appreciates, and as the plenary session working groups recognized, this effort will require a thoughtful approach that recognizes the inherent complexities of the task, avoids counterproductive imposition of "one size fits all" solutions, and accommodates the legitimate concerns of all stakeholders. Review of established ISO/RTO interconnection policies and procedures in

the overall context of the interconnection concerns noted by FERC in its ANOPR can provide an appropriate benchmark going forward. As appropriate, we look forward to further addressing these issues in the NOPR.

Respectfully submitted,

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Respectfully submitted,

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Dated: February 1, 2002

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each party designated on the official service list compiled by the Secretary in Docket No. RM02-1-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2001).

Dated at Washington, DC this 1st day of February, 2002.

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