143 FERC ¶ 61,136

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 40

[Docket Nos. RM12-1-000 and RM13-9-000]

Transmission Planning Reliability Standards

(Issued May 16, 2013)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Supplemental Notice of Proposed Rulemaking.

SUMMARY: On April 19, 2012, the Commission issued a Notice of Proposed Rulemaking (NOPR) that proposed to remand proposed Reliability Standard TPL-001-2, submitted by the North American Electric Reliability Corporation (NERC). Proposed Reliability Standard TPL-001-2 includes a provision that would allow a transmission planner to plan for non-consequential load loss following a single contingency provided that the plan is documented and vetted in an open and transparent stakeholder process. The Commission explained in the NOPR that the proposed Reliability Standard does not meet the statutory criteria for approval because the provision pertaining to planned non-consequential load loss is vague and unenforceable.

On February 28, 2013, NERC submitted proposed Reliability Standard TPL-001-4, which further modifies the planned non-consequential load loss provision. The Commission believes that the proposed modifications satisfy the concerns set forth in the NOPR. Accordingly, the Commission supplements the NOPR by proposing to approve

Reliability Standard TPL-001-4, which supersedes proposed Reliability Standard TPL-001-2.

DATES: Comments are due **[**insert date 30 days after publication in the FEDERAL REGISTER]**.**

ADDRESSES: You may submit comments, identified by docket number by any of the following methods:

- Agency Web Site: http://www.ferc.gov. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.
- Mail/Hand Delivery: Commenters unable to file comments electronically must mail or hand deliver comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT:

Eugene Blick (Technical Information)
Office of Electric Reliability
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
Telephone: (202) 502-8066
Eugene.Blick@ferc.gov

Robert T. Stroh (Legal Information)
Office of the General Counsel
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
Telephone: (202) 502-8473
Robert.Stroh@ferc.gov

SUPPLEMENTARY INFORMATION:

143 FERC ¶ 61,136
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Planning Reliability Standards	Docket Nos. RM12-1-000 and RM13-9-000

SUPPLEMENTAL NOTICE OF PROPOSED RULEMAKING

(Issued May 16, 2013)

1. On April 19, 2012, the Commission issued a Notice of Proposed Rulemaking (NOPR) that proposed to remand proposed Reliability Standard TPL-001-2, submitted by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization.[1] Proposed Transmission Planning (TPL) Reliability Standard TPL-001-2 includes a provision that would allow a transmission planner to plan for non-consequential load loss following a single contingency provided that the plan is documented and vetted in an open and transparent stakeholder process. The Commission explained in the NOPR that the proposed Reliability Standard does not meet the statutory criteria for approval because the provision pertaining to planned non-consequential load loss is vague and unenforceable.

[1] *Transmission Planning Reliability Standards*, Notice of Proposed Rulemaking, 139 FERC ¶ 61,059 (April 19, 2012) (Docket No. RM12-1-000).

2. On February 28, 2013, NERC submitted proposed Reliability Standard TPL-001-4, which further modifies the planned load loss provision.[2] The Commission believes that the proposed modifications satisfy the concerns set forth in the NOPR. Accordingly, pursuant to section 215 of the Federal Power Act (FPA), the Commission supplements the NOPR by proposing to approve proposed Reliability Standard TPL-001-4, which supersedes the proposed Reliability Standard TPL-001-2.[3]

I. Background

A. Regulatory History

3. In Order No. 693, the Commission accepted the Version 0 TPL Reliability Standards.[4] Further, pursuant to FPA section 215(d)(5), the Commission directed NERC to develop modifications to TPL-001-0 through TPL-004-0 through the Reliability Standards development process. In addition, the Commission neither approved nor remanded two other planning Reliability Standards, TPL-005-0 and TPL-006-0, as these

[2] NERC states that the Version 4 standard, i.e., TPL-001-4, modifies the pending consolidated standard, TPL-001-2. NERC also submitted, alternatively, a group of four TPL standards (TPL-001-3, TPL-002-2b, TPL-003-2a, and TPL-004-2, collectively, the Version 3 TPL standards) that would modify "footnote b" of the currently-effective TPL standards, "[i]n the event the Commission does not approve the Consolidated TPL Standards." NERC Petition at 4. Because we propose to approve TPL-001-4 in this supplemental NOPR, references throughout this NOPR are to the Version 4 standard.

[3] 16 U.S.C. 824o (2006).

[4] *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242 at PP 1840, 1845, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007). The currently-effective versions of the TPL Reliability Standards are as follows: TPL-001-0.1, TPL-002-0b, TPL-003-0a, and TPL-004-0.

two Reliability Standards applied only to regional reliability organizations. With regard to Reliability Standard TPL-002-0b, Table 1, footnote 'b,' which pertains to loss of non-consequential load, the Commission directed NERC to clarify footnote 'b' regarding the loss of non-consequential load for a single contingency event.[5] In a March 18, 2010 order, the Commission directed NERC to submit a modification to footnote 'b' responsive to the Commission's directive in Order No. 693 by June 30, 2010.[6] In a June 11, 2010 order, the Commission extended the compliance deadline until March 31, 2011.[7]

Remand of Footnote 'b' – Version 1 (RM11-18-000)

4. On March 31, 2011, NERC submitted proposed Reliability Standard TPL-002-1 (Version 1), which proposed to modify Table 1, footnote 'b' to permit planned non-consequential load loss when documented and subject to an open stakeholder process.[8] In Order No. 762, the Commission remanded to NERC the proposed modification to

[5] Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1792.

[6] *Mandatory Reliability Standards for the Bulk Power System*, 130 FERC ¶ 61,200 (2010).

[7] *Mandatory Reliability Standards for the Bulk Power System*, 131 FERC ¶ 61,231 (2010).

[8] *See* Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1794. Non-consequential load loss includes the removal, by any means, of any planned firm load that is not directly served by the elements that are removed from service as a result of the contingency. Currently-effective footnote 'b' deals with both consequential load loss and non-consequential load loss. NERC's proposed footnote 'b' characterized both types of load loss as "firm demand." The focus of this Supplemental NOPR is NERC's proposed treatment of non-consequential load loss or planned interruption of "firm demand."

footnote 'b,' concluding that the proposed revisions did not meet the Commission's Order No. 693 directives, nor did the revisions achieve an equally effective and efficient alternative.[9] The Commission stated that the proposal did not adequately clarify or define the circumstances in which an entity can use planned non-consequential load loss as a mitigation plan to meet Table 1 performance requirements for single contingency events. The Commission also stated that the procedural and substantive parameters of NERC's proposal were too undefined to provide assurances that the process will be effective in determining when it is appropriate to plan for non-consequential load loss, does not contain NERC-defined criteria on circumstances to determine when an exception for planned non-consequential load loss is permissible, and could result in inconsistent results in implementation. Accordingly, the Commission remanded the filing to NERC, directing NERC to revise footnote 'b' to address the Commission's concerns described in Order No. 762. Additionally, in Order No. 762, the Commission directed NERC to "identify the specific instances of any planned interruptions of firm demand under footnote 'b' and how frequently the provision has been used."[10]

Proposed Remand of TPL-001-2 – Version 2 (RM12-1-000)

5. On October 19, 2011, NERC submitted a petition seeking approval of a revised and consolidated TPL Reliability Standard that combined the four currently-effective TPL

[9] *Transmission Planning Reliability Standards*, Order No. 762, 139 FERC ¶ 61,060 (2012).

[10] Order No. 762, 139 FERC ¶ 61,060 at P 20.

Standards into a single standard, TPL-001-2 (Version 2).[11] The Version 2 standard includes language similar to NERC's Version 1 March 31, 2011, proposal to revise and clarify footnote 'b' of Table 1. In developing Version 2, NERC slightly modified the proposed footnote 'b' in Version 1 and divided footnote 'b' in Version 1 into two footnotes in Version 2, Steady State & Stability Performance Footnotes 9 and 12.[12] However, the concerns the Commission raised with respect to the Version 1 footnote 'b' remained in footnote 12 of Version 2. Footnote 12 in Version 2 was in all material respects the same as the portion of footnote 'b' in Version 1 that was the subject of remand in Order No. 762.

6. On the same day that the Commission issued Order No. 762, it issued a NOPR in Docket No. RM12-1-000, stating that, notwithstanding that proposed Version 2 included specific improvements over the currently-effective Transmission Planning Reliability Standards, footnote 12 "allow[s] for transmission planners to plan for non-consequential load loss following a single contingency without adequate safeguards [and] undermines

---

[11] NERC's October 2011 petition sought approval of Reliability Standard TPL-001-2, the associated implementation plan and Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs), as well as five new definitions to be added to the NERC Glossary of Terms (Version 2). NERC also requested approval to retire four currently-effective TPL Reliability Standards: TPL-001-1, TPL-002-1b, TPL-003-1a; and TPL-004-1. In addition, NERC requested to withdraw two pending Reliability Standards: TPL-005-0 and TPL-006-0.1.

[12] NERC Petition at 12. NERC's proposal in Docket No. RM11-18-000, Table 1, footnote 'b' referred to planned load shed as planned "interruption of Firm Demand." In footnote 12, NERC has changed the term from "interruption of Firm Demand" to utilization of "Non-Consequential Load Loss."

the potential benefits the proposed Reliability Standard may provide."[13] Thus, the Commission stated that, pursuant to section 215(d)(4), its concerns regarding the stakeholder process set forth in footnote 12 required a proposal to remand the entire Reliability Standard. The Commission added, however, that "resolution of this one matter will allow the industry, NERC and the Commission to go forward with the consideration of other improvements contained in proposed [Version 2]."[14]

7. In addition, the NOPR asked for comment on various aspects of the consolidated Version 2 TPL Standard, including planned maintenance outages, assessment of backup or redundant protection systems, and single line to ground faults. Comments on the NOPR were due by July 20, 2012. Nine entities submitted comments.

B. Proposed Reliability Standard TPL-001-4 – Version 4 (RM13-9-000)

8. On February 28, 2013, NERC submitted proposed Reliability Standard TPL-001-4 (Version 4) in response to the Commission's remand in Order No. 762 and concerns identified in the Commission's NOPR issued in Docket No. RM12-1-000.[15] NERC states that modified footnote 12 provides specific parameters for the permissible use of planned non-consequential load loss to address bulk electric system performance issues,

---

[13] NOPR, 139 FERC ¶ 61,059 at P 55.

[14] *Id.* at P 3.

[15] Reliability Standard TPL-001-4 is not attached to the Supplemental NOPR. The complete text of Reliability Standard TPL-001-4 is available on the Commission's eLibrary document retrieval system in Docket No. RM13-9-000 and is posted on the ERO's web site, *available at*: http://www.nerc.com.

including: (1) firm limitations on the maximum amount of load that an entity may plan to shed, (2) safeguards to ensure against inconsistent results and arbitrary determinations that allow for the planned non-consequential load loss, and (3) a more specifically defined, open and transparent, verifiable, and enforceable stakeholder process.

9. Proposed footnote 12 as modified provides:

> An objective of the planning process is to minimize the likelihood and magnitude of Non-Consequential Load Loss following planning events. In limited circumstances, Non-Consequential Load Loss may be needed throughout the planning horizon to ensure that BES performance requirements are met. However, when Non-Consequential Load Loss is utilized under footnote 12 within the Near-Term Transmission Planning Horizon to address BES performance requirements, such interruption is limited to circumstances where the Non-Consequential Load Loss meets the conditions shown in Attachment 1. In no case can the planned Non-Consequential Load Loss under footnote 12 exceed 75 MW for US registered entities. The amount of planned Non-Consequential Load Loss for a non-US Registered Entity should be implemented in a manner that is consistent with, or under the direction of, the applicable governmental authority or its agency in the non-US jurisdiction.

10. New Attachment 1 to TPL-001-4, referenced in footnote 12, has three sections: (I) stakeholder process, (II) information for inclusion in the stakeholder process, and (III) instances for which regulatory review of planned non-consequential load loss under footnote 12 is required. Section I describes five criteria that apply to the open and transparent stakeholder process that an entity must implement when it seeks to use footnote 12: (1) meetings must be open to affected stakeholders including applicable regulatory authorities, (2) advance meeting notice requirements, (3) information regarding the intended purpose and scope of the planned non-consequential load loss must be made available to participants in accordance with section II of Attachment 1,

(4) procedures for stakeholders to submit written questions and receive written responses, and (5) a dispute resolution process. Section I provides that an entity does not have to repeat the stakeholder process for a specific application of footnote 12 with respect to subsequent planning assessments unless conditions have materially changed for that specific application.[16] NERC explains that this approach builds in flexibility and allows entities to use operating judgment in determining what constitutes a "material change" (e.g., thereby allowing the entity to take into account regional and operating differences).[17]

11. Section II of Attachment 1 specifies eight categories of information that entities must provide to stakeholders, including estimated amount, frequency and duration of planned non-consequential load loss under footnote 12. An entity must also provide information on alternatives considered and future plans to alleviate the need for planned non-consequential load loss. NERC states that it developed this information to ensure

[16] NERC explains that this language was intentionally included to be consistent with Requirement R2.6 of the Version 4 TPL Reliability Standard, which allows for past studies to be used to support planning assessments if they meet certain conditions, including for steady state, short circuit, or stability analysis, when no material changes occur to the system. NERC Petition at 16.

[17] NERC Petition at 17. NERC adds that the proposed Requirement R8 of the Version 4 TPL Reliability Standard includes an additional safeguard to monitoring of planning assessments by requiring that relevant entities share planning assessments with adjacent planning coordinators, transmission planners, or other entities that demonstrate a reliability related need. NERC explains that Requirement R8 of the Version 4 Reliability Standard provides a system of checks and balances on an entity's planning assessments from neighboring entities in the overall transmission planning process of which the proposed footnote is one aspect.

that an entity adequately demonstrates to stakeholders why and how the entity selected the planned non-consequential load loss alternative as the best planning choice, while allowing stakeholders to see all of the variables the entity used in selecting the load shed alternative.

12. Section III of Attachment 1 describes the process for planned non-consequential load loss greater than 25 MW. Specifically, NERC states that planned non-consequential load loss between 25 MW and 75 MW, or any planned non-consequential load loss at the 300 kV level or above would receive greater scrutiny by regulatory authorities and the ERO.[18] Where these parameters apply, "the Transmission Planner or Planning Coordinator must ensure that applicable regulatory authorities or governing bodies responsible for retail electric service issues do not object to the use of Non-Consequential Load Loss under footnote 12."[19] Further, "[o]nce assurance has been received that the applicable regulatory authorities … responsible for retail electric service issues do not object … the Planning Coordinator or Transmission Planner must submit the information [in Section II of Attachment 1] to the ERO for a determination of whether there are any

[18] NERC Petition at 17-19 and Exhibit F. NERC states that the 300 kV voltage level is based on the previously submitted Extra High Voltage ("EHV") level that had been proposed in Version 2. NERC also explains that it derived the 75 MW limit from information received in response to an industry data request to identify the specific instances of planned non-consequential load loss under footnote b and how frequently the load loss provision has been used. The maximum non-consequential load loss was approximately 75 MW, and the average was approximately 25 MW.

[19] NERC Petition, Exhibit A, proposed Reliability Standard TPL-001-4, Attachment I, section 3.

Adverse Reliability Impacts" caused by the responsible entity's request to use footnote 12.[20] According to NERC, this provision provides safeguards against arbitrary or inconsistent determinations, and also "preserves, to the extent practicable, the role of Retail Regulators," while allowing ERO review for possible Adverse Reliability Impacts.[21]

13. NERC states that the combination of numerical limitations and other considerations, such as costs and alternatives, guards against a determination based solely on a quantitative threshold becoming an acceptable *de facto* interpretation of planned non-consequential load loss. According to NERC, the procedures in footnote 12 would enable acceptable, but limited, circumstances of planned non-consequential load loss after a thorough stakeholder review and approval and, in some cases, ERO review.

14. NERC states that, because footnote 12 differs from footnote 'b' included in the currently-effective TPL Reliability Standards, data do not yet exist on the frequency of instances of planned non-consequential load loss under the new footnote 12.

---

[20] NERC Petition, Exhibit A, proposed Reliability Standard TPL-001-4, Attachment I, section 3. NERC defines "Adverse Reliability Impact" as "[t]he impact of an event that results in frequency-related instability; unplanned tripping of load or generation; or uncontrolled separation or cascading outages that affects a widespread area of the Interconnection." NERC Glossary at 4.

[21] NERC Petition at 19.

Consequently, NERC states that it will monitor the use of footnote 12 and will report the results of this monitoring after the first two years of the footnote's implementation.[22]

Implementation Schedule

15. NERC requests that requirements R1 and R7 of the Version 4 Reliability Standard as well as the definitions become effective, i.e., subject to compliance, on the first day of the first calendar quarter, twelve months after applicable regulatory approval. In addition, except as indicated below, NERC requests that Requirements R2 through R6 and Requirement R8 including Table 1 – Steady State & Stability Performance Planning Events, Table 1 – Steady State & Stability Performance Extreme Events, Table 1 – Steady State & Stability Performance Footnotes (Planning Events & Extreme Events) and Attachment 1 become effective and subject to compliance on the first day of the first calendar quarter, 24 months after applicable regulatory approval.

16. NERC also proposes that, for 84 calendar months beginning the first day of the first calendar quarter following applicable regulatory approval, corrective action plans applying to specific categories of contingencies and events identified in TPL-001-4, Table 1 are allowed to include non-consequential load loss and curtailment of firm transmission service (in accordance with Requirement R2, Part 2.7.3) that would not otherwise be permitted by the requirements of the Version 4 Reliability Standard. Further, NERC states that Requirement R2, Part 2.7.3 addresses situations that are

[22] NERC Petition at 11.

beyond the control of the planner that prevent the implementation of a corrective action plan in the required timeframe.

17. NERC also requests approval to retire currently-effective TPL Reliability Standards, TPL-001-0.1, TPL-002-0b, TPL-003-0a and TPL-004-0, because their requirements are consolidated into the proposed TPL Reliability Standard TPL-001-4. In addition, NERC requests to withdraw two pending TPL Reliability Standards, TPL-005-0 and TPL-006-0.1, because NERC has transferred the requirements to sections 803 and 804 of NERC's Rules of Procedure. NERC proposes to retire TPL Reliability Standards TPL-001-0.1, TPL-002-0b, TPL-003-0a, and TPL-004-0 on midnight of the day immediately prior to the effective date of TPL-001-4. However, during the 24-month implementation period, all aspects of the currently-effective TPL Reliability Standards, TPL-001-0.1 through TPL-004-0 will remain in effect for compliance monitoring. NERC states that the 24 month period is to allow entities to develop, perform and/or validate new or modified studies necessary to implement and meet Reliability Standard TPL-001-4. NERC explains that the specified effective dates allow sufficient time for proper assessment of the available options necessary to create a viable corrective action plan that is compliant with the new TPL Reliability Standard.

II. Discussion

18. Pursuant to section 215(d) of the FPA, we propose to approve NERC's proposed Reliability Standard TPL-001-4 as just, reasonable, not unduly discriminatory or

preferential, and in the public interest. NERC's proposal differs from the Commission directives on this matter.[23] Nonetheless, we believe that NERC's proposal adequately addresses the underlying reliability concerns raised in Order No. 693, Order No. 762 and the NOPR in Docket No. RM12-1-000 and, thus, is an equally effective and efficient alternative to address the Commission's directives.

19. In particular, we believe that proposed footnote 12 would improve reliability by providing a blend of specific quantitative and qualitative parameters for the permissible use of planned non-consequential load loss to address bulk electric system performance issues. In addition, it appears that the stakeholder process is adequately defined and includes specific criteria and guidelines that a responsible entity must follow before it may use planned non-consequential load loss to meet Reliability Standard TPL-001-4 performance requirements for a single contingency event. Further, NERC's proposal provides reasonable safeguards, including an ERO review process, to protect against adverse reliability impacts that could otherwise result from planned non-consequential load loss.

20. NERC states that it plans to monitor the use of footnote 12 and report the results of this monitoring after the first two years of implementation.[24] Consistent with NERC's petition, we propose to direct that NERC submit a report on the use of footnote 12, due at

---

[23] *See* Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1792; *Mandatory Reliability Standards for the Bulk Power System*, 131 FERC ¶ 61,231 at P 21.

[24] NERC Petition at 11.

the end of the first calendar quarter after the first two years of implementation of footnote 12 (as determined pursuant to NERC's implementation plan). The report should provide an analysis of the use of footnote 12, including but not limited to information on the duration, frequency and magnitude of planned non-consequential load loss, and typical (and if significant, atypical) scenarios where entities plan for non-consequential load loss. The report should also address the effectiveness of the stakeholder process and the use and effectiveness of the local regulatory review and NERC review.

21. Further, we propose to approve NERC's implementation schedule. Pursuant to NERC's implementation schedule, footnote 12 and the stakeholder process (Attachment 1) are effective on the first day of the first quarter 24 months after applicable regulatory approval and that entities may use Requirement R2, Part 2.7.3 to include non-consequential load loss in corrective action plans up to 84 months beginning the first day of the first quarter 84 months after applicable regulatory approval. In other words, entities that plan to shed non-consequential load must follow the footnote 12 and Attachment 1 procedures beginning on the first day of the first quarter 24 months after applicable regulatory approval. In addition, the 84 month period allows planners to include planned non-consequential load loss in their corrective action plans, if needed, for certain categories of contingencies to mitigate a system performance issue, e.g., if a plan calls for the construction of a transmission line. Within 84 months the corrective action plan for the transmission line, for example, is expected to be in service, but in the

meantime the planner is permitted non-consequential load loss during the construction of the line.[25] Under these circumstances, a planner must develop a valid corrective action plan that mitigates the system performance issue within the expected 84 months. We also propose to approve the retirement of the currently-effective TPL Reliability Standards as proposed by NERC.

22. The Commission seeks comment on NERC's footnote 12 proposal. After receipt of comments, the Commission will issue a final rule that addresses the consolidated transmission planning standard, TPL-004-1. This Final Rule would address the modified footnote 12 (and related Attachment 1) and comments received in response to this Supplemental NOPR. In addition, the Final Rule would address other aspects of the consolidated TPL standard, including the matters raised in the April 2012 NOPR in Docket RM12-1-000 (as modified by the Supplemental NOPR) and comments received in response to the April 2012 NOPR.

III. Information Collection Statement

23. The following collection of information contained in this Notice of Proposed Rulemaking is subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the Paperwork Reduction Act of 1995.[26] OMB's regulations require

[25] Requirement R2, Part 2.7.3 addresses situations that are beyond the control of the planner that prevent the implementation of a corrective action plan in the required timeframe.

[26] 44 U.S.C. 3507(d) (2006).

approval of certain information collection requirements imposed by agency rules.[27] Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of a rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.

24. We solicit comments on the Commission's need for this information, whether the information will have practical utility, the accuracy of the burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected or retained, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques. Specifically, the Commission asks that any revised burden or cost estimates submitted by commenters be supported by sufficient detail to understand how the estimates are generated.

25. The Commission proposes to approve Reliability Standard TPL-001-4 and retire four currently-effective TPL Reliability Standards, TPL-001 through TPL-004. In Order No. 693, the Commission directed NERC to develop modifications to TPL-001-0 through TPL-004-0 through NERC's Reliability Standards development process. Rather than creating entirely new TPL requirements, the revised Reliability Standard TPL-001-4 consolidates and improves the overall quality of the currently-effective TPL Reliability Standards governing transmission system planning of the bulk electric system. Thus, this

[27] 5 CFR 1320.11 (2012).

proposed rulemaking does not impose entirely new burdens on the effected entities. For example, the currently-effective and revised TPL Reliability Standards both require that transmission planners and planning coordinators prepare annual planning assessments for near-term and long-term planning horizons and evaluate system performance for various categories of contingencies ranging from normal operations through extreme events.

26. The proposed Reliability Standard TPL-001-4 includes several new obligations for transmission planners and planning coordinators. For example, they must identify joint responsibilities and conduct system modeling enhancements as required by Reliability Standard TPL-001-4, Requirements R1 and R7. Proposed Reliability Standard TPL-001-4 also includes the footnote 12 stakeholder process. Based on the results of NERC's data request (NERC Petition, Exhibit F), there have been approximately 80 instances of planned non-consequential load loss under the currently-effective TPL Reliability Standards. The vast majority of these indicate a plan to mitigate the planned non-consequential load loss within a 5 year period, and approximately 75 percent of the approximately 80 instances have planned non-consequential load loss less than 25 MW. The Commission does not expect the instances of planned non-consequential load loss to materially change from the existing number. Therefore, the Commission estimates 16 annual uses (80 instances divided by a 5 year period) of Attachment 1 with 12 of those instances (approximately 75 percent of the estimated annual total) using sections I and II of Attachment 1 and 4 instances using sections I, II and III of Attachment 1 of Reliability Standard TPL-001-4.

27. Public Reporting Burden: The burden and cost estimates below are based on the increase in the reporting and recordkeeping burden imposed by the proposed Reliability Standards. Our estimates are based on the NERC Compliance Registry as of February 28, 2013, which indicate that NERC has registered 183 transmission planners and planning coordinators.

Improved Requirement[28]	Year	Number and Type of Entity[29] (1)	Number of Annual Responses Per Entity (2)	Average Number of Paperwork Hours per Response (3)	Total Burden Hours (1)*(2)*(3)
Identification of Joint Responsibilities and System Modeling Enhancements[30]	Year 1	183 Transmission Planners and Planning Coordinators	1 response	9 (5 engineer hours and 4 record keeping hours)	1,647 hours
	Year 2 and Year 3	183 Transmission Planners and Planning Coordinators	1 response	5 (3 engineer hours and 2 record keeping hours)	915 hours

[28] Each requirement identifies a reliability improvement by proposed Reliability Standard TPL-001-4.

[29] NERC registered transmission planners and planning coordinators responsible for the improved requirement. Further, if a single entity is registered as both a transmission planner and planning coordinator, that entity is counted as one unique entity.

[30] The Commission estimates a reduction in burden hours from year 1 to year 2 because year 1 represents a portion of one-time tasks not repeated in subsequent years.

New Assessments, Simulations, Studies, Modeling Enhancements and associate Documentation[31]	Year 2	183 Transmission Planners and Planning Coordinators	1 response	145 (84 engineer hours, 61 record keeping hours)	26,535 hours
	Year 3	183 Transmission Planners and Planning Coordinators	1 response	84 (45 engineer hours, 39 record keeping hours)	15,372 hours
Attachment 1 stakeholder process	Year 3	1 Transmission Planner and Planning Coordinator	12 responses to Attachment 1, sections I and II	63 (40 engineer hours, 17 record keeping hours, 6 legal hours)	756 hours
	Year 3	1 Transmission Planner and Planning Coordinator	4 responses to Attachment 1, Sections I, II, and III	68 (40 engineer hours, 20 record keeping hours, 8 legal hours)	272 hours

Costs to Comply with Paperwork Requirements:

- Year 1: **$77,592.**
- Year 2: **$1,312,659.**
- Year 3 and ongoing: **$820,149.**

[31] The Commission estimates a reduction in burden hours from year 2 to year 3 because year 2 represents a portion of one-time tasks not repeated in subsequent years.

28. Year 1 costs include the implementation of those improved requirements that become effective on the first day of the first calendar quarter, 12 months after applicable regulatory approval, which include requirements such as coordination between entities and incremental system modeling enhancements. Year 2 costs include a portion of year 1 reoccurring costs plus the implementation of the remaining improved requirements that become effective on the first day of the first calendar quarter, 24 months after applicable regulatory approval, which include requirements such as sensitivity studies for steady state and stability analysis, implementation of a spare equipment strategy, short circuit studies, an expansion of contingencies and extreme events, and all associated system modeling enhancements and documentation. Year 3 costs include a portion of year 2 reoccurring costs plus an estimated cost for Attachment 1 stakeholder process, if needed.

29. For the burden categories above, the loaded (salary plus benefits) costs are: $60/hour for an engineer; $31/hour for recordkeeping; and $128/hour for legal.[32] The estimated breakdown of annual cost is as follows:

- **Year 1**
    - **Identification of Joint Responsibilities and System Modeling Enhancements**: 183 entities * [(5 hours/response * $60/hour) + (4 hours/response * $31/hour)] = $77,592.

[32] Labor rates from Bureau of Labor Statistics (BLS) (http://bls.gov/oes/current/naics2_22.htm). Loaded costs are BLS rates divided by 0.703 and rounded to the nearest dollar (http://www.bls.gov/news.release/ecec.nr0.htm).

- **Year 2**

  - **Identification of Joint Responsibilities and System Modeling Enhancements**: 183 entities * [(3 hours/response * $60/hour) +
  - (2 hours/response * $31/hour)] = $44,286.

  - **New Assessments, Simulations, Studies, Modeling Enhancements and associated Documentation**: 183 entities * [(84 hours/response * $60/hour) + (61 hours/response * $31/hour)] = $1,268,373.

- **Year 3**

  - **Identification of Joint Responsibilities and System Modeling Enhancements**: 183 entities * [(3 hours/response * $60/hour) +
  - (2 hours/response * $31/hour)] = $44,286.

  - **New Assessments, Simulations, Studies, Modeling Enhancements and associated Documentation**: 183 entities * [(45 hours/response * $60/hour) + (39 hours/response * $31/hour)] = $715,347.

  - **Implementation of footnote 12 and the stakeholder process**: {12 responses * [(40 hours/response * $60/hour) + (17 hours/response * $31/hour) + (6 hours/response * $128/hour)]} + {4 responses * [(40 hours/response * $60/hr) + (20 hours/response * $31/hour) + (8 hours/response * $128/hour)]} = $60,516.

The Commission seeks comment on the costs to comply with the paperwork requirements.

Title: FERC-725A, Mandatory Reliability Standards for the Bulk Power System

Action: Proposed Collection of Information

OMB Control No: 1902-0244

Respondents: Business or other for profit, and not for profit institutions.

Frequency of Responses: Annually and one-time.

Necessity of the Information: The proposed Reliability Standard TPL-001-4, if adopted, would implement the Congressional mandate of the Energy Policy Act of 2005 to

develop mandatory and enforceable Reliability Standards to better ensure the reliability of the nation's Bulk-Power System. Specifically, the proposal would ensure that planning coordinators and transmission planners establish transmission system planning performance requirements within the planning horizon to develop a bulk electric system that will operate reliability and meet specified performance requirements over a broad spectrum of system conditions to meet present and future system needs.

Internal review: The Commission has reviewed the revised Reliability Standard TPL-001-4 and made a determination that its action is necessary to implement section 215 of the FPA. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

30. Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, Office of the Executive Director, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, e-mail: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873].

31. Comments concerning the information collections proposed in this NOPR and the associated burden estimates, should be sent to the Commission in this docket and may also be sent to the Office of Management and Budget, Office of Information and Regulatory Affairs [Attention: Desk Officer for the Federal Energy Regulatory Commission]. For security reasons, comments should be sent by e-mail to OMB at the following e-mail address: oira_submission@omb.eop.gov. Please reference OMB

Control Number 1902-0244 and the docket numbers of this Notice of Proposed Rulemaking (Docket Nos. RM12-1-000 and RM13-9-000) in your submission.

IV. Environmental Analysis

32. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.[33] The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not substantially change the effect of the regulations being amended.[34] The actions proposed herein fall within this categorical exclusion in the Commission's regulations.

V. Regulatory Flexibility Act Analysis

33. The Regulatory Flexibility Act of 1980 (RFA)[35] generally requires a description and analysis of Proposed Rules that will have significant economic impact on a substantial number of small entities. As discussed above, proposed Reliability Standard TPL-001-4 would apply to 183 transmission planners and planning coordinators identified in the NERC Compliance Registry. Comparison of the NERC Compliance Registry with data submitted to the Energy Information Administration on Form EIA-861

---

[33] *Regulations Implementing the National Environmental Policy Act of 1969*, Order No. 486, FERC Stats. & Regs. ¶ 30,783 (1987).

[34] 18 CFR 380.4(a)(2)(ii).

[35] 5 U.S.C. 601-12.

indicates that, of the 183 registered transmission planners and planning coordinators registered by NERC, 41 may qualify as small entities.[36]

34. The Commission estimates that, on average, each of the 41 small entities affected will have an estimated cost of $1,324 in Year 1, $16,953 in Year 2 and $11,471 in Year 3 (without Attachment 1). In addition, based on the results of NERC's data request approximately 10 percent of all registered transmission planners and planning coordinators used planned non-consequential load loss under the currently-effective TPL Standards. The Commission estimates that approximately 4 of the 41 small entities would use the stakeholder process set forth in Attachment 1. The total estimated cost per response for each of these 4 small entities in Year 3 is approximately $19,500 if Attachment 1, sections I and II are used, or $20,000 if Attachment 1, sections I, II and III are used. These figures are based on information collection costs plus additional costs for compliance.

35. The Commission does not consider this to be a significant economic impact for small entities because it should not represent a significant percentage of the operating budget. Accordingly, the Commission certifies that this Proposed Rule will not have a

[36] The RFA definition of "small entity" refers to the definition provided in the Small Business Act (SBA), which defines a "small business concern" as a business that is independently owned and operated and that is not dominant in its field of operation. *See* 15 U.S.C. 632 (2006). According to the Small Business Administration, an electric utility is defined as "small" if, including its affiliates, it is primarily engaged in the generation, transmission, and/or distribution of electric energy for sale and its total electric output for the preceding fiscal year did not exceed 4 million megawatt hours.

significant economic impact on a substantial number of small entities. The Commission seeks comment on this certification.

VI. Comment Procedures

36. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [INSERT DATE 30 days after publication in the **FEDERAL REGISTER**]. Comments must refer to Docket Nos. RM12-1-000 and RM13-9-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

37. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's web site at http://www.ferc.gov. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

38. Commenters that are not able to file comments electronically must send an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC, 20426.

39. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VII. Document Availability

40. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through the Commission's Home Page (http://www.ferc.gov) and in the Commission's Public Reference Room during normal business hours (8:30 am to 5:00 pm Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

41. From the Commission's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

42. User assistance is available for eLibrary and the Commission's website during normal business hours from the Commission's Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

By direction of the Commission. Commissioner Norris is concurring with a separate statement attached.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Planning Reliability Standards — Docket Nos. RM12-1-000 and RM13-9-000

(Issued May 16, 2013)

Norris, Commissioner, *concurring*:

Ensuring the reliability of the electric grid is one of the essential jobs we have here at the Commission. There also must be a balance between protecting the reliability and security of the electric grid and recognizing the real world costs that consumers and local communities will have to bear with each reliability standard that NERC proposes and the Commission approves. That balance may be difficult to achieve, but I view it as part of our statutory responsibility to ensure that mandatory reliability standards are "just, reasonable, not unduly discriminatory or preferential, and in the public interest."[37]

I agreed with the Commission's April 19, 2012 decision to remand NERC's proposed Transmission Planning Reliability Standard footnote 'b' (now renamed footnote 12) because it was vague, potentially unenforceable, and lacked adequate safeguards to determine when planning to shed firm load would be permitted. However, I wrote separately because the order failed to recognize that this issue is both an economic and reliability issue, and therefore must balance those two concerns.

NERC has submitted another change to its proposed reliability standard, which again modifies the planned consequential load loss provision. I am very encouraged by NERC's latest submittal and the Commission's proposal to accept it. NERC's proposal goes a long way towards empowering local communities to consider the economic tradeoffs between incurring costs to avoid shedding firm load versus planning to shed firm load, while still ensuring that the decision-making process is more open and transparent and building in a safeguard for NERC to review decisions for possible adverse reliability impacts. While consumers and local communities should be able to make decisions about an acceptable level of local reliability versus the economic tradeoffs for achieving that level of reliability, I agree that there must be a check to ensure that those decisions do not affect their neighbors and the bulk electric system. I believe this

[37] *See* 16 U.S.C. 824o(d)(2).

proposal is a step in the right direction, but will carefully consider any comments that entities file regarding the proposed modification.

For these reasons, I respectfully concur.

_____

John R. Norris, Commissioner

Document Content(s)