

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

Preventing Undue Discrimination and)
Preference in Transmission Services)

Docket Nos. RM05-25-000
RM05-17-000

**REPLY COMMENTS OF THE EDISON ELECTRIC INSTITUTE
ON THE NOTICE OF PROPOSED RULEMAKING**

Régie de l'énergie
DOSSIER: R-3669-2008 Phase 2
DÉPOSÉE EN AUDIENCE
Date: 17/02/2011
Pièces n°: C-2-530C C-3-68 R NCREQ.

September 20, 2006

V. PROPOSED MODIFICATIONS OF THE OATT

A. CONSISTENCY AND TRANSPARENCY OF ATC CALCULATIONS

1. CONSISTENCY

a. The Commission Should Reject Requests for Standardization of Calculations of ATC.

EEI's review of the Initial Comments on the issue of the development of consistent standards for the calculation of ATC has confirmed EEI's initial judgment that the Commission should not require the standardization of ATC calculations. Only TDU advocates the standardization of ATC calculations, and TDU's assertions are not persuasive.

TDU's assertion that standardizing modeling assumptions for the calculation of ATC is "critical to ensuring comparable access to transmission" (TDU p. 8) is not supported by any explanation of why this is so. As the NOPR proposes, comparable access to transmission service is achieved by ensuring that each transmission provider evaluates its own proposed uses of the system and the proposed uses of its customers on the same basis. That objective is achieved by ensuring transparency and consistency of each transmission provider's ATC calculations. The perception that transmission providers have the capability to discriminate in the evaluation of transmission requests can be reduced by requiring greater regional consistency in the definitions and data inputs that are used to determine ATC, as EEI noted in its Initial Comments (EEI p. 34).

Many commenters recognize that not all transmission systems are the same (e.g., LPPC p. 23, NRECA p. 7). Given the differences among transmission systems, the standardization of calculation methodologies across the Eastern Interconnection, as proposed by the TDU, may adversely affect system reliability. This is because dissimilar systems would be

forced to adopt the same calculation methodologies without regard to the impact on reliability. Alternatively, standardization of ATC methodologies across the Eastern Interconnection might adversely affect the amount of ATC, if all systems would have to adopt a conservative, “lowest common denominator” standard for calculating ATC to ensure that the reliability of no transmission system would be compromised.

Consequently, NERC should be required to develop standards for the calculation of ATC that take into consideration the need for regional variations in calculation methodologies and modeling assumptions, including system characteristics and historic practices, and focus on consistency in definitions and data inputs. This is the most likely way to maximize confidence in the calculations, maximize use of the transmission systems and maintain system reliability.

b. The Commission Should Not Adopt Proposals to Require Reservations of Capacity Benefit Margin to Be Based on Firm Reservations of Transmission Service and Designated Network Resources.

Many of the commenters on the issue of CBM recognize the importance of CBM to maintaining system reliability and do not advocate the replacement of CBM with a requirement that LSEs maintain reliability through additional firm power and transmission commitments (e.g., LPPC, pp. 20-22, TDU p. 14). Only TAPS, among the major trade associations and groups representing LSEs, appears to oppose the use of CBM, and TAPS’s assertions indicate that they may not fully understand the basis on which LSEs utilize CBM.

As EEI explained in its Initial Comments (EEI pp. 41-43), requiring LSEs to designate network resources and reserve firm transmission paths as a substitute for the existing CBM policies and procedures would require LSEs to incur substantial additional expense that they can avoid by the use of CBM. LSEs use CBM because it is the most economical way of