

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

**Collection of Connected Entity Data from
Regional Transmission Organizations and
Independent System Operators**

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Docket No. RM15-23-000

**ANSWER OF TRADE GROUPS
IN SUPPORT OF
MOTION FOR TECHNICAL CONFERENCE AND REQUEST TO
POSTPONE COMMENT DEADLINE**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”),¹ the American Forest & Paper Association (“AF&PA”), American Wind Energy Association (“AWEA”), Canadian Electricity Association (“CEA”), Edison Electric Institute (“EEI”), Electricity Consumers Resource Council (“ELCON”), Electric Power Supply Association (“EPSA”), Independent Power Producers of New York, Inc. (“IPPNY”), Industrial Energy Consumers Group (“IECG”), International Energy Credit Association (“IECA”), Natural Gas Supply Association (“NGSA”), New England Power Generators Association, Inc. (“NEPGA”), PJM Power Producers Group (“P3”), and Retail Energy Supply Association (“RESA”), (collectively, “Trade Groups”)² respectfully submit this answer in support of the

¹ 18 C.F.R. § 35.213 (2015)

² See footnotes to signature blocks below for descriptions of supporting organizations. The comments contained in this filing represent the position of those organizations, but not necessarily the views of any particular member entity with respect to any issue.

October 28, 2015 motion of a diverse group of companies (“Movants”)³ requesting that the Commission convene a technical conference to address, and postpone the comment date with respect to, the Notice of Proposed Rulemaking (“NOPR”) in the above-captioned proceeding issued by the Commission on September, 17, 2015, and published in the Federal Register on September 29, 2015.⁴ The Trade Groups strongly support Movants’ request for a technical conference that will allow the parties to explore the implications of the NOPR and their request to postpone the comment date in order to allow stakeholders to develop detailed and robust comments after the technical conference has taken place. The Trade Groups urge the Commission to grant the October 28 Motion on or before November 6, 2015, as Movants request.

The Connected Entities NOPR proposes to replace each ISO/RTO existing affiliate disclosure requirements as defined in its tariff with new tariff provisions that identify “Connected Entities,” which is reported to the ISO/RTO by each Market Participant and then provided to the Commission by the ISOs/RTOs. There are numerous additional obligations outlined in the NOPR, as each is contingent on a broad definition of “Connected Entity,” resulting in a new category of corporate relationships.

Based on this new identification, information related to those entities must be reported in detail by ISO/RTO market participants, including change of status

³ See Motion For Technical Conference and Request to Postpone Comments Deadline, Docket No. RM15-23-000 (filed October 28, 2015) (“October 28 Motion”), signed by Macquarie Energy LLC; GE Energy Financial Services, Inc.; EDF Trading North America, LLC; Morgan Stanley Capital Group Inc.; TrailStone NA Logistics, LLC; Tenaska Energy, Inc.; BP Energy Company; Iberdrola Renewables (“Movants”).

⁴ See *Collection of Connected Entity Data From Regional Transmission Organizations and Independent System Operators*, Notice of Proposed Rulemaking, 152 FERC ¶ 61,219 (2015) (the “NOPR”).

notifications on very short timeframes. Additionally, each ISO/RTO market participant will be required to obtain an individual, unique Legal Entity Identifier (“LEI”), presumptively as administered by operational issuers pursuant to oversight by the LEI Regulatory Oversight Committee and/or Global LEI Foundation.⁵

COMMENTS

The Trade Groups acknowledge the need for appropriate transparency in wholesale competitive electricity markets, and recognize the important role of the Commission’s oversight of those markets. At the same time, the NOPR would impose a substantial new reporting burden on ISOs/RTOs, market participants, and by extension Connected Entities, including a large number of entities that do not participate in FERC-jurisdictional wholesale electricity markets and that are not otherwise subject to the Commission’s jurisdiction. In order to ensure that the final rule in this proceeding strikes an appropriate balance between that burden and the Commission’s stated need for additional information, the Trade Groups support the Movants’ motion for a technical conference in order to allow a dialogue among industry, interested parties and FERC staff. Such an approach will help interested parties to provide more detailed and meaningful comments on the breadth of proposed obligations and definitions outlined in the NOPR.

Additionally, there are numerous issues embedded in the NOPR that are best clarified in an open technical conference in advance of the submission of written responses from stakeholders. This is of particular importance to both

⁵ NOPR at P 28.

industry representatives who may be subject to the proposed reporting requirements as market participants, and entities which will be impacted as either an existing affiliate or a newly defined “Connected Entity.” The obligations as affiliates or Connected Entities to the various ISOs/RTOs, to the Commission, and to their now “connected” RTO market participants are unclear and may involve additional and extensive resources, duplicative or overlapping reporting mechanisms, resolution or coordination with processes in place for other governmental or regulatory agencies, and compliance oversight which could implicate entities with whom no *control* or *operational* relationship currently exists with an ISO/RTO market participant.

In an effort to approach and develop any additional reporting or definitional requirements in an efficient, transparent and helpful manner, the diverse group of undersigned Trade Groups support Movants’ request for a technical conference and, at the very least, an extended comment deadline in order to work with our varied and extensive memberships to develop useful written feedback for the Commission. The NOPR proposals and definitions are quite complex, and it will, therefore, be a challenge for affected parties to develop clear, helpful responses by the currently effective comment date, as well as the collection of useful data and examples to inform development of a Final Rule. This is a particular challenge for the Trade Groups and other formal and ad hoc groups who must attempt to balance and synthesize the views of their memberships. Therefore, an extension is essential to ensure that interested parties have sufficient time to fully assess, address and provide informed responses to the significant and complex issues raised in the proposed rule. Under the circumstances, such an

extension of time is entirely reasonable and appropriate in order to ensure that stakeholders have adequate time to analyze, and comment on, the Commission's proposals.

As the Commission has done in the past and the October 28 Motion points out, the best first step⁶ to achieve a robust record is to convene an open technical conference or workshop to allow industry and interested stakeholders to discuss and understand the goals of the Connected Entity NOPR before submitting comments, suggestions or alternative proposals. Therefore, the Trade Groups strongly support the October 28 Motion.

CONCLUSION

WHEREFORE, the Trade Groups respectfully request that the Commission grant the October 28 Motion and convene a technical conference to address issues raised by the Connected Entities NOPR in advance of the submission of written comments. In the alternative, a sufficient extension should be granted, so that answers and comments would be due not earlier than January 29, 2016.

Respectfully submitted,

⁶ See October 28 Motion, FN 4 at page 4.

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⁷ AF&PA serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. AF&PA members are large consumers of electricity and many members generate significant quantities for use in manufacturing or sale.

⁸ AWEA is the national trade association representing a broad range of entities with a common interest in encouraging the deployment and expansion of wind energy resources in the United States. AWEA represents over 1,000 members across all 50 states. AWEA's members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, renewable energy supporters, utilities, marketers, customers, and their advocates.

⁹ CEA is the authoritative voice of the Canadian electricity industry, promoting electricity as a key social, economic and environmental enabler that is essential to North America's prosperity. CEA members generate, transmit, distribute and market electric energy to industrial, commercial and residential customers across Canada and into the United States every day. CEA's membership includes provincially-owned and investor-owned utilities, many of which are vertically-integrated; independent power producers (several of which also own assets in the U.S.); independent system operators; wholesale power marketers; and municipally-owned local distribution companies.

¹⁰ EEI is the association of U.S. shareholder-owned electric companies. Our members serve approximately 70 percent of the U.S. electric power industry, provide electricity for 220 million Americans, operate in all 50 states and the District of Columbia, and directly employ more than 500,000 workers. With more than \$85 billion in annual capital expenditures, the electric power industry is responsible for one million jobs related to the delivery of power, including the construction of modified or new infrastructure. Reliable, affordable, and sustainable electricity powers the economy and enhances the lives of all Americans. EEI has 70 international electric companies as Affiliate Members, and 250 industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

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¹¹ ELCON is the national association representing large industrial consumers of electricity. ELCON member companies produce a wide range of products from virtually every segment of the manufacturing community. ELCON members operate hundreds of major facilities and are consumers of electricity in the footprints of all organized markets and other regions throughout the United States. ELCON member facilities are directly connected to the transmission system and FERC ratemaking policies can directly affect operation of their facilities. Accordingly, ELCON's members as significant consumers have a strong economic interest in assuring that transmission costs, including unbundled interstate transmission costs, are just, reasonable, and not unduly discriminatory or preferential.

¹² EPSA is the national trade association representing leading competitive power suppliers, including generators and marketers. Competitive suppliers, which collectively account for 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities. EPSA seeks to bring the benefits of competition to all power customers. The comments contained in this filing represent the position of EPSA as an organization, but not necessarily the views of any particular member with respect to any issue.

¹³ IPPNY is a not-for-profit trade association representing the independent power industry in New York State. Its members include nearly 100 companies involved in the development and operation of electric generating facilities and the marketing and sale of electric power in New York. IPPNY's members include suppliers and marketers that participate in the New York Independent System Operator Inc.'s capacity markets.

¹⁴ The Industrial Energy Consumer Group ("IECG") is a non-profit Maine trade association formed for the purpose of representing the interests of industrial energy consumers before regulatory and legislative bodies. The members of the IECG are large consumers of electric energy and transmission and buy directly under the OATT pursuant to TSAs with their local utility. The IECG has participated in numerous Commission proceedings with respect to market design, transmission rates, RTO governance and wholesale rates for energy and capacity.

International Energy Credit Association¹⁵

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¹⁵ The International Energy Credit Association (“IECA”) is an association of over 1,400 credit, risk management, legal and finance professionals that is dedicated to promoting the education and understanding of credit and other risk management-related issues in the energy industry. For over ninety years, IECA members have actively promoted the development of best and industry standard practices that reflect the unique needs and concerns of the energy industry. Following the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its amendments of the Commodity Exchange Act, the IECA has filed numerous comments with the Commodity Futures Trading Commission seeking to protect the rights and advance the interests of the commercial end-user community that makes up the majority of its membership. Many of the IECA’s members are representatives of commercial end-users with substantial physical energy businesses.

¹⁶ NGSA represents integrated and independent energy companies that produce and market domestic natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy and supports the benefits of competitive markets. NGSA promotes increased supply and the reliable, efficient delivery of natural gas to customers.

¹⁷ NEPGA is a private, non-profit trade association advocating for the business interests of competitive electric power generators in New England. NEPGA’s member companies represent approximately 26,000 megawatts of installed capacity throughout the New England region. NEPGA’s mission is to support competitive wholesale electricity markets in New England. NEPGA’s member companies are responsible for generating and supplying electric power for sale within the New England bulk power system.

¹⁸ P3 is a nonprofit corporation dedicated to promoting policies that will allow the PJM region to fulfill the promise of its competitive wholesale electricity markets. P3 strongly believes that properly designed and well -functioning competitive markets are the most effective means of ensuring a reliable supply of power to the PJM region, facilitating investments in alternative energy and demand response technology, and promoting prices that will allow consumers to enjoy the benefits of competitive electricity markets. Combined, P3 members own over 87,000 megawatts of generation assets, own over 51,000 miles of transmission lines, serve nearly 12.2 million customers and employ over 55,000 people in the PJM region encompassing 13 states and the District of Columbia.

Retail Energy Supply Association¹⁹

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¹⁹ RESA is a non-profit trade association of independent corporations that are involved in the competitive supply of electricity. RESA and its members are actively involved in retail electricity markets throughout the United States, including retail markets in each of the Commission-approved RTO/ISOs.