

New England Power Pool

Order No. EA-186

I. BACKGROUND

Exports of electricity from the United States to a foreign country are regulated and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C. §824a(e)).

On May 15, 1998, New England Power Pool (NEPOOL), an association of approximately 130 New England utilities, filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) for authorization to transmit electric energy to Hydro Quebec, the provincial electric utility of the Province of Quebec, on an emergency basis. This application was not submitted in response to a declared emergency on the Hydro Quebec system but, rather, the NEPOOL request is intended to give NEPOOL the ability to respond without delay to any future requests for emergency assistance by Hydro Quebec. Should such a request for emergency assistance be made, NEPOOL proposes to transmit electric energy to Canada using an existing 345-kilovolt (kV) (operated at 120-kV) international transmission line owned by The Joint Owners of the Highgate Project, a group of Vermont electric utilities. The construction of these international transmission facilities, located at Franklin, Vermont, was authorized by Presidential Permit PP-82.

On January 23, 1998, DOE issued Order EA-173 granting NEPOOL temporary emergency authorization to assist Hydro Quebec during a severe ice storm which caused the loss of a significant portion of the transmission system normally used to transmit electric energy between the United States and Canada and between generating facilities and load centers in Canada. Although DOE was able to issue the emergency order to NEPOOL the same day the emergency was declared by Hydro Quebec, it is possible that future circumstances may preclude the same immediate response by DOE. Therefore, by this application, NEPOOL seeks the authority to immediately respond to Hydro Quebec's future emergency power needs without further action by DOE.

Notice of NEPOOL's application was published in the Federal Register on June 3, 1998, (63 FR 30213) requesting that comments, protests, and petitions to intervene be submitted to the DOE by July 7, 1998. None were received.

II. DISCUSSION and ANALYSIS

In Order EA-76-C issued on February 19, 1993, DOE authorized NEPOOL to export electric energy to Hydro Quebec using the ± 450 -kV direct current international transmission

facilities of the Vermont Electric Transmission Company authorized by Presidential Permit PP-76, as amended. In the reliability determination prepared in Docket EA-76-C, DOE found that exports by NEPOOL of up to 2000 MW over the PP-76 facilities could be sustained without impairing the reliability of the U.S. electric power system. In an order issued in Docket EA-82, DOE authorized the Joint Owners of the Highgate Project to export electric energy to Canada using the PP-82 facilities. In the reliability determination prepared in EA-82 docket, DOE found that exports over the PP-82 facilities must be limited to a maximum rate of transmission of 200 MW. Therefore, this Order limits exports by NEPOOL over the PP-82 facilities to the same 200-MW transmission rate. However, DOE notes that for the past several summer peak periods the NEPOOL capacity reserve margins have been lower than anticipated due to the extended outage of several nuclear powerplants and higher than anticipated, heat-induced peak demands. Furthermore, on several occasions during those peak periods, NEPOOL has instituted various load curtailment procedures in an effort to maintain an adequate level of reserves. Until this situation is remedied, DOE is not inclined to authorize total exports by NEPOOL in excess of the 2000 MW authorized in Docket EA-76-C. Accordingly, the 200-MW emergency export over the PP-82 facilities authorized herein will be included in, and not in addition to, the level of exports authorized in Order EA-76-C which presently is 2000 MW.

III. FINDING

DOE has assessed the impact that issuing a “permanent emergency” export would have on the reliability of the U.S. electric power supply system. DOE has determined that the export of electric energy to Canada as requested by NEPOOL and as limited herein would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities provided that ISO New England coordinate such exports.

DOE has also determined that this action is among those classes of actions not normally requiring preparation of an environmental assessment or an environmental impact statement and, therefore, is eligible for categorical exclusion under Appendix B to Subpart D, paragraph B4.2 of the revised DOE Regulations implementing NEPA. Specifically, this categorical exclusion is provided for transmission of electric energy using existing transmission systems. Documentation of the use of this categorical exclusion has been placed in this Docket.

IV. ORDER

Based on the above, it is hereby ordered that NEPOOL is authorized to export emergency electric energy to Canada under the following terms and conditions:

(A) The electric energy exported by NEPOOL pursuant to this Order may be delivered to Canada only in response to emergency requests for electric supply by Hydro Quebec and only over the

345-kV (operated at 120-kV) facilities owned and operated by the Joint Owners of the Highgate Project located at Highgate, Vermont, and authorized by Presidential Permit PP-82.

(B) Exports by NEPOOL made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-82 to exceed an instantaneous transmission rate of 200 MW nor cause a violation of the following security constrained export limits:

<u>Vermont Total Load (MW)</u>	<u>Security Constrained Maximum Export (MW)</u>
1000	0
900	40
800	90
700	125
600	150
500	170

(C) Emergency exports made by NEPOOL pursuant to this Order shall not cause the total, simultaneous exports over the facilities authorized by Presidential Permits PP-82 and PP-76, as amended, to exceed the maximum instantaneous transmission rate contained in Order EA-76-C, presently 2000 MW.

(D) In scheduling the delivery of electricity exports to Canada, NEPOOL shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, or independent system operators, as appropriate on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(E) NEPOOL shall conduct all operations pursuant to the authorization hereby granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order Nos. 888, as amended.

(F) The authorization herein granted may be modified from time to time or terminated by further order of the DOE, but in no event shall such authorization extend beyond the date of termination or expiration of the Presidential permit referred to in paragraph (A).

(G) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.

(H) NEPOOL shall make and preserve full and complete records with respect to the electric energy exported to Canada. Within 5 days of the conclusion of an emergency export, NEPOOL shall submit a report to DOE providing (1) the gross amount of electricity delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of

transmission, in kilowatts. If no transactions have been made during a calendar year, a one-sentence report indicating “no activity” for the previous year, filed by February 15, is sufficient.

Reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-27, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed at the above address.

(I) In accordance with 10 C.F.R. §205.305, this authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(J) NEPOOL shall reduce or terminate the emergency exports to Canada during any system operating conditions in which a continuation of those exports would create potential reliability problems on the U.S. electric power supply system.

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