

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
North American Electric
Reliability Corporation
Docket No. RM11-18-000

May 17, 2011

Ms. Holly A. Hawkins
Attorney
North American Electric Reliability Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801

Reference: Reliability Standards TPL-001-1, TPL-002-1b, TPL-003-1a, and TPL-004-1

Dear Ms. Hawkins:

On March 31, 2011, you filed on behalf of the North American Electric Reliability Corporation (NERC) a petition seeking approval of the four revised Reliability Standards concerning Transmission Planning: TPL-001-1– System Performance Under Normal (No Contingency) Conditions (Category A), TPL-002-1b – System Performance Following Loss of a Single Bulk Electric System Element (Category B), TPL-003-1a – System Performance Following Loss of Two or More Bulk Electric System Elements (Category C), and TPL-004-1– System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Elements (Category D). You state that the purpose of the revisions to these standards is to clarify TPL Table 1, footnote ‘b’, as directed in Order No. 693.¹ Please be advised that your filing is deficient, and that additional information is required to process your filing.

In Order No. 693, the Commission, in approving the Transmission Planning Reliability Standards, directed the ERO to develop certain modifications, including a clarification of Table 1, footnote ‘b’, regarding the “planned or controlled interruption of

¹ *Mandatory Reliability Standards for the Bulk Power System*, Order No. 693, 72 Fed. Reg. 16,416 (April 4, 2007), FERC Stats. & Regs. ¶ 31,242 (2007), *order on reh’g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

electric supply” where a single contingency occurs on a transmission system.² In Order No. 693, the Commission found that the transmission planning Reliability Standard should not allow an entity to plan for the loss of non-consequential firm load in the event of a single contingency.³ The Commission also clarified that an entity may seek a regional difference to the Reliability Standard from the ERO for case-specific circumstances. In the June 11 Order, the Commission stated that it believed that a regional difference, or a case-specific exception process that can be technically justified, to plan for the loss of firm service “at the fringes of various systems” would be an acceptable approach in limited circumstances.⁴

To provide a complete record in this proceeding, please respond to the following:

1. In the June 11 Order, the Commission determined that the standard should not allow an entity to plan for the loss of non-consequential load in the event of a single contingency and directed that footnote ‘b’ be clarified. The Commission further clarified in P 21 that an entity may seek a regional difference to the Reliability Standard from the ERO for case specific circumstances, or the ERO could develop a case-specific exception process that can be technically justified, to plan for the loss of firm service “at the fringes of various systems.” Please explain and justify how the proposed modification to footnote ‘b’ that allows interruption of Firm Demand is responsive to these directives.
2. Proposed footnote ‘b’ states that “in limited circumstances, Firm Demand may need to be interrupted to address [bulk electric system] performance requirements” within the transmission planning process. Please explain this statement and fully describe the contemplated restrictions or limited circumstances where Firm Demand interruptions would be permissible (e.g., magnitude, duration, voltage level, location, etc.).
3. Proposed footnote ‘b’ states that interruption of Firm Demand is limited, among other things, to “circumstances where the use of Demand interruption are documented, including alternatives evaluated....” Please explain in detail the

² In a March 18, 2010 order, 130 FERC ¶ 61,200 (2010), 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. In a June 11, 2010 order, 131 FERC ¶ 61,231 (2010) (June 11 Order), the Commission granted NERC a partial clarification and extended the compliance deadline until March 31, 2011.

³ See Order No. 693 at P 1794.

⁴ June 11 Order, 131 FERC ¶ 61,231 at P 21.

- circumstances and “documentation” that would be required. Specifically, what technical criteria would be applied, how alternatives would be evaluated, and whether both would be included in the documentation.
4. Please explain and quantify the extent to which Firm Demand is planned to be interrupted pursuant to the currently-effective footnote ‘b’ of TPL-002-0a. Provide itemized estimates, for each Regional Entity (RE), for each entity that interrupts Firm Demand, including the magnitude, duration, voltage level, and location of the Firm Demand interruptions. Please explain and quantify how many exceptions the ERO expects in conjunction with its revisions to proposed footnote ‘b.’
 5. Please explain in detail the stakeholder process, including why a stakeholder process is necessary or desirable. In your response, please address each of the following: (1) who conducts and participates in the stakeholder process and their roles; (2) whether the ERO and REs have review and approval responsibilities in the stakeholder process and what those responsibilities are; if they do not have responsibilities, please explain why and how is the process otherwise validated; and (3) how the stakeholder process decisions (allowing in some circumstances interruption of Firm Demand for a single contingency) would be made available to appropriate reliability entities (e.g., planning authorities, REs, reliability coordinators, etc.) for their analysis and subsequent studies.
 6. Please explain whether and to what extent the planning entity proposing to be allowed loss of Firm Demand for a single contingency conducts the stakeholder process, or is involved in deciding the merits of a request for exception. In your response, please explain whether a planning entity would make a self-determination, a joint-determination, or an abstention from the decision concerning its requested exception.
 7. Please explain the technical justification and criteria a planning entity would be required to provide in support of its exception request. Please explain the objective criteria the stakeholder process would employ to make decisions on requested exceptions.
 8. Please identify who would make the final decision to allow an entity to plan to interrupt Firm Demand for a single contingency in the stakeholder process. Please explain whether there would be processes or safeguards the ERO and RE would employ to ensure objectivity, consistency, and integrity of stakeholder process exceptions and what these safeguards would be. Please explain whether and how the list of exceptions would be made available (e.g., by RE, planning entity, or other) and who would be responsible for maintaining the list.

9. Proposed footnote ‘b’ contemplates “a stakeholder process that includes addressing stakeholder comments.” If the decision whether to allow the interruption of Firm Demand for a single contingency is denied, please explain whether there are appeal rights of the denied planning entity. Please explain any appeal rights of the party(ies) affected by the planned interruption of Firm Demand in the stakeholder process. Please explain whether and how the ERO and RE would ensure those appeal rights.
10. Please explain whether and how the ERO and RE would review decisions to allow planned interruptions of Firm Demand for a single contingency stemming from the stakeholder process. Please explain whether and how the ERO and RE would periodically re-evaluate the continued validity of prior exceptions decisions as part of the corrective plans to meet bulk electric system performance requirements.
11. On page 10 of your filing, you state the Commission’s instructions to clarify “footnote ‘b’ in regard to load loss following a single contingency, specifying the amount and duration of consequential load loss...” have been addressed. Please explain in detail, and provide the development record for, how the ERO determined the magnitude and duration of consequential load loss that would be allowed.

This letter is issued pursuant to the authority delegated to the Director – Office of Electric Reliability under 18 C.F.R. § 375.303 (2010) and is interlocutory. This letter is not subject to rehearing pursuant to 18 C.F.R. § 385.713. A response must be filed within 21 days of the date of this letter. You are encouraged to e-file your responses with the Commission. Instructions for e-filing are provided on the Commission’s website at www.ferc.gov/docs-filing/efiling.asp. Otherwise, if you choose to file hard copies, send your response to:

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

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Irrespective of your filing method, please also provide a copy of your response to:

Eugene Blick
Office of Electric Reliability
888 First Street, N.E.
Washington, D.C. 20426

Any questions regarding this letter should be directed to Eugene Blick at (202) 502-8066 or eugene.blick@ferc.gov.

Sincerely,

Joseph H. McClelland, Director
Office of Electric Reliability

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