UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Revisions to Modeling, Data and Analysis Reliability Standard	))	Docket Nos.	RM12-19-000

COMMENTS OF THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION IN RESPONSE TO NOTICE OF PROPOSED RULEMAKING

The North American Electric Reliability Corporation ("NERC")[1] hereby provides these comments in response to the Federal Energy Regulatory Commission's ("FERC" or "Commission") March 21, 2013, Notice of Proposed Rulemaking ("NOPR")[2] proposing to approve Reliability Standard MOD-028-2. NERC submitted a petition for approval of proposed Reliability Standard MOD-28-2 on August 24, 2012, proposing one modification to the currently-effective Reliability Standard MOD-28-1, pertaining to the information a Transmission Service Provider[3] must include when calculating Total Transfer Capability when using the Area Interchange Methodology for On-Peak and Off-Peak intra-day and next day time periods. The NOPR seeks comments regarding whether a transmission operator could potentially use a load forecast assumption that is not applicable to the period being calculation and seeks comments regarding whether this gives rise to any market-related concerns or the potential for undue discrimination in Available Transfer Capability ("ATC") transactions.[4]

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[1] The Federal Energy Regulatory Commission certified NERC as the electric reliability organization ("ERO") in its order issued on July 20, 2006 in Docket No. RR06-1-000. *North American Electric Reliability Corporation*, 116 FERC ¶ 61,062 (2006).

[2] *Revisions to Modeling, Data, and Analysis Reliability Standard*, 142 FERC ¶ 61,210 (2013).

[3] Unless otherwise specified herein, all capitalized terms shall have the meaning set forth in the Glossary of Terms Used in NERC Reliability Standards, available here: http://www.nerc.com/files/Glossary_of_Terms.pdf.

[4] NOPR at P 13 ("We believe that NERC's proposed revision to R3.1.2 allows a transmission operator flexibility to choose either a daily or hourly load forecast when forecasting current-day and next-day TTC. However, we seek comments regarding whether a transmission operator could potentially use a load forecast assumption that

I. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:[5]

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II. COMMENTS

NERC respectfully submits that the proposed modifications to Reliability Standard MOD-28-2: (i) clarify the existing language of currently-effective Reliability Standard MOD-28-1, and (ii) are consistent with Commission precedent, and should therefore be accepted. As the Commission noted in the NOPR, "the proposed Reliability Standard clarifies the existing provision and does not present any reliability concerns."[6]

Consistent with NERC's statutory functions as the ERO, NERC's mission is to ensure the reliability of the Bulk-Power System. Allowing entities to use either a daily or hourly load

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is not applicable to the period being calculated. For example, a transmission operator using daily on-peak load forecasts in determining off-peak TTC for the current day could, either purposefully or inadvertently, suppress off-peak ATC used by generators that make off-peak sales, or other customers who purchase hourly service. Accordingly, we seek comment whether this gives rise to any market-related concerns or the potential for undue discrimination in ATC calculations. ").

[5] Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2012), to allow the inclusion of more than two persons on the service list in this proceeding.

[6] NOPR at P 10.

forecast is intended to provide flexibility to allow operators to select a methodology best suited for their individual needs. NERC submits that it is appropriate for transmission service providers to retain some level of discretion in the calculation of ATC and such an approach is consistent with Commission precedent.[7] The Commission has stated: "[r]equiring absolute uniformity in criteria and assumptions across all transmission service providers would preclude transmission service providers from calculating available transfer capability in a way that accommodates the operation of their particular systems."[8]

As the Commission noted in the NOPR, the Commission has determined that the ERO should attempt to develop Reliability Standards that have no undue negative effect on competition.[9] NERC respectfully submits that consistent with Order No. 729, while it might be possible for an entity to use a load forecast assumption that is not applicable to the period being calculated, the Commission can mitigate such risks through complaints and the Commission's market oversight authority.

> It is possible, for example, for a transmission service provider to use parameters and assumptions that skew its available transfer capability values toward a particular result in a way that discriminates against certain types of customers. As discussed above, the Commission accepts these risks and expects that they will be mitigated through complaints as well as the Commission's own market oversight authority.[10]

Further, it is NERC's expectation that entities will implement proposed Reliability Standard MOD-28-2 consistent with their existing legal obligations, *i.e.*, pursuant to open access

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[7] *Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk Power System*, Order No. 729, 129 FERC ¶ 61,155 at P 135 (2009) ("it is appropriate for transmission service providers to retain some level of discretion in the calculation of available transfer capability."), *order on clarification*, Order No. 729-A, 131 FERC ¶ 61,109, *order on reh'g and reconsideration*, Order No. 729-B, 132 FERC ¶ 61,027 (2010).

[8] Order No. 729 at P 135.

[9] NOPR at P 11.

[10] Order No. 729 at P 135.

transmission tariffs, etc.[11] For these reasons, NERC respectfully requests that the Commission accept the proposed Reliability Standard without modification and address any market-related concerns through the Commission's market oversight authority.

III. CONCLUSION

For the reasons stated above, NERC respectfully requests that the Commission approve the proposed Reliability Standard as submitted.

Respectfully submitted,

/s/ Stacey Tyrewala

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May 13, 2013

[11] *See* 18 C.F.R. § 39.6 (2012).

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding. Dated at Washington, D.C. this 13th day of May, 2013.

/s/ Stacey Tyrewala
Stacey Tyrewala
Attorney for North American Electric Reliability Corporation