

where a protestor has provided an inaccurate interpretation of the contents of a filing,⁶ and where the answer would assure a complete record in the proceeding,⁷ lead to a better understanding of the issues in the proceeding,⁸ permit the issues to be narrowed or clarified,⁹ and aid in the disposition of the issues raised by the protests.¹⁰ NERC and WECC submit that its answer will help clarify the issues raised by Dominion, resulting in a complete and accurate record upon which the Commission may issue an order. Therefore, NERC and WECC jointly move for leave to answer Dominion's protest of the Joint Petition.

II. Background

On December 15, 2014, NERC requested approval of proposed regional Reliability Standards VAR-002-WECC-2 and VAR-501-WECC-2. Proposed VAR-002-WECC-2 and proposed VAR-501-WECC-2 each revise currently effective version 1 standards to remove an administrative Requirement.

On January 15, 2015, Dominion filed its protest to the Joint Petition. Of note, Dominion is not registered in the WECC Regional Entity footprint. No comments were submitted by other entities. In its protest, Dominion states that it does not oppose the Joint Petition, but expresses concerns that the proposed regional Reliability Standards do not include a waiver or variance from the "equivalent" continent-wide standard or are not incorporated as specific requirements (applicable only within that region) into the continent-wide standard. Dominion contends that

⁶ See, e.g., *Alliance Cos., et al.*, 91 FERC ¶ 61,152 at pp. 61,577-78 (2000)

⁷ See, e.g., *High Island Offshore System, L.L.C.*, 113 FERC ¶ 61,202 at P 8 (2005).

⁸ See, e.g., *Mississippi River Transmission, LLC*, 141 FERC ¶ 61,080 at P 4 (2012); *N.Y. Indep. Sys. Operator, Inc.*, 91 FERC ¶ 61,218, at 61,797 (2000) (allowing an answer deemed "useful in addressing the issues arising in these proceedings").

⁹ See, e.g., *TransColorado Gas Transmission Co.*, 111 FERC ¶ 61,208 at P 4 (2005); *PJM Interconnection, LLC*, 84 FERC ¶ 61,224, at p. 62,078 (1998); *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138, at 61,381 (1999) (accepting otherwise prohibited pleadings because they helped to clarify complex issues).

¹⁰ See, e.g., *Transcontinental Gas Pipe Line Co., LLC*, 140 FERC ¶ 61,251 at fn. 6 (2012).

the proposed WECC regional Reliability Standards are not more stringent¹¹ than the “equivalent” continent-wide Reliability Standard, VAR-002-3 and that the Commission should not approve the proposed regional Reliability Standards. Dominion requests that if VAR-002-WECC-2 receives FERC approval, the Commission should clarify that the Generator Operator can deem the exclusions in R1.1 through R1.10 in VAR-002-WECC-2 to be the equivalent of being exempted by the Transmission Operator as allowed in the continent-wide standard VAR-002-3 Requirement R1. Similarly, Dominion also requests that if VAR-501-WECC-2 receives FERC approval, that the Commission make clear that the Generator Operator can apply the exclusions listed in R1.1 through R1.12 when determining its compliance with VAR-002-3 Requirements R1 and R3. Dominion further requests that the Commission consider implementation of a waiver or variance from a continent-wide standard when there is a regional Reliability Standard that addresses the same subject matter.

III. Answer

Both NERC and WECC disagree with Dominion’s assertions regarding the proposed regional Reliability Standards. Ruling in accordance with Dominion’s comments, either to not approve the proposed regional Reliability Standards or to grant a waiver, would contradict prior

¹¹ NERC notes that Dominion erroneously summarizes the Commission’s position in Order No. 672 with respect to acceptance of regional Reliability Standards. Dominion states that the Commission provided only two circumstances under which it would accept regional standards. *See* Dominion Protest at Section V.A. In fact, the Commission stated that “[a]s a general matter, we will accept the following two types of regional differences.” *See Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 at P 291, *order on reh’g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006). While the Commission stated that regional differences will generally fall into two categories, the Commission did not rule out the possibility that there may be other circumstances that warrant acceptance of a regional Reliability Standard.

Commission precedent in Order No. 751, which approved VAR-002-WECC-1 and VAR-501-WECC-1.¹² In that order, the Commission made the following determination:

[w]e approve Reliability Standards FAC-501-WECC-1, PRC-004-WECC-1, VAR-002-WECC-1, and VAR-501-WECC-1 as just, reasonable, not unduly discriminatory or preferential, and in the public interest. We find that the revised WECC Reliability Standards are more stringent than the corresponding NERC Reliability Standards either because they address issues not covered in the requirements of the corresponding NERC Reliability Standards or because they offer more detailed requirements than the corresponding NERC Reliability Standards. For these same reasons, we find that the requirements of these revised regional Reliability Standards are not redundant of the requirements of the corresponding NERC Reliability Standards.¹³

The Commission further found that, because the VAR-002-WECC-1 standard specifies the circumstances in which a Generator Operator or Transmission Operator is excused from operating with automatic voltage regulator in-service and in automatic voltage control mode, Requirement R1 of VAR-002-WECC-1 is therefore more stringent than the requirement in VAR-002-1.1b.¹⁴ The Commission also specifically ruled that the regional Reliability Standard VAR-002-WECC-1 and the continent-wide Reliability Standard should both apply. The Commission stated:

[e]ven with the additional stringency of the regional Reliability Standard, generator operators must still comply with the requirements of NERC VAR-002-1.1b, which requires generators with automatic voltage regulators to operate each generator in the automatic voltage control mode unless the generator operator has notified the transmission operator.¹⁵

¹² See *Version One Regional Reliability Standards for Facilities Design, Connections, and Maintenance; Protection and Control; and Voltage and Reactive*, Order No. 751, 135 FERC ¶ 61,061 (2011) (approving VAR-002-WECC-1 and VAR-005-WECC-1).

¹³ Order No. 751 at P 11.

¹⁴ *Id.* at P 58 (summarizing the Commission's technical position in the NOPR comparing the regional and continent-wide Reliability Standards).

¹⁵ *Id.* at P 72.

Ruling in accordance with Dominion’s comments would also conflict with subsequent Commission orders¹⁶ that approved revised versions of the continent-wide VAR-002. These orders did not identify a conflict between the proposed version of VAR-002 or a concern regarding the additional stringency in the Commission-approved regional Reliability Standards. For example, on November 21, 2012, NERC submitted a petition requesting approval of VAR-002-2b (*Generator Operation for Maintaining Network Voltage Schedules*), which included a limited change to address a request for interpretation. In the April 16, 2013 order approving VAR-002-2b, the Commission did not direct any changes or raise any issues with respect to the stringency of the VAR-002-WECC-1 standard.¹⁷ .

Similarly, on June 9, 2014, NERC sought Commission approval of Reliability Standards VAR-001-4 (*Voltage and Reactive Control*) and VAR-002-3 (*Generator Operation for Maintaining Network Voltage Schedules*), which were approved by delegated letter order on August 1, 2014.¹⁸ In the proceeding to approve VAR-002-3, neither the Commission nor commenters in the proceeding cited a conflict between or an issue regarding the additional stringency in regional Reliability Standards VAR-002-WECC-1 and VAR-501-WECC-1. In fact, the standard development record for VAR-002-3 did not include any comments regarding either VAR-002-WECC-1 or VAR-501-WECC-1.¹⁹

In the interest of clarity, NERC and WECC provide the following examples where the proposed regional Reliability Standards continue to be more stringent than VAR-002-3. VAR-002-3 Requirement R1 allows the automatic voltage regulator to be operated in a mode other

¹⁶ See *infra* for specific order citations and explanation.

¹⁷ *N. Am. Elec. Reliability Corp.*, 143 FERC ¶ 61,045 (2013).

¹⁸ *N. Am. Elec. Reliability Corp.*, Docket No. RD14-11-000 (Aug. 1, 2014) (unpublished delegated letter order).

¹⁹ See *Petition of the North American Electric Reliability Corporation for Approval of Proposed Reliability Standards VAR-001-4 and VAR-002-3 and the Retirement of Reliability Standards VAR-001-3 and VAR-002-2b*, Docket No. RD14-11-000 (Jun. 9, 2014).

than voltage control mode as long as the Generator Operator notifies the Transmission Operator. Proposed VAR-002-WECC-2 does not have this allowance. The proposed regional Reliability Standard continues to limit the time the automatic voltage regulator is not in voltage control mode to 2% of the time. The language of VAR-002-3 does not place any limit on the amount of time that a generator could be operated in a mode other than automatic voltage control mode. Similarly, proposed VAR-501-WECC-2 requires power system stabilizers to be in operation 98% of the time with a very limited set of exclusions to arrive at the 98% in-service target. VAR-002-3 only requires that the Generator Operator notify its associated Transmission Operator of a change in status. As a result, both proposed Reliability Standards continue to contain elements that are more stringent than the continent-wide Reliability Standard VAR-002-3.

In summary, the Commission has already ruled on the increased stringency of the regional Reliability Standards over the comparable continent-wide Reliability Standard. NERC and WECC's proposed deletions do not change the technical coverage of the proposed regional Reliability Standard and, therefore, the regional Reliability Standards continue to be more stringent than the continent-wide Reliability Standards. As a result, the Commission should approve the proposed regional Reliability Standards as filed. The Commission should deny Dominion's request in its entirety including its request for future waivers.

If there is a legitimate concern regarding a regional Reliability Standard and a continent-wide Reliability Standard, the proper place, in the first instance, to raise the concern is the NERC or WECC standard development processes. Because Dominion raises these concerns for the first time²⁰ in this proceeding with respect to these particular regional Reliability Standards, the

²⁰ See *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672 at P 334, FERC Stats. &

Commission should not take the action requested by Dominion and act on the Joint Petition as filed.

Respectfully submitted,

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Regs. ¶ 31,204, *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006) (“we caution that we will not be sympathetic to arguments by interested parties that choose, for whatever reason, not to participate in the ERO’s Reliability Standard development process if it is conducted in good faith in accordance with the procedures approved by the Commission.”).

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 26th day of February, 2015.

/s/ Sean Bodkin

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