

SEF INDUSTRIES, INC.

SEF Appeals the Operating Committee's approval of the SRIS for KeySpan-Ravenswood Alternative 138KV Interconnection Project at the Vernon Substation.

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Overview:

- The SRIS for KeySpan's 138KV Interconnection does not comply with NYISO's SRIS procedures.
- The NYISO rules do not allow an interconnection project and an alternative project to proceed for the same interconnection proposal.
- KeySpan failed to include required new interconnection projects in its Baseline assumptions as mandated by the NYISO SRIS Criteria and Procedures.
- KeySpan's 138KV Interconnection Project failed to qualify for the Class of 2002 Cost Allocation Study.
- Eligibility for 2002 Class Year, as set by Attachment S of the NYISO OATT, is determined as of March 1, 2002.
- KeySpan failed to meet eligibility requirements for 2002 Class Year by the March 1 cutoff.

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Facts:

- On January 17, 2001, KeySpan received approval of its 345KV interconnection.
- KeySpan developed its alternative 138KV Interconnection Project in the Spring of 2002, after it became unhappy with its Class of 2001 Cost Allocation for its 345KV interconnection.
- On June 27, 2002, KeySpan receives conditional Operating Committee approval for its SRIS of the 138KV alternative interconnection.
- On March 1, 2002, NYISO promulgates its final list of Projects included in the Class of 2002 Cost Allocation.
- KeySpan had its 138KV interconnection SRIS Scope effectively approved by the Operating Committee as part of its SRIS approval on June 27, 2002.
- As of June 27, 2002, Projects that had approved SRIS Scopes with project startup dates earlier or contemporaneous with KeySpan's Ravenswood's startup were required to be included as the minimum baseline assumptions for the KeySpan's SRIS.

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Facts:

The SRIS for KeySpan's 345 interconnection at the Rainey Substation included in its minimum baseline assumptions the following new interconnection projects:

- Athens 1080 MW
- Bethlehem 480 MW
- Sithe Heritage 858 MW
- ANP Ramapo 1100 MW
- Columbia Electric 1100 MW
- Millennium Power Generation 480 MW
- Co-Gen Tech Linden Venture, LPs 217 MW
- ABB 1075 MW

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Facts:

The SRIS for KeySpan's 138 KV interconnection at the Vernon Substation included the following new interconnection projects in addition to those in its earlier SRIS:

- NYPA Poletti 500 MW
- SCS Astoria 1000 MW
- KeySpan Ravenswood 270 MW
- NYPA GT's In-City 408 MW
- Astoria #2 170 MW
- East River Repowering 288 MW
- Bowline Unit 3 750 MW

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Facts:

The 138 KV interconnection dropped the following new interconnection projects from its SRIS:

- Sunset Energy Fleet 520 MW
- Columbia 1100 MW
- Millennium 480 MW
- Cogentech 217 MW
- ABB 1075 MW

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Facts:

•Projects required to be included in KeySpan's baseline for its 138 KV SRIS are:

- NYC Energy, LLC
- Astoria Energy
- Brookhaven
- Glenville Energy Park, LLC
- PPL Kings Park
- Lockport II Gen Station
- Langlois Converter
- Berrians GT Replacement
- Project Neptune DC PJM-NYC
- Fortistar VP
- Fortistar VAN
- Red Hook Energy
- KeySpan Spagnolli Road
- KeySpan Spagnolli GT
- KeySpan Riverhead
- Keyspan Southhampton

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Facts:

Calpine's Maspeth Queen's interconnection project is a recent example of the minimum baseline assumptions required for an SRIS. A new interconnection project with a start-up date set for 2003. Calpine had its scope approved at the May 23, 2002 Operating Committee Meeting.

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Facts:

In accordance with the NYISO approved SRIS Criteria and Procedures, the baseline assumptions for Calpine's Maspeth-Queens project include all of the following proposed generation interconnections:

- PG&E 1080 MW
- PSE&G Bethlehem 350 MW
- Sithe Heritage 800 MW
- ANP Ramapo 1100
- Mirant Bowline #3 750 MW
- ConEd East River Repowering 288 MW
- NYC Energy Kent Ave. 79.9 MW
- ANP Brookhaven 580 MW
- KeySpan Ravenswood 270 MW
- SCS Astoria Energy 1000 MW
- LIPA CT-LI DC tie 330 MW
- NYPA Poletti 500 MW
- Calpine JFK Expansion 45 MW
- Calp8ine Wawayanda 540 MW
- Fortistar VP 79.9 MW
- Canastota Wind Power 50 MW
- LMA Lockport II 79.9 MW
- Orion Astoria Repowering 546 MW
- GenPower NS-NYC DC 600 MW
- PSEG Cross Hudson Project 1018 MW

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Facts:

- KeySpan's 138KV alternative interconnection is a complete substitution of one new interconnection project for an earlier approved interconnection and NYISO Rules and Procedures establish a presumption that such a project is a new interconnection project which KeySpan has failed to rebut.
- KeySpan failed to meet NYISO milestones for inclusion in Class of 2002 Cost Allocation by the March 1, 2002, cut off
 - Both its SRIS Scope and SRIS Study were approved June 27, 2002
 - Its Article X Certificate was amended to reflect new interconnection project on July 23, 2002.

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The Management Committee should reject the SRIS for KeySpan's 138KV interconnection project

- The SRIS failed to incorporate required new interconnection projects in its minimum baseline assumptions.
- The NYISO Rules and Procedures limit a project from advancing two distinct interconnection projects for one generation plant.

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The Management Committee should rule that KeySpan's 138KV interconnection project is ineligible for inclusion in the Class of 2002 Cost Allocation Studies.

- Including the 138KV is a violation of the Attachment S of the NYISO OATT allowing a project to completely substitute a new to replace its interconnection project without having to conform to NYISO rules, criteria and procedures injects undue uncertainty, complexity and confusion into the development of interconnection projects in the New York Control Area.

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Relief Sought:

- SEF respectfully urges the Management Committee to find the SRIS for the KeySpan 138KV interconnection project fails to include the required minimum baseline assumptions and should be rejected.
- SEF additionally requests the Management Committee find that KeySpan's 138KV interconnection project has failed to qualify for eligibility in the Class of 2002.