UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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Mandatory Reliability Standards for Interconnection Reliability Operating Limits

Docket No. RM10-15-000

JOINT COMMENTS OF PJM INTERCONNECTION, LLC, ISO NEW ENGLAND, INC., NEW YORK INDEPENDENT SYSTEM OPERATOR, INC., CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION, AND SOUTHWEST POWER POOL

I. INTRODUCTION

PJM Interconnection, L.L.C., ISO New England, Inc., New York Independent System Operator, Inc., California Independent System Operator Corporation and Southwest Power Pool ("Joint Commentators") respectfully submits these joint comments in response to the Federal Energy Regulatory Commission's ("FERC" or "Commission") Notice of Proposed Rulemaking ("NOPR")¹ regarding Mandatory Reliability Standards for Interconnection Reliability Operating Limits.

In the NOPR, the Commission proposed to approve three new Interconnection Reliability Operations and Coordination Reliability Standards and seven revised Reliability Standards related to Emergency Preparedness and Operations, Interconnection Reliability Operations and Coordination and Transmission Operations. In addition, the Commission has also proposed to approve the addition of two new terms to the NERC Glossary of Terms. However, despite proposing to approve the proposed Reliability Standards and definitions as submitted, the Commission has raised some questions which appear to indicate that it may direct further modification to the Reliability Standards based upon the responses received.

¹ *Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, 133 FERC ¶ 61,151 (November 18, 2010)

II. COMMENTS

A. The proposed Reliability Standards Set Forth the Appropriate Division of Responsibilities for SOLs and IROLs Among Reliability Coordinators and Transmission Operators.

On the whole, the Joint Commentators view the Commissions' proposed acceptance of the offered Reliability Standards positively as they properly reflect the division of responsibilities among reliability coordinators and transmission operators with respect to SOLs and IROLs. In the NOPR, the Commission proposes to approve the offered Reliability Standards which sets forth the division of responsibility among reliability coordinators and transmission operators with respect to System Operating Limits ("SOLs") and Interconnection Reliability Operating Limits ("IROLs"), since having two entities with the same primary responsibility is not contemplated by the NERC Reliability Functional Model. While the Commission proposed to approve the Reliability Standards formalizing this division of responsibility, it sought further comments regarding whether there is a need for Reliability Coordinators to continue to analyze, in addition to continuing to monitor and coordinate data on, SOLs other than IROLs.²

The proposed Reliability Standards formalize a clear distinction with respect to responsibility for IROLs and SOLs which preserves industry practices of assigning responsibility for analyzing and resolving conditions to the entities that are closest to the conditions in question, subject to oversight by an entity with wider-area capabilities and responsibilities. Transmission operators are responsible for the integrity of local infrastructure and, as such, they are given primary responsibility for managing SOLs.

² NOPR at P. 16.

On the other hand, reliability coordinators have more global responsibilities with attendant responsibilities to manage "coordination" as opposed to "operation," thereby fulfilling a role that is broader in context. As reliability coordinators grow beyond a single transmission owner area, the ability to monitor and control every asset and every operating limit becomes, by necessity, a matter of decentralized actions more than of command and control. Allowing reliability coordinators to concentrate their efforts on wider issues allows the industry to reap the benefits of focus on IROLs and wide area control while still maintaining the benefit of local control.

However, that is not to say a reliability coordinator should not monitor any SOLs and the Joint Commentators believe that it was not the intent of the Reliability Standards to strip the reliability coordinator of all responsibility for SOLs, but rather to establish a clear distinction of responsibilities and authority aimed at maintaining the reliability of the bulk power system. By mandating that "local" Transmission Operators have direct responsibility for operating limits, the industry is assured that no operating limits will be overlooked since the local transmission operators are most familiar with their respective operating limits and local characteristics and know best how to predict, control and mitigate those issues. The transmission operator can allocate its resources to the detailed analysis and solutions at the points closest to the facilities.

As such, the Joint Commentators do not support a formal requirement that would assign responsibility for analyzing and resolving SOLs to a reliability coordinator since the responsibility for monitoring those limits is best assigned to the transmission operator, as contemplated by the approved Reliability Standards.

B. I t is Unnecessary to Require the Reliability Coordinator to Have a Documented Methodology for Identifying the SOL Information it Needs to Fulfill its Responsibilities.

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In the NOPR, the Commission reasoned that because the responsibility for the SOLs is shared between the reliability coordinator and their transmission operators, it may also be beneficial for the reliability coordinator to have a documented methodology for identifying the SOL information that it needs to fulfill its responsibilities for monitoring, day ahead and realtime assessments, and operational control within the reliability coordinator's area.³

The Joint Commentators believe that a formalized requirement for a reliability coordinator to have a documented methodology for identifying the SOL information that it needs to fulfill its responsibilities is unnecessary because, in its defined role, it will already have access to, and be provided with, the appropriate set of SOLs from the transmission operator which require greater scrutiny.

As noted above, given its role in wide-area analysis, the reliability coordinator is not, and should not, be required to monitor every operating limit on the transmission operators' system. Every element that is known, and is needed to be known, is already used by the reliability coordinator in its wide-area analysis (although that does not preclude the inclusion of other elements needed to obtain viable simulations and analyses). But, because the reliability coordinator is not made aware of every system limit, it could be precluded from identifying the methodology for determining the operating limits it needs.

Transmission operators are required to inform reliability coordinators of any issues with operating limits and the reliability coordinator, in turn, is required to support transmission operator request with respect to those identified limits, unless those requests impact wide are (*e.g.* parallel flows or have the potential to aggravate conditions related to IROLs). In any event, the decision must be made to either include previously excluded operating limits or to depend on

³ NOPR at P. 17.

coordination schemes. But, because of the robust nature and requirements of the reliability coordinator's tools, and because unmonitored elements rarely, if ever, become prohibitive operating limits for the reliability coordinator, it is unnecessary to require the reliability coordinator to have a method for identifying elements it does not already have.

C. Reliability Coordinators can Provide Accurate Assessments to its Transmission Operators on a Wide-Area Basis Using Existing Tools and Information.

The Commission further sought comment as to whether a reliability coordinator can provide an accurate assessment of the Bulk-Power System to its transmission operators on a Wide-Area basis without evaluating: (1) the operating environment on SOLs that will impact the transmission operators within the reliability coordinator's areas; (2) SOLs that have the potential to become IROLs; and (3) the exiting IROLs within the reliability coordinator area.⁴

The Joint Commentators believe that, as stated, the IRO Standards hold reliability coordinators to the proper assessment of information required to provide accurate assessments on a wide area basis. In fact, the analysis tools used by the industry actually take into account data beyond that which impacts IROLs since, to ensure convergence of results, a much more robust set of data is required. To this end, the large amount of data analyzed by the reliability coordinator virtually ensures that no one unmonitored limit will unexpectedly become an IROL.⁵

One note of caution, however; "accurate assessments" do not equate to precise results and the Commission should refrain from mandating that reliability coordinators provide accurate assessments. The term "accurate" is subjective and requiring that all results be accurate could

⁴ NOPR at P. 18.

⁵ While the data used mostly ensures that no unmonitored limit will unexpectedly become an IROL, it is not, of course, guaranteed. However, strict monitoring of all facilities is virtually impossible and results will always, to some degree, require approximations.

impair the growth of entities (for fear of reducing the current "accuracy"), and discourage the use of innovative tools that may improve overall results, but decrease parameter accuracy.

D. The Current Functional Model Represents a Clear Delineation of Assessments and Operating Responsibilities Between the Reliability Coordinator and Transmission Operator with Respect to SOLs and IROLs.

In a discussion relative to the NERC Functional Model, the Commission sought comment

as how well the current Function Model represents the delineation of assessment and operating

responsibilities between the reliability coordinator and transmission operators with respect to

SOLs and IROLs.⁶

The Joint Commentators believe that the latest NERC Function Model marks clear

distinctions between the duties of the reliability coordinators and the transmission operators with

respect to SOLs and IROLs. For example, the Function Model includes the following:

- Reliability Coordinator Task 6 Develops Interconnection Reliability Operating Limits, based on Transmission Owners' and Generator Owners' specified equipment ratings and provides them to Transmission Operators.
- Reliability Coordinator Task 7 Assists Transmission Operators in calculating and coordinating System Operating Limits.
- Transmission Operator Task 3 Develop system limitations such as System Operating Limits and Total Transfer Capabilities, and operate within those limits.
- Transmission Operator Task 6- Operate within established Interconnection Reliability Operating Limits.

The Function Model divides up reliability components and allocates them to "unique"

baskets of tasks. There is a fundamental reliability task to do wide area analysis, and another

reliability task to do local analysis. The Functional Model defines responsibilities for these tasks,

but it does not mandate who carries out the tasks. In this way, the Joint Commentators believe

⁶ NOPR at P. 20.

that the Model does properly define responsibilities, but does not attempt to define standards for how to carry out those responsibilities.

E. The Commission Should Refrain From Directing a Modification to Definition of Real-time Assessment to Specify the Type of Data to be Relied Upon by the Reliability Coordinator in Conducting a Real-time Assessment.

While proposing to approve the addition of the definition of "Real-time Assessment" to the NERC Glossary, the Commission expressed some concern that the meaning of "immediately available data" failed to clearly identify that the data should be obtained from adequate analysis capabilities (*i.e.* state estimation, pre- and post- contingency analysis capabilities and wide-area overview displays).⁷ Given this observation, the Commission proposed to direct NERC to modify the definition of "Real-time Assessment" to specify that the type of data to be relied upon by a reliability coordinator in conducting a Real-time Assessment must be based on adequate analysis capabilities such as those referenced in Requirement 6 of IRO-002-2 when the tools are available.

Currently, the industry is working toward consensus on the set of data and capabilities the reliability coordinators need to perform their tasks. To that end, the Real-time Reliability Monitoring and Analysis Capabilities Standards Development Team (Project 2009-02) has been tasked with identify the minimum set of "*capabilities*" each reliability coordinator must have available. As such, the Joint Commentators urge the Commission to allow this effort to continue to completion before directing modifications.

F. A Mandated Minimum List of Data to be Shared Between Reliability Coordinators and Specification of Outage Coordination Data is Unnecessary.

⁷ NOPR at. P. 29.

The Commission also sought comments from interested parties relative to whether compatibility of data between neighboring reliability coordinators can be assured absent a list of minimum data as part of the proposed Reliability Standards.⁸ Moreover, the Commission was interested in respondents addressing whether a list of minimum "Electric System Reliability Data," such as show in Attachment 1 of currently effective Reliability Standard TOP-005-1, is beneficial for reliability coordinators to meet the requirements of IRO-008-1 and IRO-009-1.⁹

The Joint Commentators believe that emphasis on creating minimum compatibility data lists is misplaced, especially if those lists are mandated as part of approved Reliability Standards. As part of the Reliability Standards, reliability coordinators are required to request, and utilize, the appropriate data that they need to allow them to comply with all of their requirements. Requiring minimum data lists in the context of the Reliability Standards ignores this concept. Moreover, it assumes a problem that does not exist since two interconnected parties can agree upon the appropriate type and level of data it needs from the other, taking into consideration their respective tools and capabilities.

Similarly, the Commission should refrain from requiring NERC to modify IRO-010-1a to specify the necessary outage coordination data for all reliability coordinators since each reliability coordinator is responsible for specifying the data it needs for its respective area and does not account for the significantly varying facilities located within the reliability coordinators area.¹⁰ The tools and data needed for the respective reliability coordinators to carry out its obligations differ based upon size, composition, markets and resources. In turn, those tools are

⁸ NOPR at P. 37.

⁹ NOPR at P. 65.

¹⁰ NOPR at P. 60.

the drivers for the data needed. Mandating "one size fits all" improperly fails to account for those differences.

III. CONCLUSION

WHEREFORE, for the reasons stated above, the Joint Commentators support the

adoption of the standards as filed. If the Commission, after receipt of comments in the

proceeding, is inclined to modify the standards, the Joint Commentators respectfully suggest that

this be accomplished through directing the use of the Reliability Standards Development Process

to consider the modifications, rather than through Commission order.

Respectfully submitted,

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