

151 FERC ¶ 61,024
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
Norman C. Bay, and Colette D. Honorable.

ISO New England Inc.

Docket Nos. ER15-1050-000
ER15-1051-000

ORDER ACCEPTING PROPOSED TARIFF REVISIONS

(Issued April 14, 2015)

1. On February 13, 2015, ISO New England Inc. (ISO-NE), joined by the New England Power Pool Participants Committee (NEPOOL), and the Participating Transmission Owners Administrative Committee (PTO AC) on behalf of the Participating Transmission Owners (PTO) (together, Filing Parties), jointly submitted proposed revisions to ISO-NE's Sections I, II, III and IV of the Transmission, Markets and Services Tariff (Tariff),¹ and to the Transmission Operating Agreement (TOA).² Filing Parties state that the proposed changes are intended to improve the process for

¹ ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, [I.2, I.2 Rules of Construction; Definitions, 69.0.0](#), [II.34, II.34 Study Procedures Through or Out Service Requests, 3.0.0](#), [II.46, II.46 General, 4.0.0](#), [II.47, II.47 Interconnection Procedures and Requirements, 4.0.0](#), [Schedule 11, Schedule 11 Generator Interconnection Related Upgrade Costs, 2.0.0](#), [Schedule 22, Schedule 22 Large Generator Interconnection Procedures, 8.0.0](#), [Schedule 23, Schedule 23 Small Generator Interconnection Procedures, 8.0.0](#), [Schedule 25, Schedule 25, Elec. Transmission Upgrade Inter. Proc., 0.0.0](#), [Attachment K, Attachment K Regional System Planning Process, 13.0.0](#), [III.12, III.12 Calculation of Capacity Requirements, 11.0.0](#), [III.13.1, III.13.1 Forward Capacity Auction Qualification, 32.0.0](#), [III.13.2, III.13.2 Annual Forward Capacity Auction, 31.0.0](#), [III.13.3, III.13.3 Critical Path Schedule Monitoring, 10.0.0](#), [III.13.8, III.13.8 Reporting and Price Finality, 13.0.0](#), and [Section IV.A, Section IV.A Recovery of ISO Administrative Expenses, 17.0.0](#). Capitalized terms have the meaning set forth in the Tariff.

² ISO New England Inc., ISO New England Inc. Agreements and Contracts, [TOA, Transmission Operating Agreement, 2.0.0](#).

evaluating the interconnection of new participant-funded transmission lines (Elective Transmission Upgrades) to the New England transmission system. The proposed changes include a new Schedule 25 in the Tariff, which establishes procedures that will govern the interconnection of all forms of Elective Transmission Upgrades to the New England system, and conforming changes in other sections of the Tariff as well as in the Transmission Operating Agreement.

2. Filing Parties explain that due to technical limitations of the Commission's eTariff system, ISO-NE submitted the proposed modifications in two separate filings, but request that the two filings be treated as a single filing.³

3. Filing Parties request waiver of the Commission's 60-day notice requirements⁴ to allow the proposed modifications to become effective on February 16, 2015. As discussed below, we accept the proposed tariff revisions.

I. Background and Description of the Filing

4. In Order No. 2003, the Commission granted Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) greater flexibility than other transmission providers to propose variations to the *pro forma* interconnection provisions thereby allowing RTOs and ISOs to customize their interconnection procedures and agreements to meet regional needs.⁵ To qualify for this independent entity variation, the RTO or ISO must demonstrate that the proposed variations do not provide an unwarranted opportunity for undue discrimination or produce an interconnection process that is unjust and unreasonable.⁶

³ Revisions to ISO-NE's Regulation Market under Sections I, II, III, and IV of the Tariff were submitted in Docket No. ER15-1050-000. Revisions to the Transmission Operating Agreement were submitted in Docket No. ER15-1051-000.

⁴ 18 C.F.R. § 35.11

⁵ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

⁶ *ISO New England, Inc.*, 126 FERC ¶ 61,080, at P 4 (2009) (finding that ISO-NE in its application to implement a variation from the *pro forma* procedures and agreements

(continued...)

5. In this proceeding, Filing Parties state that ISO-NE's Tariff currently contains provisions that provide for study, regional review, and ISO-NE approval of Elective Transmission Upgrades.⁷ Section II.47.5 of ISO-NE's Tariff says that "any entity may undertake the design, construction, and interconnection of an Elective Transmission Upgrade," following submittal of an application to ISO-NE. The applicant enters into a System Impact Study Agreement if required by ISO-NE to determine the impacts of the upgrade on the New England system. After the System Impact Study is completed, the Elective Transmission Upgrade applicant submits its proposal for review. If ISO-NE does not identify any significant adverse effects upon the reliability or operating characteristics of the transmission system, the Elective Transmission Upgrade applicant may enter into an interconnection agreement with the affected transmission owner(s). ISO-NE is not required by either the Transmission Operating Agreement or the Tariff to be a party to those agreements.

6. Filing Parties state that they have proposed changes to the Tariff and Transmission Operating Agreement in the instant filing to improve the existing Elective Transmission Upgrade interconnection process.⁸ Filing Parties state that the existing process does not specify any timelines or expectations for the completion of the limited interconnection requirement for Elective Transmission Upgrades. Additionally, Filing Parties point out that the existing tariff and operating agreement provisions state that the completion of a system impact study and interconnection of an Elective Transmission Upgrade "shall not" delay the completion of a System Impact Study or Facility Study for a new Generation unit. Filing Parties contend that this language renders the interconnection queue position of an Elective Transmission Upgrade essentially meaningless since they have to be continually tried up to account for new generating facilities.⁹

7. Filing Parties state that their proposed new Schedule 25 contains the Elective Transmission Upgrade interconnection procedures and Elective Transmission Upgrade interconnection agreement which are based on the Commission-approved Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection

established in Order No. 2003, had satisfied the "independent entity variation" standard); see also Order No. 2003 at PP 822 – 827.

⁷ Filing Parties Filing at 14 (citing Rourke Testimony at 4-6 describing the current Elective Transmission Upgrade interconnection process).

⁸ Filing Parties Filing at 14 (citing Rourke Testimony at 6-8 describing the deficiencies with the current Elective Transmission Upgrade interconnection process).

⁹ Filing Parties Filing at 15 (citing ISO-NE Tariff § II.47.5).

Agreement (LGIA) in Schedule 22 of the ISO-NE Tariff.¹⁰ Schedule 25 establishes provisions for the timing and applicability of the Elective Transmission Upgrade process, and provides, among other things, the specific requirements for interconnection requests, queue position, transition procedures for pending interconnection requests, interconnection feasibility studies, interconnection impact studies, interconnection facilities studies, engineering and procurement agreements, interconnection agreements, construction, and other miscellaneous requirements such as confidentiality and study cost obligations.¹¹

8. Filing Parties also state that the Elective Transmission Upgrade interconnection process under the proposed revisions would end with a three-party standardized interconnection agreement among the respective interconnection customer, interconnecting transmission owner, and ISO-NE as the system operator, similar to that in the LGIP.¹²

9. The proposed revisions also introduce two new forms of capacity and energy interconnection service – Capacity Network Import Interconnection Service and Network Import Interconnection Service – for the interconnection of all new controllable External Elective Transmission Upgrades that are classified as Merchant Transmission Facilities or Other Transmission Facilities in a manner similar to internal Generating Facilities. Filing Parties state that Capacity Network Import Interconnection Service and Network Import Interconnection Service are comparable to and follow the same construct as the Interconnection Services for Generating Facilities – Capacity Network Resource Interconnection Service and Network Resource Interconnection Service, respectively.¹³

10. Filing Parties further state that the revisions also incorporate provisions by which an Internal Elective Transmission Upgrade may become directly associated with a specific Generating Facility seeking Capacity Network Import Interconnection so that it can be studied together with the Generating Facility and thereby increase the Generating Facility's ability to qualify for the Forward Capacity Market. Under this construct, the Internal Elective Transmission Upgrade itself does not receive a specific capacity or energy interconnection service. Capacity Network Import Interconnection Service and Network Import Interconnection Service would be assigned to the internal Generating

¹⁰ Filing Parties Filing at 16.

¹¹ ISO-NE Tariff, Schedule 25.

¹² Filing Parties Filing at 22 (citing Rourke Testimony at 20-21).

¹³ Filing Parties Filing at 4.

Facility in accordance with the Generating Facility Interconnection Procedures. As is the case today, the Elective Transmission Upgrade would be eligible to request market-related rights, such as Incremental Auction Revenue Rights in accordance with the existing Market Rules.¹⁴

11. Filing Parties explain that, in Section 5 of the proposed Elective Transmission Upgrade Interconnection Procedures, the transition rules for assigning queue position will use the status of the pending Elective Transmission Upgrade requests in the study process. Pending Elective Transmission Upgrade requests will be categorized and assigned a new queue position on the effective date as follows:

- Category 1 will include Elective Transmission Upgrades with a current and valid Section I.3.9 approval. These Elective Transmission Upgrades will be assigned a:
 - New Queue Position based on the date of their Section I.3.9 approval, and
 - Separate additional Queue Position placeholder, located at the bottom of the Queue in relative Queue order, for eligible External Elective Transmission Upgrades to submit a new Capacity Network Import Interconnection Service request, recognizing the addition of the new External Elective Transmission Upgrade-specific Interconnection Services
- Categories 2 and 3 will include Elective Transmission Upgrades without a current and valid Section I.3.9 approval. These Elective Transmission Upgrades will be assigned a meaningful Queue Position at the bottom of the Queue (below the separate additional Queue Position placeholder for Elective Transmission Upgrades with I.3.9 approval) and in relative Queue Order based on their System Impact Study Agreement execution status and study status (i.e., active vs. inactive), in the following manner:
 - Category 2 will include Elective Transmission Upgrades with a System Impact Study Agreement executed prior to February 16, 2015, and that have been recognized by the ISO as actively under study. These Elective Transmission Upgrades will be placed in the Queue below Elective Transmission Upgrades with a current and valid Section I.3.9 approval. The intent of this category is to recognize Elective Transmission Upgrades with studies for which significant effort and progress had been made and

¹⁴ Filing Parties Filing at 5.

were not held up waiting for completion of studies of relevant queued generator requests.

- Category 3 will include Elective Transmission Upgrades with a System Impact Study Agreement executed prior to February 16, 2015, but not recognized by the ISO as actively under study. These Elective Transmission Upgrades will be placed in the Queue below those Elective Transmission Upgrades recognized by the ISO as actively under study. The intent of this category is to recognize Elective Transmission Upgrades with studies that could not have started because they were waiting for the completion of studies for relevant queued generators, and for which no significant effort or progress had been made
- Finally, Category 4 will include Elective Transmission Upgrades that do not have an executed System Impact Study Agreement prior to February 16, 2015. These Elective Transmission Upgrades will be placed in the Queue below those Elective Transmission Upgrades with an executed System Impact Study Agreement, but not actively under study. This category is intended to capture Elective Transmission Upgrades for which no study activity has occurred.¹⁵

12. Filing Parties also propose conforming revisions in other sections of the Tariff and to the Transmission Operating Agreement, and state that, from a transmission service, operations and scheduling standpoint, the treatment of all transmission facilities, including Elective Transmission Upgrades, remains the same as it is today.¹⁶

II. Notice of Filing and Responsive Pleadings

13. Notices of ISO-NE's filings were published in the Federal Register, 80 Fed. Reg. 9707 (2015), with interventions, comments, and protests due on or before March 6, 2015.

14. Timely-filed motions to intervene were filed by Northern Pass Transmission LLC, (Northern Pass) and Northeast Utilities Service Company (Northeast) (collectively Eversource), H.Q. Energy Services (U.S.) Inc., Consolidated Edison Energy, Inc., New Hampshire Transmission, LLC, NRG Companies, Entergy Nuclear Power Marketing, and the New England States Committee on Electricity (NESCOE).

¹⁵ Filing Parties Filing at 39-40.

¹⁶ Filing Parties Filing at 16.

15. On March 6, 2015, a timely-filed motion to intervene, comments in support, and a limited protest were filed by Champlain VT, LLC (Champlain). On March 13, 2015, a motion to intervene out-of-time and comments in support were filed by Anbaric Transmission LLC (Anbaric). On March 20, 2015, a motion to intervene out-of-time and comments in support were filed by SunEdison Utility Holdings, Inc. (SunEdison), and an answer was filed by Anbaric. On March 23, 2015, answers were filed by Eversource and the Filing Parties. On March 31, 2015, Champlain filed an answer in response to the above answers and comments. On April 3, 2015, Anbaric filed another answer.

A. Comments and Protests

16. Champlain states that ISO-NE's Elective Transmission Upgrade rule changes are an improvement over existing tariff provisions governing Elective Transmission Upgrades and the Elective Transmission Upgrade interconnection process, and will ensure that interconnecting Elective Transmission Upgrades and generating facilities are treated comparably.¹⁷

17. Champlain notes that implementation of the proposed Tariff revisions will prevent the constant "free fall" of Elective Transmission Upgrade queue positions, and that the proposed revisions will ensure that Elective Transmission Upgrade projects are treated comparably with generation projects seeking to interconnect to the ISO-NE transmission system.¹⁸ Champlain avers that the proposed revisions also provide more certainty and discipline to the Elective Transmission Upgrade interconnection process, in that proposed projects will be subject to certain requirements and milestones as a condition of maintaining a queue position, and that Elective Transmission Upgrades will not be able to remain in the ISO-NE Interconnection Queue without demonstrable progress towards the study and development of the proposed transmission facility.¹⁹

18. However, Champlain protests the proposed transition plan and requests that the Commission direct ISO-NE to reconfigure the revised queue so that the queue positions for pending Elective Transmission Upgrade interconnection requests that are actively under study are established based on the later of: (1) the date of the former Elective Transmission Upgrade application; or, if applicable, (2) the date of the most recent modification to such application, provided the modification would be deemed a Material

¹⁷ Champlain Comments at 2.

¹⁸ Champlain Comments at 6.

¹⁹ Champlain Comments at 6.

Modification under Schedule 25.²⁰ Champlain states this revision to ISO-NE's Elective Transmission Upgrade proposal is necessary in order to conform ISO-NE's proposal to Commission precedent governing queue positions. Champlain avers that for those Elective Transmission Upgrade Projects that were deemed "actively under study," queue positions were determined solely by the date of a project's initial interconnection request, without consideration of whether the initial interconnection request had been materially modified. Champlain states that ISO-NE's decision not to evaluate whether a material modification has been made to an interconnection request is inconsistent with Commission policy governing interconnection queues²¹ and, therefore, is unjust and unreasonable.

19. Anbaric states that it strongly supports ISO-NE's proposed reforms. Anbaric asserts that the changes Champlain suggests to ISO-NE's unanimously supported proposal would apply retroactively, and negatively affect Anbaric's Grand Isle Intertie Elective Transmission Upgrade project. Anbaric further asserts that Champlain's proposed changes are specifically intended to cause Anbaric's Grand Isle Intertie project to lose its place in the ISO-NE interconnection queue, which would significantly delay development and construction of the project.²²

20. In its comments, SunEdison states that it strongly supports the proposed Elective Transmission Upgrade rule changes²³ and that ISO-NE's proposal to assign queue positions to Elective Transmission Upgrade projects actively under study using the initial application date to assign queue positions is reasonable, fair, and feasible.²⁴ It urges the Commission to accept the Elective Transmission Upgrade rule changes without

²⁰ Champlain Comments at 11 - 12, requesting changes to Section 5.1.1.2.1 of the new Schedule 25 of ISO-NE's Tariff.

²¹ Champlain Comments at 8, citing to *Montgomery Great Falls Energy Partners LP v. Northwestern Corp.*, 123 FERC 61,181, at P 46 (2008). According to Champlain, in determining that a modification materially harms other projects lower in the queue, the Commission has cited the assertions of lower queue members that the modification would "delay or derail the interconnection of the lower queued project or "potentially impose significant additional costs." *Id.* P 58 n.50.

²² Anbaric Comments at 5.

²³ SunEdison Comments at 1.

²⁴ SunEdison Comments at 7.

modification.²⁵ It also states that the Commission should reject the request to modify the Schedule 25 transition procedures because it would apply a material modification standard retroactively to pending Elective Transmission Upgrade projects that never had the opportunity to secure an initial firm queue position.²⁶ SunEdison further states that requiring ISO-NE retroactively to investigate every pending Elective Transmission Upgrade request in order to identify whether and to what extent such requests might implicate a newly imposed material modification standard would require significant effort by ISO-NE and result in many disputes and delay implementation of the Elective Transmission Upgrade rule changes. Additionally, SunEdison states that if the rule was retroactively applied, the project sponsors would not be given the opportunity to elect not to pursue the change in order to preserve their queue positions.²⁷

B. Answers

21. In its answer, Anbaric states that the Commission should accept ISO-NE's Elective Transmission Upgrade rule changes as filed, without revision.²⁸ Anbaric notes that Champlain did not cite to any order in which the Commission accepted or required the retroactive application of queue reforms in the way advocated by Champlain.²⁹ Anbaric further states that Champlain does not appear to understand how the Material Modifications provisions work under the LGIP, wherein if a modification is deemed material, the customer must submit an entirely new Interconnection Request, rather than simply having its request moved back in the queue.³⁰ Additionally, Anbaric states that during the transition to the LGIP, existing interconnection requests to be studied under the new procedures were permitted to retain their existing queue positions, without retroactive application of the Material Modification provisions in the LGIP procedures.³¹

²⁵ SunEdison Comments at 7.

²⁶ SunEdison Comments at 4, 5.

²⁷ SunEdison Comments at 6.

²⁸ Anbaric Answer at 2.

²⁹ Anbaric Answer at 9.

³⁰ Anbaric Answer at FN 38 (citing to LGIP § 4.4.3).

³¹ Anbaric Answer at 9.

22. In its answer, Eversource states that Champlain's protest should be rejected and that the ISO-NE Filing be accepted without modifications or conditions.³² Eversource further states that Champlain's suggested changes to the ISO-NE filing were not vetted in the ISO-NE stakeholder process.³³ Eversource requests that the Commission defer to the technical expertise and judgment of ISO-NE and accept the proposed transition rules for pending Elective Transmission Upgrade requests because ISO-NE has all of the relevant information regarding the status of each project in the Elective Transmission Upgrade queue.³⁴ Eversource also states that, if accepted, Champlain's proposal would introduce major uncertainty and disruption into ISO-NE's review and approval process for all Elective Transmission Upgrade projects in the queue, and result in the significant delay of the approval of these projects.³⁵

23. In their joint answer, the Filing Parties state that the Commission should reject Champlain's protest because the Filing Parties have demonstrated in the instant filing that the proposed Elective Transmission Upgrade rule changes, including the transition rules, are just and reasonable. Filing Parties state that Champlain's preference for another approach, which might also be just and reasonable, cannot, under applicable section 205 precedent, serve as a basis for rejecting the challenged provision,³⁶ which received unanimous support during a vote by New England stakeholders.³⁷

24. Filing Parties also state that changing the order of the relative queue positions, as advocated by Champlain, would be incorrect for several reasons: 1) ISO-NE's Tariff did not provide that a queue position could be altered by a modification to an Elective Transmission Upgrade Application nor contain standards for determining whether a

³² Eversource Answer at 4.

³³ Eversource Answer at 1.

³⁴ Eversource Answer at 6.

³⁵ Eversource Answer at 7.

³⁶ Filing Parties Answer at 7 (citing *ISO New England Inc.*, 114 FERC ¶ 61,315, at P 33 & n.35 (2005) (refusing to evaluate an alternative proposal when the filing utility has demonstrated that its proposal is just and reasonable) (citing *Pub. Serv. Co. of New Mexico v. FERC*, 832 F.2d 1201, 1211 (10th Cir. 1987); *Cities of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984))).

³⁷ Filing Parties Answer at 2.

modification would be considered material;³⁸ 2) the Commission does not generally apply new policies to previously filed applications where there was no notice of an impending policy change;³⁹ and 3) Champlain's assertion that the Transition Rules are inconsistent with Commission Policy due to the rules' failure to reorder the queue positions for Elective Transmission Upgrade applications based on whether material modifications were made prior to the instant filing is incorrect, and Champlain provides no precedent in which the Commission addresses the pertinence of material modifications to the queue position of *transmission* interconnection requests; instead, Champlain cites to Order No. 2003 and associated orders that apply to generator interconnection requests.⁴⁰

25. Filing Parties further state that Champlain's protest mischaracterizes the impact of the transition rules and that a queue position would not affect the timing of when a resource can participate in the Forward Capacity Market. They add that queue position for an External Elective Transmission Upgrade's interconnection request merely determines the order in which the Elective Transmission Upgrade interconnection request would be reflected in the group study for overlapping interconnection impact review relative to other interconnection requests.⁴¹

26. In its answer, Champlain argues that ISO-NE inconsistently asserts, on the one hand, that its proposed Transition Rules are closely-based on the LGIP and LGIA, but on the other hand also asserts that precedent established in Order No. 2003 and related precedent "apply only to generator interconnection requests and there is 'no precedent in which the Commission addresses the pertinence of material modifications to the queue position on *transmission* interconnection requests.'"⁴² Champlain also maintains that it is not proposing retroactive application of a new rule, but rather the establishment of meaningful queue positions based on the Commission's policy on material modifications

³⁸ Filing Parties Answer at 10. Filing Parties note that, going forward, under Schedule 25, changes to an existing Elective Transmission Upgrade application made after February 16, 2015, will be subject to a material modification review and potential alteration of queue position. *Id.* at 9, n.21.

³⁹ Filing Parties Answer at 10.

⁴⁰ Filing Parties Answer at 11, citing to *See* Order No. 2003, 104 FERC ¶ 61,103, at P 1 (2003); *Interconnection Queuing Practices*, 122 FERC ¶ 61,252, at PP 4-5 (2008).

⁴¹ Filing Parties Answer at 12-13.

⁴² Champlain Answer at 4, citing ISO-NE Answer at 11 (emphasis in the original).

established in Order No. 2003, and that Anbaric's project, which underwent significant changes to the transmission line technologies and interconnection points after its initial interconnection request, demonstrates why ISO-NE should have considered material modifications when establishing new queue positions.⁴³ Champlain also argues that the limited number of Electric Transmission Upgrades at issue would allow ISO-NE to establish a revised queue without excessive difficulty and that the Commission should not rely on the stakeholder process in its determination that the proposed procedures are just and reasonable.⁴⁴

27. On April 3, 2015, Anbaric filed a second answer in which it reiterated its opposition to Champlain's protest requesting retroactive application of a material modification evaluation.⁴⁵ Anbaric also included further information explaining how it complied with the applicable ISO-NE interconnection rules.⁴⁶

III. Discussion

A. Procedural Matters

28. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. We grant Anbaric's and SunEdison's motions to intervene out of time, given their interest in the proceeding, the early stage of the proceeding and the absence of undue delay or prejudice.

29. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We accept the answers filed here, because they have provided information that assisted in the decision-making process.

B. Commission Determination

30. We find that the proposed Tariff revisions and changes to the Transmission Operating Agreement are just and reasonable, and we therefore accept them effective

⁴³ Champlain Answer at 5-7.

⁴⁴ Champlain Answer at 9-11.

⁴⁵ Anbaric April 3, 2015 Answer at 2-3.

⁴⁶ Anbaric April 3, 2015 Answer at 3-4.

February 16, 2015, as requested.⁴⁷ The interconnection process is a key element in bringing much-needed transmission online to meet system needs, and we find that Filing Parties' proposed interconnection process for Elective Transmission Upgrades will help minimize opportunities for undue discrimination and expedite the development of new transmission in ISO-NE.

31. As to Champlain's protest, we will not, as Champlain requests, require ISO-NE to make retroactive determinations of whether changes to an Elective Transmission Upgrade project constituted a material modification.⁴⁸ Changing queue positions based on those determinations would circumvent the existing rules in the ISO-NE Tariff, which did not have such provisions for material modifications to Elective Transmission Upgrades, and changing queue positions in such a manner would fail to apply the notification procedures associated with material modifications that the Commission maintains as just and reasonable. Allowing ISO-NE to unilaterally change the queue positions of Elective Transmission Upgrades, without notifying the developer in advance of the possibility of moving back in the queue as a result of the modifications, is contrary to the Commission's established material modification policy, and may cause harm to market participants that could have otherwise been avoided.⁴⁹

32. Additionally, we find that requiring ISO-NE during the transition period to undertake evaluations to determine whether material modifications had been made to Elective Transmission Upgrade projects could adversely delay implementation of the Elective Transmission Upgrade rule changes. Further, we note that ISO-NE will be applying the material modification standard to Elective Transmission Upgrades on a prospective basis.⁵⁰ Based upon the foregoing, we are not persuaded by Champlain's protest regarding the transition period. We find the proposed Tariff revisions to be just and reasonable; we are not required to consider alternative tariff provisions that might also be just and reasonable. Moreover, we note that this proposal received unanimous support in the stakeholder process.

⁴⁷ *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, at 61,338-39 (1992) (*Central Hudson*), *reh'g denied*, 61 FERC ¶ 61,089 (1992).

⁴⁸ Champlain Protest at 9-10.

⁴⁹ Filing Parties Filing at 5 and Answer at 2.

⁵⁰ Filing Parties Filing, Schedule 25, section 4.4.

The Commission orders:

The proposed revisions to ISO-NE's Tariff and Transmission Operating Agreement are hereby accepted, effective February 16, 2015, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.