

1 **Q: Re: Brattle Group, Embedded and Marginal Cost of Service Review, May 3,**
2 **2019, page 20 (24 pdf)**

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4 **Citation:**

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6 **Concerning all of Hydro's assets that provide interconnection into**
7 **the transmission system, we recommend a general review of these**
8 **assets for possible refunctionalization as transmission. As already**
9 **noted, it appears that Hydro uses whether the asset can be associated**
10 **with loop flow on the transmission network as its criterion for**
11 **transmission functionalization. As the U.S. Federal Energy**
12 **Regulatory Commission's open access transmission policy no longer**
13 **deems that as the sole basis for determining if an asset should be**
14 **treated as a component of the transmission system, and thus, have a**
15 **transmission tariff, it seems appropriate to review Hydro's current**
16 **functionalization of such assets.**

17
18 **a) Please explain the current FERC policy for determining what assets should**
19 **be treated as a components of the transmission system.**

20
21 **b) Please provide references to FERC documents explaining that whether the**
22 **asset can be associated with loop flow is no longer deemed the sole basis for**
23 **determining if an asset should be treated as a component of the**
24 **transmission system.**

25
26 **A. a) Any asset that has already been deemed a transmission asset or exceeds 100kV**
27 **has generally been treated by the FERC as a transmission element and subject to**
28 **open access requirements, including generator interconnections. Generator**
29 **interconnections that are 100kV or higher and that are connected to generation of**
30 **gross nameplate rating of 75MVA or greater are also treated by the FERC as a**
31 **transmission element and subject to open access requirements. As noted on p. 19**
32 **of our report, wind resources' interconnections to the transmission system have**
33 **been included as transmission elements in the transmission systems they are a part**
34 **of.**

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36 **b) As noted above, transmission elements such as generator interconnections are**
37 **now generally deemed by FERC as elements of the transmission system and do not**
38 **exhibit loop flows. A fortiori, the definition is broader than merely determining**
39 **whether the transmission element exhibits loop flows. The footnote on page 19 of**
40 **our report provides a FERC citation affirming this.**