UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability)	Docket No. RM19-16-000
Corporation		
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NOTICE OF WITHDRAWAL OF THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION FOR PROPOSED RELIABILITY STANDARD VAR-001-6

Pursuant to Rule 216¹ of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or the "Commission"), the North American Electric Reliability Corporation ("NERC") hereby submits this notice of withdrawal for proposed Reliability Standard VAR-001-6.

I. <u>Background</u>

On June 7, 2019, NERC submitted a petition for approval of proposed Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6 in the above-captioned docket.² In the petition, NERC also sought the retirement of currently effective Reliability Standards IRO-002-6, TOP-001-4, and VAR-001-5. On January 23, 2020, the Commission issued a Notice of Proposed Rulemaking ("NOPR") proposing to approve Reliability Standards IRO-002-7 and TOP-001-5, but proposing to remand proposed Reliability Standard VAR-001-6 based on concerns stated in the NOPR.³ On April 6, 2020, NERC submitted comments asking the Commission to defer action on its NOPR proposal to remand proposed Reliability Standard VAR-001-6 until after the NERC Board of Trustees had the opportunity to consider the Commission's concerns at its May 14, 2020 meeting

¹ 18 C.F.R. § 385.216 (2019).

² Petition of NERC for Approval of Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6 Developed under the NERC Standards Efficiency Review, Docket No. RM19-16-000 (June 7, 2019).

³ Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review, Notice of Proposed Rulemaking, 170 FERC ¶ 61,032 (2020) [hereinafter the NOPR].

and determine whether to take further action with respect to the proposed standard.⁴ In its comments, NERC stated that it would "inform the Commission of the outcome through the timely submission of one or more appropriate filings so as to not unduly delay the issuance of a final rule in this proceeding."⁵

II. <u>Support for Withdrawal</u>

In the NOPR, the Commission proposed to remand Reliability Standard VAR-001-6 to retain Requirement R2 of the currently effective standard, stating that Requirement R2 "is the only requirement that explicitly requires transmission operators to schedule reactive resources."⁶ The Commission expressed disagreement with NERC's assertion that Reliability Standard VAR-001-5 Requirement R2 is duplicative of other existing Reliability Standard requirements and stated, "While Reliability Standards TOP-001-4 and TOP-002-4 address situations involving the possible need to schedule reactive resources, they are not adequate substitutes for the explicit obligation in Requirement R2 of Reliability Standard VAR-001-5 requiring transmission operators to schedule enough reactive resources to regulate voltage levels under all system conditions."⁷ The Commission further stated, "Reliability Standards TOP-001-4 and TOP-002-4 do not require the transmission operator to implement mitigation plans: instead, the transmission operator need only analyze and develop a plan to address a potential System Operating Limit."⁸

At its May 14, 2020 meeting, the NERC Board of Trustees considered the Commission's NOPR proposal and approved a resolution to withdraw proposed Reliability Standard VAR-001-

⁴ *Comments of NERC in Response to Notice of Proposed Rulemaking* 9-10, Docket Nos. RM19-16-000 and RM19-17-000 (Apr. 6, 2020).

⁵ *Id.* 9-10.

⁶ NOPR, supra, at P 38.

⁷ *Id.* at P 39.

⁸ *Id.* at P 40.

6.⁹ NERC therefore asks the Commission to permit withdrawal of that portion of NERC's June 7, 2019 petition seeking approval of proposed Reliability Standard VAR-001-6 and the retirement of currently effective Reliability Standard VAR-001-5.

NERC does not seek to withdraw the other two proposed Reliability Standards in its June 7, 2019 petition, proposed Reliability Standards IRO-002-7 and TOP-001-5.

III. Conclusion

NERC requests that the Commission permit withdrawal of that part of NERC's June 7, 2019 petition seeking approval of proposed Reliability Standard VAR-001-6, either by order or expiration of the 15-day period in Rule 216.

Respectfully submitted,

/s/ Lauren A. Perotti

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May 14, 2020

⁹ See NERC Board of Trustees May 14, 2020 Agenda Package Item 5.b, available at https://www.nerc.com/gov/bot/Agenda%20highlights%20and%20Mintues%202013/Board_Open_Agenda_Package _May_14_2020_PUBLIC-POSTING.pdf.

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of this submittal upon all parties listed on the official service lists compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 14th day of May, 2020.

/s/ Lauren A. Perotti

Lauren A. Perotti Counsel for the North American Electric Reliability Corporation