

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Electric Reliability Organization) Docket No. RM13-8-000
Proposal to Retire Requirements)
In Reliability Standards)

COMMENTS OF THE ISO/RTO COUNCIL

Pursuant to the Notice of Proposed Rulemaking (“NOPR”) issued by the Commission on June 20, 2013 in the above-captioned docket, *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards*, 143 FERC ¶ 61,251 (2013), the ISO/RTO Council (“IRC”)¹ respectfully submits the following comments in support of the proposal to retire 34 separate requirements in 19 Reliability Standards and to withdraw 41 Commission-issued reliability directives to the North American Electric Reliability Corporation (“NERC”). The IRC strongly supports NERC’s efforts to streamline reliability requirements and to eliminate unnecessary requirements from the Reliability Standards. This effort will substantially strengthen reliability by minimizing unnecessary administrative burdens and allowing utilities to focus their resources on those issues that have a significant impact upon reliability.

Additionally, the IRC submits that this important effort to streamline the Reliability Standards and minimize unnecessary administrative burdens should continue. NERC, with the assistance and input of the Regional Entities and registered entities, has engaged in streamlining efforts (such as the development of TPL-001-2) with substantial industry support. The IRC respectfully submits that NERC should ensure that its processes relative to Reliability Standards

¹ The IRC is comprised of the Independent System Operators operating as the Alberta Electric System Operator (“AESO”), the California Independent System Operator (“CAISO”), Electric Reliability Council of Texas (“ERCOT”), the Independent Electricity System Operator of Ontario, Inc., (“IESO”), ISO New England, Inc. (“ISONE”), Midcontinent Independent System Operator, Inc., (“MISO”), New York Independent System Operator, Inc. (“NYISO”), PJM Interconnection, L.L.C. (“PJM”), and Southwest Power Pool, Inc. (“SPP”). The IESO and AESO are not FERC jurisdictional. The IRC’s mission is to work collaboratively to develop effective processes, tools and standard methods for improving the competitive electricity markets across North America.

development and maintenance include regular reviews of its Reliability Standards with the objective of such reviews being the continued streamlining of those Reliability Standards and the elimination of requirements that do not benefit reliability.

I. Background

NERC's proposal to retire 34 Reliability Standard requirements and withdraw 41 reliability directives, are a result of the Commission's observation – in its March 2012 order on NERC's Find, Fix, Track, and Report (“FFT”) proposal – that “some current requirements likely provide little protection for Bulk-Power System reliability or may be redundant.”² In that March 2012 Order, the Commission invited “NERC to make specific proposals to the Commission identifying the Standards or requirements and setting forth in detail the technical basis for its belief.”³

NERC and its stakeholders subsequently coordinated to develop a series of criteria designed to identify Reliability Standards and requirements that can be retired without an adverse effect on reliability. The first, overarching criterion is whether the Reliability Standard requires a registered entity to conduct an activity or task that does little to benefit or protect the reliable operation of the Bulk Electric System (“BES”). Even if a requirement fits within this criterion – that is, it does little to benefit or protect BES reliability – it still must satisfy one of seven additional criteria in order to qualify for retirement:

- The requirement mandates that a registered entity perform an administrative function, does not support reliability, and is needlessly burdensome.
- The requirement obligates entities to produce and retain data which document prior events or activities, and should be collected via some other method under NERC's rules and processes.

² *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193 at P 81 (2012). (“March 2012 Order”)

³ *Id.*

- The requirement mandates that responsible entities develop a document (e.g., plan, policy or procedure) which is not necessary to protect BES reliability.
- The requirement obligates responsible entities to report to a Regional Entity, NERC or another party or entity.
- The requirement obligates responsible entities to periodically update (e.g., annually) documentation, such as a plan, procedure or policy without an operational benefit to reliability.
- The requirement is a commercial or business practice, or implicates commercial rather than reliability issues.
- The requirement is redundant with: (i) another FERC-approved Reliability Standard requirement; (ii) the NERC compliance and monitoring program; or (iii) another governmental regulation.

Based on these criteria, NERC and its stakeholders identified 36 requirements that can be retired without any adverse impact on the reliability of the BES.⁴ In the NOPR, the Commission proposes to approve the retirement of the identified standards on the ground that (1) the requirements provide little or no protection to BES reliability, or (2) the requirements are redundant with other Reliability Standard provisions. The Commission also proposes to withdraw 41 outstanding directives based on three guidelines: (1) whether the reliability concern underlying the outstanding directive has been addressed in some manner, rendering the directive stale; (2) whether the outstanding directive provides general guidance for standards development

⁴ The requirements proposed to be retired are: BAL-005-0.2b, Requirement R2 – Automatic Generation Control; CIP-003-3, -4, Requirement R1.2 – Cyber Security – Security Management Controls; CIP-003-3, -4, Requirements R3, R3.1, R3.2, and R3.3 – Cyber Security – Security Management Controls; CIP-003-3, -4, Requirement R4.2 – Cyber Security – Security Management Controls; CIP-005-3a, -4a, Requirement R2.6 – Cyber Security – Electronic Security Perimeter(s); CIP-007-3, -4, Requirement R7.3 – Cyber Security – Systems Security Management; EOP-005-2, Requirement R3.1 – System Restoration from Blackstart Services; FAC-002-1, Requirement R2 – Coordination of Plans for New Facilities; FAC-008-3, Requirements R4 and R5 – Facility Ratings; FAC-010-2.1, Requirement R5 – System Operating Limits Methodology for the Planning Horizon; FAC-011-2.1, Requirement R5 – System Operating Limits Methodology for the Operations Horizon; FAC-013-2, Requirement R3 – Assessment of Transfer Capability for the Near-term Transmission Planning Horizon; INT-007-1, Requirement R1.2 – Interchange Confirmation; IRO-016-1, Requirement R2 – Coordination of Real-Time Activities between Reliability Coordinators; NUC-001-2, Requirements R9.1, R9.1.1, R9.1.2, R9.1.3, and R1.9.4 – Nuclear Plant Interface Coordination; PRC-010-0, Requirement R2 – Assessment of the Design and Effectiveness of UVLS Programs; PRC-022-1, Requirement R2 – Under-Voltage Load Shedding Program Performance; and VAR-001-2, Requirement R5 – Voltage and Reactive Control.

rather than a specific directive; and (3) whether the outstanding directive is redundant with another directive.

II. Comments

The IRC strongly supports the proposals in the NOPR to retire the identified Reliability Standards requirements and to withdraw the identified reliability directives. As NERC itself has recognized in its efforts to develop results or performance-based Reliability Standards, the existing standards, while well-intentioned, can be unwieldy and cumbersome and contain many requirements that are redundant with one another or that do not otherwise contribute to reliability. Not only do such requirements fail to support BES reliability, but they actually can have the effect of hindering it by requiring utilities to expend resources on administrative aspects required by those requirements when such resources could be better used focusing on activities that have a direct impact upon reliability.

The retirement of the identified requirements will have the effect of promoting reliability by allowing registered entities to focus their resources on issues that are most relevant to, and have the most impact on, BES reliability. Additionally, it is important to note that the proposed withdrawal of 41 Commission-issued reliability directives will also promote the reliability of the BES as it will enable both NERC and the industry to focus and expend their resources on the remaining Commission directives. Hence, the IRC urges the Commission not only to approve the proposals set forth in the NOPR, but also to urge NERC to undertake additional, ongoing reviews of the Reliability Standards and to continue to identify, through its Reliability Standards development and review processes, other standards and/or requirements that are candidates for retirement and/or streamlining.

More specifically, by including criteria for retirement and/or streamlining in NERC's ongoing Reliability Standards development and maintenance processes, NERC can leverage its established, highly-functioning processes to ensure that its overall Reliability Standard set is continually improved through both streamlining (such as with TPL-001-2) and retirement. Such reviews, if included in NERC's existing processes, can also be utilized to ensure that new and/or revised Reliability Standards and requirements remain results- and performance-based, and that the Reliability Standards development processes will not inadvertently introduce unnecessary administrative burdens on the industry. In summary, the IRC respectfully submits that NERC has both the foundational criteria and existing processes to continue the streamlining efforts it began in response to the Commission's March 2012 Order and that NERC should leverage these foundational elements on an ongoing basis.

Finally, the IRC offers that the criteria used by NERC and its stakeholders are appropriate to identify Reliability Standards that are candidates for retirement, but that additional criteria should be added to ensure that streamlining similar to that effected through TPL-001-2 is also an active, ongoing consideration. In particular, the IRC submits that it would be appropriate to ask, in the context of evaluating the need for a specified requirement, whether the underlying reliability concern is or could be addressed through another, existing Reliability Standard or requirement or whether it could be effectively addressed through consolidation of Reliability Standards or requirements or even a mechanism other than a Reliability Standard. Thus, the Commission should allow NERC and its stakeholders to include, in their existing, ongoing processes, efforts and criteria to identify Reliability Standards and/or requirements for streamlining or retirement, including whether a mechanism other than a Reliability Standard might be just as effective in addressing the underlying reliability concern.

III. Conclusion

The IRC respectfully requests that the Commission approve the proposals set forth in the NOPR in a manner consistent with these comments.

Respectfully submitted,

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