

Case 06-T-0650

New York Regional Interconnect Inc. Application

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST

Request No.: DPS-116  
Requested By: Edward Schrom  
Date of Request: December 9, 2008  
Reply Date: December 19, 2008  
Witness:  
Subject: Certificate Conditions

STATE OF NEW YORK  
DEPT. OF PUBLIC SERVICE  
DATE 4/2/09  
CASE NO. 06-T-0650  
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1. Would the following Certificate Conditions be acceptable to NYRI.

- a. The Company shall design, engineer, and construct facilities in support of the authorized electric plant as provided in the System Reliability Impact Study (SRIS) approved by the Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) and Central Hudson Gas and Electric Corporation (Central Hudson), the Transmission Planning Advisory Subcommittee (TPAS), the National Grid and Central Hudson Operating Committee, and the National Grid and Central Hudson Class Year 2007 Annual Transmission Reliability Assessment Study, and in accordance with the applicable and published planning and design standards and best engineering practices of National Grid and Central Hudson, NYPA, the New York State Reliability Council (NYSRC), Northeast Power Coordinating Council (NPCC), North American Electric Reliability Council (NERC) and successor organizations, depending upon where the facilities are to be built and which standards and practices are applicable. Specific requirements shall be those required by the National Grid and Central Hudson Operating Committee and TPAS in the approved SRIS and by the Interconnection Agreement (IA) and the facilities agreement with NYPA.
- b. The Company shall work with NYPA, and any successor Transmission Owner (as defined in the National Grid and Central Hudson Agreement), to ensure that, with the addition of the electric plant (as defined in the IA between the Company and NYPA), the system will have power system relay protection and appropriate communication capabilities to ensure that operation of the NYPA Transmission System is adequate under NPCC Bulk Power System Protection Criteria, and meets the

protection requirements at all times of the NERC, NPCC, NYSRC, National Grid and Central Hudson, and NYPA, and successor Transmission Owner (as defined in the National Grid and Central Hudson Agreement). The Company shall ensure compliance with applicable NPCC criteria and shall be responsible for the costs to verify that the relay protection system is in compliance with applicable NPCC, National Grid and Central Hudson, NYSRC and NYPA criteria.

- c. The Company shall operate the electric plant in accordance with the IA, approved tariffs and applicable rules and protocols of NYPA, National Grid and Central Hudson, NYSRC, NPCC, NERC and successor organizations. The Company may seek subsequent review of any specific operational orders at the National Grid and Central Hudson, the Commission, the Federal Energy Regulatory Commission, or in any other appropriate forum.
- d. The Company shall be in full compliance with the applicable reliability criteria of NYPA, National Grid and Central Hudson, NPCC, NYSRC, NERC and successors. If it fails to meet the reliability criteria at any time, the Company shall notify the National Grid and Central Hudson immediately, in accordance with National Grid and Central Hudson requirements, and shall simultaneously provide the Commission and NYPA with a copy of the National Grid and Central Hudson notice.
- e. The Company shall file a copy of the following documents with the Secretary to the Commission:
  - i. all facilities agreements with NYPA, and successor Transmission Owner throughout the life of the plant (as defined in the National Grid and Central Hudson Agreement);
  - ii. the SRIS approved by the National Grid and Central Hudson Operating Committee;
  - iii. any documents produced as a result of the updating of requirements by the NYSRC;
  - iv. the Relay Coordination Study, which shall be filed not later than four months prior to the projected date for commencement of commercial operation of the facilities; and a copy of the manufacturers' "machine characteristics" of the equipment installed (including test and design data);
  - v. a copy of the facilities design studies for the Electric Plant, including all updates (throughout the life of the plant);
  - vi. a copy of the IA and all updates or revisions (throughout the life of the plant); and

- vii. if any equipment or control system with different characteristics is to be installed, the Company shall provide that information before any such change is made (throughout the life of the authorized plant);
- f. The Company shall obey unit commitment and dispatch instructions issued by National Grid and Central Hudson, or its successor, in order to maintain the reliability of the transmission system. In the event that the National Grid and Central Hudson System Operator encounters communication difficulties, The Company shall obey dispatch instructions issued by the NYPA Control Center, or its successor, in order to maintain the reliability of the transmission system.
  - i. After commencement of construction of the authorized Electric Plant, the Company shall provide Staff of the Bulk Electric Systems Section and NYPA with a monthly report on the progress of construction and an update of the construction schedule, and file copies of current construction progress reports during all phases of construction. In the event the Commission determines that construction is not proceeding at a pace that is consistent with Good Utility Practice, and that a modification, revocation, or suspension of the Certificate may therefore be warranted, the Commission may issue a show cause order requiring the Company to explain why construction is behind schedule and to describe such measures as are being taken to get back on schedule. The Order to Show Cause will set forth the alleged facts that appear to warrant the intended action. It shall be a defense in any proceeding initiated pursuant to this condition if the delay of concern to the Commission:
    - 1. arises in material part from actions or circumstances beyond the reasonable control of the Company (including the actions of third parties);
    - 2. is not in material part caused by the fault of the Company; or
    - 3. is not inconsistent with a schedule that constitutes Good Utility Practice.
  - ii. (b) The Company shall file with the Secretary to the Commission, no more than four months after the commencement of construction, a detailed progress report. Should that report indicate that construction will not be completed within twelve months; the Company shall include in the report an explanation of the circumstances

contributing to the delay and a demonstration showing why construction should be permitted to proceed. In these circumstances, an order to show cause will not be issued by the Commission, but a hearing will be held before the Commission takes any action to amend, revoke or suspend the Certificate.

- iii. For purposes of this condition, Good Utility Practice shall mean any of the applicable acts, practices or methods engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability and safety. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region in which the Company is located. Good Utility Practice shall include, but not be limited to, NERC criteria, rules, guidelines and standards, NPCC criteria, rules, guidelines and standards, NYSRC criteria, rules, guidelines and standards, and NATIONAL GRID AND CENTRAL HUDSON criteria, rules, guidelines and standards, where applicable, as they may be amended from time to time (including the rules, guidelines and criteria of any successor organization to the foregoing entities). When applied to the Company, the term Good Utility Practice shall also include standards applicable to an independent power producer connecting to the distribution or transmission facilities or system of a utility.
- iv. Except for periods during which the authorized facilities are unable to safely and reliably convey electrical energy to the New York transmission system (e.g., because of problems with the authorized facilities themselves or upstream electrical equipment) the Company's electric plant shall be exclusively connected to the New York transmission system over the facilities authorized herein.
- g. The Company shall work with NYPA system planning and system protection engineers to discuss the characteristics of the transmission system before

purchasing any system protection and control equipment related to the electrical interconnection of the Project to the NYPA transmission system. This discussion is designed to ensure that the equipment purchased will be able to withstand most system abnormalities. The technical considerations of interconnecting the electric plant to the NYPA transmission facility shall be documented by the Company and provided to Staff of the Bulk Electric Systems Section and NYPA prior to the installation of transmission equipment. Updates to the technical information shall be furnished as available (throughout the life of the plant).

- h. The Company shall work with NYPA engineers and safety personnel on testing and energizing equipment in the authorized substation. A testing protocol shall be developed and provided to NYPA for review and acceptance. A copy shall be provided to Staff of the Bulk Electric Systems Section following NYPA approval. The Company shall make a good faith effort to notify Staff of meetings related to the electrical interconnection of the Project to the NYPA transmission system and provide the opportunity for Staff to attend those meetings. The Company shall provide a copy of the testing design protocol to Staff of the Bulk Electric Systems Section.
- i. The Company shall call the Staff of the Bulk Electric Systems Section within six hours to report any transmission related incident that affects the operation of the Electric Plant. The Company shall submit a report on any such incident within seven days to the Bulk Electric Systems Staff and NYPA. The report shall contain, when available, copies of applicable drawings, descriptions of the equipment involved, a description of the incident and a discussion of how future occurrences will be prevented. The Company shall work cooperatively with NYPA, National Grid and Central Hudson and the NPCC to prevent any future occurrences.
- j. The Company shall make modifications to its Interconnection Facility, if it is found by the National Grid and Central Hudson or NYPA to cause reliability problems to the New York State Transmission System. If NYPA or the National Grid and Central Hudson bring concerns to the Commission, the Company shall be obligated to address those concerns.
- k. If, subsequent to construction of the authorized electric plant, no electric power is transferred over such plant for a period of more than a year, the

Commission may consider the amendment, revocation or suspension of the Certificate.

1. In the event that an equipment failure of the authorized Electric Plant causes a significant reduction in the capability of such Plant to deliver power, the Company shall promptly provide to the Bulk Electric System Section Staff and NYPA, copies of all notices, filings, and other substantive written communications with the National Grid and Central Hudson as to such reduction, any plans for making repairs to remedy the reduction, and the schedule for any such repairs. The Company shall report monthly to the Staff and NYPA on the progress of any repairs. If such equipment failure is not completely repaired within nine months of its occurrence, the Company shall provide a detailed report to the Secretary to the Commission, within nine months and two weeks after the equipment failure, setting forth the progress on the repairs and indicating whether the repairs will be completed within three months; if the repairs will not be completed within three months, the Company shall explain the circumstances contributing to the delay and demonstrate why the repairs should continue to be pursued.

**Response:**

Due to the fact that the proposed certificate conditions relate to a specific generation project, NYRI would not accept the conditions as proposed. However, please refer to Exhibit DPS-116, attached hereto, for a mark-up of the proposed certificate conditions to reflect language that would be acceptable to NYRI.

The response to DPS-116 is provided by Counsel.

Exhibit DPS-116

NYRI Redline of DPS Staff's  
Proposed Certificate Conditions

- a. ~~The Company~~NYRI shall design, engineer, and construct ~~facilities in support of the authorized electric plant~~ the facility, as described in Exhibit 2 of the Supplement to the Application filed by NYRI dated February 21, 2008, as ~~provided in the System Reliability Impact Study (SRIS) approved by the Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) and Central Hudson Gas and Electric Corporation (Central Hudson), the Transmission Planning Advisory Subcommittee (TPAS), the National Grid and Central Hudson Operating Committee, and the National Grid and Central Hudson Class Year 2007 Annual Transmission Reliability Assessment Study, and in accordance with Good Utility Practice as well as the applicable and published planning and design standards and best engineering practices of National Grid and Central Hudson, NYPA, of the New York State Reliability Council, L.L.C. ("NYSRC"), Northeast Power Coordinating Council, Inc. ("NPCC"), North American Electric Reliability Council Corporation ("NERC") and successor organizations, depending upon where the facilities are to be built and which standards and practices are applicable. Specific requirements shall be those required by the National Grid and Central Hudson Operating Committee and TPAS in the approved SRIS and by the Interconnection Agreement (IA) and the facilities agreement with NYPA.~~
- b. ~~The Company~~NYRI shall work with the NYISO, NYPA, and any successor Transmission Owner (as defined in the National Grid and Central Hudson Gas and Electric Agreement), to ensure that, ~~with the addition of the electric plant (as defined in the IA between the Company and NYPA)~~, the system facility will have power system relay protection and appropriate communication capabilities to ensure that operation of the ~~NYPA Transmission System facility~~ is adequate under NPCC Bulk Power System Protection Criteria, and meets the protection requirements at all times of the NERC, NPCC, NYSRC, National Grid and Central Hudson Gas and Electric, and NYPA, and successor Transmission Owner (as defined in the National Grid and Central Hudson Agreement). ~~The Company~~NYRI shall ensure compliance with applicable NPCC criteria and shall be responsible for ~~the costs to verifying~~ that the relay protection system is in compliance with applicable NERC, NPCC, National Grid and Central Hudson Gas and Electric, and NYSRC and NYPA criteria.
- c. ~~The Company~~NYRI shall operate the ~~electric plant facility~~ in accordance with (i) the Interconnection Agreement(s) relating to the facility; and, (ii) approved tariffs and applicable rules and protocols of NYPA, the NYISO, National Grid

~~and~~, Central Hudson Gas and Electric, NYSRC, NPCC, NERC and successor organizations. ~~The Company~~ NYRI may seek subsequent review of any specific operational orders at the ~~NYISO National Grid and Central Hudson, the Commission~~, the Federal Energy Regulatory Commission, or in any other appropriate forum.

- d. ~~The Company~~ NYRI shall be in full-compliance with the applicable reliability criteria of NYPA, National Grid ~~and~~, Central Hudson Gas and Electric, NPCC, NYSRC, NERC and successors organizations. If it fails to meet ~~the such~~ reliability criteria ~~at any time~~, ~~the Company~~ NYRI shall notify ~~the National Grid and Central Hudson~~ immediately ~~the NYISO~~, in accordance with ~~National Grid and Central Hudson~~ NYISO requirements, and shall simultaneously provide the Commission, ~~and NYPA National Grid and Central Hudson Gas and Electric~~ with a copy of ~~the any such notice to National Grid and Central Hudson~~ notice the NYISO.
- e. ~~The Company~~ NYRI shall file a copy of the following documents with the Secretary to the Commission:
- i. all facilities agreements with NYPA, ~~and successor~~ National Grid, Central Hudson Gas and Electric and any other Transmission Owner regarding the facility (throughout the life of the facility) plant (as defined in the National Grid and Central Hudson Agreement);
  - ii. the SRIS approved by the ~~National Grid and Central Hudson Operating Committee~~ NYISO Management Committee;
  - ~~iii. any documents produced as a result of the updating of requirements by the NYSRC;~~
  - ~~iv.~~ iii. the Relay Coordination Study, which shall be filed not later than four months prior to the projected date for commencement of commercial operation of the ~~facilities~~ facility; and a copy of the manufacturers' "machine characteristics" of the equipment electrical characteristics for the equipment installed at the converter stations (including test and design data);
  - ~~v.~~ iv. a copy of the ~~facilities design studies~~ Facilities Study for the Electric Plant facility, including all updates (throughout the life of the plant); and
  - ~~vi.~~ v. a copy of the Interconnection Agreement(s) relating to the facility and all updates or revisions thereto (throughout the life of the ~~plant~~ facility); and
  - ~~vii. if any equipment or control system with different characteristics is to be installed, the Company shall provide that information before any such change is made (throughout the life of the authorized plant);~~

f. ~~The Company NYRI shall implement obey unit commitment and dispatch and operating instructions issued by the NYISO National Grid and Central Hudson, or its successor, in order to maintain the reliability of the transmission system. In the event that the National Grid and Central Hudson System Operator encounters communication difficulties, The Company shall obey dispatch instructions issued by the NYPA Control Center, or its successor, in order to maintain the reliability of the transmission system.~~

i. ~~After commencement of construction of the authorized Electric Plant facility, the Company NYRI shall provide DPS Staff of the Bulk Electric Systems Section and NYPA with a monthly report on the progress of construction and any updates of the construction schedule, and file copies of current construction progress reports during all phases of construction.~~ In the event the Commission determines that construction is not proceeding at a pace that is consistent with Good Utility Practice to meet the scheduled completion date, and that a modification, revocation, or suspension of the Certificate may therefore be warranted, the Commission may issue a show cause order requiring ~~the Company NYRI~~ to explain why construction is behind schedule and to describe such measures as are being taken to get back on schedule. The Order to Show Cause will set forth the alleged facts that appear to warrant the intended action. It shall be a defense in any proceeding initiated pursuant to this condition if the delay of concern to the Commission:

1. arises in material part from actions or circumstances beyond the reasonable control of ~~the Company NYRI~~ (including the actions of third parties);
2. is not in material part caused by the fault of ~~the Company NYRI~~; or
3. is not inconsistent with a schedule that constitutes Good Utility Practice.

ii. (b) ~~The Company NYRI~~ shall file with the Secretary to the Commission, no more than four months after the commencement of construction, a detailed progress report. Should that report indicate that construction will not be completed within ~~twelve~~48 months after the commencement of construction; ~~the Company NYRI~~ shall include in the report an explanation of the circumstances contributing to the delay and a demonstration showing why construction should be permitted to proceed. In these circumstances, an order to show cause will not be issued by the Commission, but a hearing will be held before the Commission takes any action to amend, revoke or suspend the Certificate.

iii. For purposes of this ~~condition~~ Certificate, "Good Utility Practice" shall mean any of the applicable acts, practices or methods engaged in or

approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability and safety. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region in which the ~~Company~~ facility is located. Good Utility Practice shall include, but not be limited to, NERC criteria, rules, guidelines and standards, NPCC criteria, rules, guidelines and standards, and NYSRC criteria, rules, guidelines and standards, and NATIONAL GRID AND CENTRAL HUDSON ~~criteria, rules, guidelines and standards,~~ where applicable, as they may be amended from time to time (including the rules, guidelines and criteria of any successor organization to the foregoing entities). ~~When applied to the Company, the term Good Utility Practice shall also include standards applicable to an independent power producer connecting to the distribution or transmission facilities or system of a utility.~~

~~iv. Except for periods during which the authorized facilities are unable to safely and reliably convey electrical energy to the New York transmission system (e.g., because of problems with the authorized facilities themselves or upstream electrical equipment) the Company's electric plant shall be exclusively connected to the New York transmission system over the facilities authorized herein.~~

g. ~~The Company~~ NYRI shall work with NYISO, National Grid, and Central Hudson Gas and Electric ~~NYPA~~ system planning and system protection engineers to discuss the characteristics of the transmission system before purchasing any system protection and control equipment related to the electrical interconnection of ~~the Project to the NYPA~~ the facility to the NYS bulk transmission system. This discussion is designed to ensure that the equipment purchased will be able to ~~withstand~~ correctly operate for expected most system abnormalities. The system protection technical considerations of interconnecting the ~~electric plant facility~~ to the ~~NYPA~~ NYS bulk transmission facility ~~system~~ shall be documented by the ~~Company~~ and provided to DPS Staff of the Bulk Electric Systems Section and NYPA prior to the installation of any required system protection transmission equipment. Updates to the technical information shall be furnished as available (throughout the life of the plant facility).

- h. ~~The Company NYRI shall work with NYPA-NYISO, National Grid and Central Hudson Gas and Electric engineers and safety personnel on testing and energizing equipment for the facility and associated converter stations in the authorized substation. A testing protocol shall be developed and provided to the NYPAISO, National Grid and Central Hudson Gas and Electric for review and acceptance comment. A copy of such testing protocol shall be provided to DPS Staff of the Bulk Electric Systems Section following NYPA approval. The Company NYRI shall make a good faith effort to notify DPS Staff of meetings between NYRI and the NYISO, National Grid and/or Central Hudson Gas and Electric related to the electrical interconnection of the Project facility to the NYPA's bulk transmission system and provide the opportunity for DPS Staff to attend those any such meetings. The Company shall provide a copy of the testing design protocol to Staff of the Bulk Electric Systems Section.~~
- i. ~~The Company NYRI shall call the contact DPS Staff of the Bulk Electric Systems Section within six hours to report after any transmission related incident that affects the operation results in a derating of at least fifty percent (50%) or a forced outage of the Electric Plant facility to report such incident to DPS Staff. The Company NYRI shall submit a follow-up report on any such incident within seven days to the Bulk Electric Systems DPS Staff and NYPA. The report shall contain, when if available and applicable, copies of applicable drawings, descriptions of the equipment involved, a description of the incident and a discussion of how future occurrences will be prevented. The Company NYRI shall work cooperatively with the NYPAISO, (and National Grid and Central Hudson Gas and Electric, as applicable) and the NPCC to prevent any future occurrences.~~
- j. ~~The Company NYRI shall make modifications to its Interconnection Facility(ies), if it-its Interconnection Facility(ies) is found by the NYISO National Grid and Central Hudson or NYPA to cause reliability problems to the New York State NYS bulk Ttransmission Ssystem. If NYPA or the National Grid and Central Hudson bring concerns to the Commission, the Company shall be obligated to address those concerns.~~
- k. ~~If, subsequent to construction of the authorized electric plant, no electric power is transferred over such plant for a period of more than a year, the Commission may consider the amendment, revocation or suspension of the Certificate.~~
- l.k. ~~In the event that an equipment failure of the authorized Electric Plant facility causes a significant reduction in the capability results in a derating of at least fifty percent (50%) or a forced outage of such the Plant facility to deliver power, the Company NYRI shall promptly provide to the Bulk Electric System~~

~~Section Staff and NYPA~~ DPS Staff, copies of all notices, filings, and other substantive written communications ~~with the National Grid and Central Hudson~~ provided to the NYISO, in accordance with NYISO requirements, as to such reduction regarding such equipment failure, any plans for making repairs to remedy ~~the reduction~~ such failure, and the schedule for any such repairs. ~~The Company~~ NYRI shall report monthly to ~~the~~ DPS Staff and NYPA on the progress of any such repairs, while on-going. If such equipment failure is not completely repaired within nine months of its occurrence, ~~the Company~~ NYRI shall provide a detailed report to the Secretary to the Commission, within nine months and two weeks after ~~the~~ such equipment failure, setting forth the progress on the repairs and indicating whether the repairs will be completed within three months after such filing with the Secretary to the Commission; if the repairs will not be completed within three months after such filing with the Secretary to the Commission, ~~the Company~~ NYRI shall explain the circumstances contributing to the delay and demonstrate why the repairs should continue to be pursued.

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