

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New England RTO Compliance Filing)	Docket No. RT01-86-000
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New York ISO RTO Compliance Filing)	Docket No. RT01-95-000
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MOTION TO INTERVENE AND
COMMENTS OF INDUSTRIAL CONSUMERS
ON NEW ENGLAND RTO AND NY ISO FILINGS

Industrial Consumers the Electricity Consumers Resource Council (ELCON), the American Iron and Steel Institute (AISI), the American Chemistry Council (ACC), and the American Forest and Paper Association (AF&PA) urge FERC to reject the New York and New England compliance filings as non-compliant with Order 2000 Characteristic 2. Only a Greater Northeast RTO will further the Commission's ultimate goal: the creation of competitive markets. As discussed below, either applicants should address various interregional coordination issues (Function 8) within 90 days or else be required to show cause why they should not be combined into a Greater Northeast RTO.

EXECUTIVE SUMMARY

The New England RTO and New York ISO filings clearly reflect parochial interests and are inconsistent with Order 2000. Standing alone, neither New York ISO, nor PJM, nor ISO New England meets the specifications of Order 2000, Minimum Characteristic 2. Order 2000 sets forth specific tests to ascertain whether proposed configurations comply with Minimum Characteristic 2. FERC Staff found in its November 2000 report for the Northeast bulk power markets that these markets are in serious disarray. FERC Staff asserted that differences in market design, inconsistency in transmission scheduling and other practices, failure to offer universal “products,” and multiple methodologies for determining LMP are crippling the region's trade. See FERC’s Staff November 2000 Investigation of Bulk Power Markets-Northeast Region.

Industrial Consumers believe that only a Greater Northeast RTO consisting of PJM, New York and New England satisfies Characteristic 2 of Order 2000. The filings by NYISO and New England RTO defend the adequacy of their scope and configuration by stating that they are discussing seams resolution and refer to the badly-stalled “MOU process” as if it were sufficient. FERC Staff found that the MOU process has bogged down and has concluded that seams resolution is an inferior alternative to a single RTO for the Northeast. FERC should heed the teachings of the Staff Report: Why else was it commissioned except to guide FERC’s response to RTO filings and to identify remedial actions?

FERC should hold the utilities’ feet to the fire and insist on scrupulous compliance with Order 2000. Given the factual, and we believe self-evident, findings by FERC Staff, FERC is bound to enforce the scope and configuration requirements of Order 2000.

FERC's credibility is at stake. FERC will be justly accused of dereliction of duty if it allows New York and other power markets to deteriorate to the degree of the California disaster when remedies within FERC's jurisdiction are at hand. If even a region as large and economically dominant as California is too small to support its own RTO, a fortiori there should be a single RTO in the Northeast.

These compliance filings provide the acid test for whether FERC means what it says about Order 2000 compliance. RTO formation is not an end to itself but a means to the end of workably competitive markets. FERC must ask not whether RTOs are being formed but whether the broadest possible regional market is developing.

FERC has stated that RTOs, which do not satisfy Characteristic 2, can yet satisfy Order 2000 by strict Function 8 compliance that achieves the functional equivalent of an RTO compliant with Characteristic 2. The North American Electric Reliability Council (NERC) has issued a checklist -- copy attached -- specifically intended to implement Function 8. Should New England RTO, NY ISO and PJM intend to rely on alternative Function 8 compliance, applicants should be required to commit within 90 days to address seams issues as per NERC's checklist or else show cause why they should not be combined into a Greater Northeast RTO.

I. A GREATER NORTHEAST RTO IS NEEDED TO EFFECTIVELY IMPLEMENT RTO FUNCTIONS

A. In Order 2000 FERC Sets Forth Detailed Criteria For Evaluating The Boundaries Of Putative RTOs

FERC states in Order 2000 that "the principal consideration in evaluating the appropriate scope of an RTO is that such scope must permit the RTO to perform its functions effectively." Order No. 2000, 65 Fed. Reg. 810, 862 (Jan. 6, 2000). FERC has found that larger

RTOs are better suited to perform the critical RTO functions: making “more accurate determinations of ATC across a large portion of the grid using consistent assumptions and criteria”; “address[ing] loop flow problems over a large region”; managing congestion “over a large area”; offering transmission services at non-pancaked rates over the “broadest possible” area; improving operations through providing one-stop scheduling of transmission over a “larger area”; and planning and coordinating transmission expansion “over a larger region.” *Id.* at 862.

A Greater Northeast RTO will better serve RTO functions matched against each of the criteria of Order 2000:

[T]he Commission, in evaluating an RTO’s boundaries, will consider the extent to which the proposed boundaries:

Facilitate performing essential RTO functions and achieving RTO goals: The regions should be configured so that an RTO operating therein can ensure non-discrimination and enhance efficiency in the provision of transmission and ancillary services, maintain and enhance reliability, encourage competitive energy markets, promote overall operating efficiency, and facilitate efficient expansion of the transmission grid. . . .

Encompass one contiguous geographic area: The competitive, efficiency, reliability, and other benefits of RTOs can be best achieved if there is one transmission operator in a region. . . .

Encompass a highly interconnected portion of the grid: To promote reliability and efficiency, portions of the transmission grid that are highly integrated and interdependent should not be divided into separate RTOs. One RTO operating the integrated facilities can better manage the grid. . . .

Deter the exercise of market power: While the industry should work toward a goal of virtually seamless trade between RTOs, it may be that initially a significant amount of trade may be contained within an RTO, especially if the RTO or the market establishes a power exchange that covers the same area as the RTO. Thus, to have a competitive market, it is important to create an RTO region that is not dominated by a few buyers or sellers of energy. Also, the RTO configuration should not be one where the RTO participants can exercise transmission market power by collecting congestion fees on a critical corridor.

Recognize trading patterns: Given that a goal of this initiative is to promote competition in electricity markets, regions should be configured so as to recognize trading patterns, and be capable of supporting trade over a large area, and not perpetuate unnecessary barriers between energy buyers and sellers. There may exist today some infrastructure or institutional barriers unnecessarily inhibiting trade between regions that could be economically reduced. RTO boundaries should not perpetuate these unnecessary and uneconomic barriers.

Id. at 863 (emphasis added).

Having adopted a rule providing specific tests for assessing the adequacy of RTO configuration, FERC should apply the tests, enforce the rule, and insist on compliance.

B. FERC's Staff Report Found Grave Problems In The Northeast Power Markets Which Would Be Mitigated By A Greater Northeast RTO

In July 2000, FERC commissioned a staff report on the state of regional bulk power markets due to FERC's grave concern with poorly-functioning markets. FERC observed that it was incumbent on the Commission to take steps to investigate malfunctioning markets and serious price volatility. See Order Directing Staff Investigation, 92 FERC ¶ 61,160 (July 26, 2000). One of the purposes of the staff report was to address Order 2000 Compliance filings:

Among other things, the Commission may use the information developed by the investigation to:

- analyze FPA section 205 filings involving market pricing or market rules;
- institute FPA section 206 proceedings to modify: (a) existing transmission or power exchange tariffs or agreements to change market rules; (b) bylaws for existing institutions; or (c) the institutions themselves, if we find they are adversely affecting the efficient operation of competitive wholesale electric power markets.

- help analyze the Order No. 2000 regional transmission organization (RTO) filings that will be made on October 15, 2000 and January 15, 2001.

Id. (emphasis added).

1. Major Market Problems Have Been Identified By FERC Staff Due To Balkanization Of Northeast Power Markets

On November 1, 2000, FERC released its “Investigation of Bulk Power Markets Northeast Region” to provide “staff’s observations of the market as it exists today in the Northeast as well as its major inefficiencies.” Staff Report at 1-1. The Report finds that divergence in market design, implementation and products among the three regions are contributing to major inefficiencies:

Although there is a substantial degree of convergence, continuing differences in market design, implementation, and products among the ISOs contribute to problems unique to the Northeast by preventing power from moving through the region in the most efficient ways. These differences divide what many view as an emerging regional market into three separately administered markets. This section concludes that problems in the region may require a more strategic approach than the three similar but divergent approaches taken by the individual ISOs.

Id. at 1-52.

The Report notes problems created by diverged practices in transmission scheduling between PJM, ISO New England, and NYISO:

Differences in scheduling and confirming energy transactions between those used by NYISO and those used by both PJM and ISO New England have led to major inefficiencies in the northeastern regional markets. PJM and New England permit bilateral schedules apart from price, whereas New York evaluates all transactions, including bilateral, on an economic basis, i.e., only transactions reducing the overall market economics are permitted to flow. This results in day-ahead bilateral transactions being cut in real-time. In addition, this evaluation process is done on an hourly basis, so that any export transaction, even those confirmed in the day-ahead market, to PJM or to ISO New England must be rebid on the hour. The BME schedules flows based on price and not

whether the transaction is firm. Exports can be cut by the NYISO as late as 10 minutes before the hour. Neither PJM nor ISO New England have procedures that create the same difficulties for exports.

Id. at 1-70.

While at present each ISO is addressing its problems on an individual basis, the Report finds that a regional approach is superior to solving each RTO's problems on an individual basis. There is a need for "universal" products in the Northeast and standardized practice across the region:

Centralized, region-wide system dispatch and common reliability criteria, along with standardized products and rules would improve trade across the region. To date, the primary focus of each of the ISOs has been to make their own markets and systems functional. It may be appropriate to take a more strategic approach to the Northeast region, so that efficiencies that could be achieved from coordination and standardization across ISOs are not lost, or too long delayed, in the process of remedying the separate problems of each ISO.

. . . [W]hile the ISOs have similar basic market designs, the products currently offered are different, the basic implementation software is different leading to different dispatch decisions, and the market rules and business processes are different. While each ISO began with the same basic market design, each proceeded at a different pace, offering different products under different rules, and implemented by different software. These differences were not highlighted during the ISO's market formation but have become significant and may continue to diverge as the ISOs continue on separate tracks. The lack of "universal" products in the Northeast as well as the lack of harmonized or standardized procedures for buying and selling power across the region is a loss to the efficient functioning of the market."

Id. at 1-85.

The Staff Report lists a litany of obstacles and inefficiencies to inter-ISO trade caused by inconsistent practices between and among the RTOs:

- ***Information exchange.*** . . . Conflicting information on tags required by NERC and the different ISOs, the limited amount of time to perform investigation or confirmation of schedules, and differences in

notification process among ISOs all act to create confusion and market uncertainty at times resulting in transactions being cut with participants having little opportunity to resurrect the transaction.

- ***Increased Flexibility.*** Greater flexibility with the scheduling of interchange transactions-market participants want the ISOs to respond to schedule changes more frequently than at the top of the hour, e.g., respond every 15 minutes (PJM) instead of just the 10 minutes across the top of the hour (NYISO). A restriction on the flexibility to change schedules may limit the amount of economic transactions within the hour.*

* This problem may be alleviated if there were common scheduling and posting times between ISOs.

- ***Information transparency.*** More timely release of bid data and better notification to market participant when changes, such as curtailments, are made in their transactions. . . . For curtailments PJM posts, in real time via its web site, when a constraint develops that may call for curtailment and why it is occurring, and also notifies participants by telephone of the curtailment. NYISO, on the other hand, currently offers terse emails indicating a transaction will be cut and then requires that the customer make a phone call to get further information.

- ***Common implementation of criterion.*** Increased coordination among the ISOs of the implementation of resource adequacy criterion. The goal would be to coordinate resource planning to achieve more robust regional markets so that energy delivered can serve load anywhere in the Northeast region.

- ***Awareness of capacity market differences.*** The installed capability (ICAP) requirements, how load serving entities meet these requirements, and the rules for recall and payment vary among the ISOs. These differences act to fragment the Northeastern region rather than bring it together, and may also drive resources from one control area to the next* potentially exacerbating market power in situations of limited ICAP.

* Because ICAP is associated with reliability, differences in ICAP across regions may result in resource inadequacy. It has been alleged by market participants that ISOs do not necessarily know which energy transactions are at risk of being curtailed due to a recall of ICAP by another ISO; and whether they know which generation belongs to whom and which are at risk for curtailment.

- ***Consistent interconnection policies.*** Market participants want one-stop shopping for generation interconnection procedures, practices, and approval. Currently, they must deal with three ISOs, plus any requirements of IOUs, and multiple state agencies to gain interconnection

to the grid creating inefficiencies in process and outcome. Standardization of procedures would also be an objective.

- ***Congestion Management.*** Lack of coordinated LMP models (LMP markets not tied by one set of rules or software) and differing rights to transmission may result in foregone transactions because they appear uneconomical.
- ***Consistent Transmission Scheduling.*** Power does not flow across ISOs as easily as it could or should. This is in large part due to physical characteristics, but also due to the differing market designs of adjacent ISOs.

Id. at 1-86 – 7 (emphasis added).

FERC Staff cites the importance of creating a single LMP market for the Northeast region. The Staff Report offers the following example of the inefficiency of balkanized LMP pricing.

Hypothetically, assume that the price at point A within PJM is \$40 and the price at the export node (B) is \$70. Assume also that the price at the NYISO import node (C) (essentially the PJM export node) is \$60 and the price at delivery at point D within NYISO is \$70. The transmission congestion charges from A to D would be priced as the difference between (A) and (B) plus the difference between (C) and (D) for a total price of \$40. If there was one LMP, the price from (A) to (D), assuming all other things equal, would be \$30.

...If there was one LMP market, the price would be based on the cheapest MW to supply a location. Coordinated LMP models would offer consistent rights to transmission (as opposed to incremental rights from three different systems) and could improve intra-regional reliability. A Northeast regional market could decrease costs as additional resources are available to buyers and decrease periods when market power can be exercised. Common implementation of the markets via software and rules would reduce transaction costs to market participants.

Id. at 1-87 - 9.

2. The Solution Recommended By FERC Staff Is A Greater Northeast RTO

In the view of FERC Staff, it would be preferable “to devote the resources of all market segments and regulators to the potential for northeastern regional solutions to issues such

as transmission planning or congestion management than to perfect separate ISO-administered markets.” Id. at 1-89.

The Staff Report notes that while the three ISOs entered into a Memorandum of Understanding (MOU) to explore ways in which the ISOs can work together cooperatively to resolve present and future northeastern regional issues, “this process began over one year ago and has yet to make significant progress.” Id. at 1-85 (emphasis added).

In conclusion, FERC Staff unambiguously recommends that FERC “require a single northeastern RTO”:

- *Require a single northeastern RTO. A single RTO is best equipped to deal with the narrow, business process type issues such as scheduling and interchange flexibility as well as the more significant issues such as regional transmission expansion. A single RTO would be required to use one set of software, operate as one control area (offering seamless transmission expansion), and administer one tariff. Thus, differences in terminology and business practices could be eliminated and a universal approach to managing the Northeast system would be undertaken by a single, independent entity. (Note that this approach may mean that some markets that have not been working from a competitive standpoint may be eliminated, i.e., return to just an energy market and build from there.) This would help strengthen interties, possibly reduce market power (lessen incentives to flee from on [sic] ISO to another), and would result in a harmonized market without competing ISO interests or goals. The likely benefit of this approach is that market enhancements would be made more readily than if the ISOs were to remain as separate RTOs with seams agreements to address coordination issues. Thus far, the ISOs have made little significant progress on inter-ISO issues; there is really no motivation for the ISOs to do so.*

Id. at 1-95 (emphasis added).

It is noteworthy that the FERC Staff Report on the Northeast RTO rejects “seams resolution” as second-best:

- *Allow the three ISOs as separate RTOs and mandate specific fixes to seams issues.* This is an alternative to the option discussed above. A seams agreement will likely produce incremental benefits over time, but will not provide for the wholesale changes to the markets that a single RTO would provide. This approach will likely codify the existing designs of the ISOs and effectively result in ISO coordination. The downside of this is that it results in less gain of market efficiency that would result from one set of rules, procedures, tariffs, etc. In addition, incremental changes would likely continue that may or may not impact adjacent ISOs. Moreover, the institutional barriers remain and ISOs will remain entrenched in their own designs.

Id. at 1-96.

The Staff Report was an excellent job whose objectivity is beyond question.

Industrial Consumers recommend that FERC heed the lessons from its Staff Report. For purposes of assessing the adequacy of the NYISO, New England RTO, and PJM filings, it is instructive that Staff concludes that the MOU process is hopelessly stalled. FERC Staff specifically rejects the alternative of seams resolution as second-best to a regional RTO.

II. ALTERNATIVELY, THE THREE NEW ENGLAND RTO APPLICANTS SHOULD BE GIVEN A BRIEF WINDOW TO FULFILL FUNCTION 8

As FERC Staff found, a single Northeast RTO is far better than “seams” resolution. However, timely and meaningful interregional coordination is better than the status quo. In Order 2000, FERC states that an RTO that proposes to rely on interregional coordination in lieu of having a sufficient scope in and of itself must make a strong showing under Function 8:

We are receptive to flexible and innovative ways for an RTO to achieve sufficient scope. Where a proposed regional transmission entity may be of sufficient scope for some RTO purposes, but not others, an RTO may be able to achieve sufficient “effective scope” by coordination and agreements with neighboring entities, or by participating in a group of RTOs with either hierarchical control or a system of very close coordination. We do not foreclose the possibility that an RTO may satisfy some of the minimum characteristics and functions by itself, while satisfying others through a strong cooperative agreement with neighboring RTOs to create a “seamless trading area.” The functions of a large RTO

may be met by eliminating the effect of seams separating smaller RTOs through a contract or other coordination arrangement. One of our concerns about an RTO's scope is that the existing impediments to trade, reliability, and operational efficiency be eliminated to the greatest extent possible. However, an RTO application that proposes to rely on "effective scope" to satisfy Characteristic 2 must demonstrate that the arrangement it proposes to eliminate the effect of seams is the practical equivalent of eliminating the seams by forming a larger RTO.

65 Fed. Reg. at 863 (emphasis added).

A. NERC's Recent Checklist On Interregional Coordination Provides A Template For Function 8 Compliance

FERC details the specific criteria for Function 8 compliance in Order 2000¹:

We understand, as NERC pointed out in its comments, that the reliability and market interface practices are becoming highly interrelated. The reliability practices affect how markets interface with each other, and the market interface practices affect reliability. For example, TLR and congestion management are both used to unload an overloaded transmission interface, and these two practices must work together. . . .

The integration of reliability practices involves procedures for coordination of reliability practices and sharing of reliability data among regions in an interconnection, including procedures that address parallel path flows, ancillary service standards, transmission loading relief procedures, among other reliability-related coordination requirements in this Final Rule.

The integration of market interface practices involves developing some level of standardization of inter-regional market standards and practices, including the coordination and sharing of data necessary for calculation of TTC and ATC, transmission reservation practices, scheduling practices, and congestion management procedures, as well as other market coordination requirements covered elsewhere in this Final Rule.

NERC has recently approved a Checklist for Implementation of Function 8, Interregional Coordination, to implement the provisions of Order 2000, quoted above. We

¹ 65 Fed. Reg. at 911.

believe this is an excellent checklist to assure the coordination of reliability and market interface practices. The attached checklist of reliability practices will assure sharing of reliability data among regions in an interconnection and address parallel path issues and transmission loading relief. The checklist of market interface practices includes calculation of ATC and TTC, transmission reservation and scheduling, and congestion management.

Industrial Consumers urge FERC to require that New England RTO, NY ISO and PJM commit within 90 days to address these seams issues by the RTO effective date, or show cause why they should not be merged into a single Greater Northeast RTO. Such a condition would implement Order 2000, which provides that only a convincing demonstration of seams resolution suffices as an alternative to Characteristic 2 compliance.

B. FERC Needs To Convene A Collaborative Process Because
The MOU Process Has Stalled

Industrial Consumers and other movants have requested that FERC convene a Function 8 technical conference at the earliest opportunity to address Function 8 issues.² There is just as great a need for FERC to oversee a collaborative process in the electricity area as there was natural gas, where FERC convened a workshop among pipeline participants. Contracts are now being awarded for software by individual ISOs and proposed RTOs. Once these enormous contract costs have been incurred, it will be difficult to reverse the process and costly to ratepayers. We find it instructive that New York PSC and New York Transmission Owners opposed Industrial Consumers' request for a Function 8 conference: They were not even willing to sit down at the table to discuss seams issues.

² Docket No. RM 99-2 (Dec. 15, 2000).

Apart from the snail's pace of the MOU process, another problem is that the New York ISO and Northeast RTO are preoccupied with resolution of seams issues inter se. It is important that seams issues be addressed vis-à-vis other regions, especially the RTOs to the west. The collaborative conference should also address this topic.

To replace the badly-stalled MOU process, FERC Staff recommends that the three ISOs be directed "to identify specific and significant ISO practices that should be common and coordinated among ISOs and be required to file a plan with the Commission" no later than June 1, 2001. Staff Report at 1-93. FERC Staff further suggests that to facilitate this effort, the Commission "could assign FERC technical staff to work with the ISOs at identifying the issues and to act as facilitators and arbiters. The intent would be to increase the pace of implementation where possible and assist in overcoming jurisdictional barriers to cooperation in some areas." *Id.* at 1-93. There is a model for FERC Staff's proposal: In natural gas deregulation, FERC convened a collaborative workshop to jump start cooperation between natural gas pipelines. FERC Staff facilitated this successful effort.

III. FERC'S DECISION ON THE RTO COMPLIANCE FILINGS WILL BE SUBJECT TO JUDICIAL REVIEW TO ASCERTAIN WHETHER FERC ACTED CONSISTENTLY WITH ORDER 2000 AND WHETHER IT ENGAGED IN REASONED DECISION-MAKING

FERC may not depart from the regulations it has adopted without articulating valid reasons for its departure or instituting rulemaking to revise its regulations in light of changed circumstances.³ As the D.C. Circuit Court ruled in Southeastern Michigan Gas Co. v. FERC, 133 F.3d 34 (D.C. Cir. 1998), the Commission must comply with its own regulations:

FERC, however, ignored its own regulation when interpreting the statute. As we have previously held, “the Commission may not ... rely solely on its equitable discretion to justify straying from well-established rules and procedures. [It] must articulate valid reasons for its departure.” *FERC v. Triton Oil & Gas Corp.*, 242 U.S. App. D.C. 265, 750 F.2d 113, 116 (D.C. Cir. 1984). ...Because FERC failed to give a “valid reason[] for ... departing [from the regulation],” *Triton Oil*, 750 F.2d at 116, its decision to exempt the nonexpansion shippers from paying interest for the whole period was error.

133 F.3d at 43. See City of Mesa v. FERC, 993 F.2d 888 (D.C. Cir. 1993) (FERC's approval of El Paso's capacity curtailment plan remanded due to FERC's failure to engage in reasoned decision-making with respect to curtailment of high priority users). FERC must engage reasoned decision-making based upon substantial evidence in the record. Town of Norwood v. FERC, 962 F.2d 20 (D.C. Cir. 1992); see also United Distribution Cos. v. FERC, 88 F.3d 1105 (D.C. Cir. 1996) (remanding aspects of FERC's GSR cost recovery rule for pipelines).

³ Motor Vehicle Mfrs. Ass'n of the United States, Inc. v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29 (1983).

CONCLUSION

FERC should insist on compliance with Order 2000. As filed, the putative RTOs do not satisfy Characteristic 2 and thus their filings should be rejected unless they commit to the functional equivalent of a Greater Northeast RTO through effective elimination of seams issues.

DESCRIPTION OF INTERVENORS

The Electricity Consumers Resource Council (ELCON) is an association of industrial consumers of electricity organized to promote the development of coordinated and rational federal and state policies that will assure an adequate, reliable and efficient electricity supply for all users at competitive rates. ELCON member companies produce a wide range of products, including: steel, aluminum, chemicals, petroleum, motor vehicles, industrial gases, machinery, glass, agricultural and food products, rubber, computer chips, paper and electronics. The member companies of ELCON consume approximately five percent of all electricity in the United States.

The American Iron and Steel Institute (AISI) is the principal trade association of the North American steel industry. Its member companies account for about seventy percent of the raw steel production in the United States. The steel industry is one of the most energy-intensive sectors in the United States; the cost of electricity for AISI members may constitute as much as twenty percent of the manufacturing cost of a steel mill product.

The American Chemistry Council (ACC) is a nonprofit trade association whose member companies represent more than ninety percent of the productive capacity of basic industrial chemicals in the United States. The manufacturing processes of many ACC member

companies are highly energy-intensive. In addition, the chemical industry used a substantial amount of self-generated electricity. Total electricity used by the industry, purchased plus self-generated, represented approximately eighteen percent of industrial electricity consumption in the U.S. and approximately six percent of national electricity consumption.

The American Forest & Paper Association (AF&PA) is the trade association of the forest, pulp, paper, paperboard, and wood products industry in the United States. It represents member companies engaged in growing, harvesting, and processing wood and wood fiber, manufacturing pulp, paper, and paperboard products from both virgin and recycled fiber, and producing engineered and traditional wood products. AF&PA members include manufacturers of over 80 percent of the paper, wood, and forest products produced in the United States and the members include small non-industrial private landowners, large multiproduct producers, and family-run mills. As such, AF&PA is the leading voice of the forestry, wood, and paper industries in the United States. AF&PA's members are among the nation's largest consumers of electric power, purchasing over 82 billion kilowatt-hours of electricity annually nationwide.

Industrial Consumers have standing to intervene because their members have facilities in New England RTO's and New York ISO's service territories and are directly affected by the filing.

NOTICES AND COMMUNICATIONS

Notices and communications should be addressed to:

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Dated: February 22, 2001

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Motion to Intervene and Comments of Industrial Consumers were today mailed to parties on the service list of this proceeding by U.S. mail, postage prepaid.

Dated at Washington, D.C., this 22nd day of February, 2001.

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