

THE UNITED STATES DEPARTMENT OF ENERGY
ELECTRIC RELIABILITY STANDARDS

COMMENTS OF THE
STATE OF DELAWARE PUBLIC SERVICE COMMISSION STAFF

THE UNITED STATES DEPARTMENT OF ENERGY

ELECTRIC RELIABILITY STANDARDS

COMMENTS OF THE STATE OF DELAWARE PUBLIC SERVICE COMMISSION STAFF

The Staff of the State of Delaware Public Service Commission submits comments on whether the United States Department of Energy (“DOE”) should initiate, pursuant to section 403 of the DOE Organization Act (42 U.S.C. 7173), a rulemaking for final action to the Federal Energy Regulatory Commission (“FERC”) to impose mandatory electric reliability standards. These comments address five issues.

Issue One Delaware is located in the PJM Interconnection, L.L.C. (“PJM”) which is responsible for the operation and control of the bulk electric power system throughout major portions of five Mid-Atlantic states and the District of Columbia. PJM is dedicated to meeting the reliability criteria and standards of the North American Electric Reliability Council (“NERC”) and the Mid-Atlantic Area Council (“MAAC”). If mandatory nation-wide standards are imposed they should be general in nature. It should be left up to the existing regional councils to determine how those goals will be met and to set even more stringent goals as the unique characteristics of the region dictate.

Issue Two The regional ISO or RTO should have the authority to plan and construct new transmission facilities. Existing transmission owners, especially transmission owners that are also generation owners, may currently have an incentive to maintain transmission import constraints. Market power can be wielded during many hours in these local, transient load pockets that exist because of transmission constraints.

The wielding of such market power can affect the reliability, as well as the economics, of the service being provided. Elimination of transmission constraints would reduce the barriers to entry into this market and allow a fully functional competitive market to exist.

Issue Three There must be coordination between federal and state regulators to ensure that reliability is not threatened. For example, a utility owning both transmission and distribution facilities might consider refunctionalizing some of the transmission facilities to distribution to avoid mandatory reliability standards. Also, the authority to site transmission facilities that are regional in character actually resides with individual states.

Issue Four Reliability standards must be enforceable and enforced. Mandatory reliability standards can only be effective if the governing body can determine if the standards are being met and if that governing body can force compliance when necessary. Without enforcement, mandatory standards become voluntary.

Issue Five The cost of maintaining reliability should be allocated fairly among all electricity users. This includes the cost of constructing transmission facilities that enhance the reliability of the grid.

Respectfully submitted,

Janis L. Dillard
Public Utilities Analyst
State of Delaware Public Service Commission