UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Reliability Standards	**)**	**Docket No. RM14-13-000**

COMMENTS OF THE ISO/RTO COUNCIL

The ISO/RTO Council (the "IRC") respectfully submits these joint comments in order to respond to certain questions posed in the Notice of Proposed Rulemaking issued on September 18, 2014 in the captioned proceeding (the "NOPR").[1]

I. IDENTIFICATION OF FILING PARTIES

The IRC is comprised of the Alberta Electric System Operator ("AESO"); California Independent System Operator Corporation ("CAISO"); Electric Reliability Council of Texas, Inc. ("ERCOT"); the Independent Electricity System Operator ("IESO"); ISO New England Inc. ("ISO-NE"); 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").[2]

II. BACKGROUND

In the NOPR, the Federal Energy Regulatory Commission (the "Commission") proposes to approve Communications Reliability Standard COM-001-2 and Operating Personnel Communications Protocols Reliability Standard COM-002-4, developed by the North American Electric Reliability Corporation ("NERC"). In addition, the Commission proposes to approve

[1] *Communications Reliability Standards*, 148 FERC ¶ 61,210 (2014).

[2] AESO and IESO are not FERC-jurisdictional. AESO is not participating in these comments.

three new terms to be added to the NERC Glossary of Terms,[3] and the violation risk factors, violation severity levels, and proposed implementation plan for both revised standards.

As described in the NOPR:

> Proposed Reliability Standard COM-001-2 is intended to establish a clear set of requirements for the communications capabilities that applicable functional entities must have in place and maintain. Proposed Reliability Standard COM-002-4 requires applicable entities to develop communication protocols with certain minimum requirements, including use of three-part communication when issuing Operating Instructions. Proposed Reliability Standard COM-002-4 also sets out certain communications training requirements for all issuers and recipients of Operating Instructions, and establishes a flexible enforcement approach for failure to use three-part communication during non-emergencies and a "zero-tolerance" enforcement approach for failure to use three-part communications during an emergency.[4]

III. COMMENTS

In the NOPR, the Commission poses a number of questions and seeks comment regarding specific provisions of the proposed standards. The IRC provides responsive information through the comments below.

A. Operating Instructions

In paragraphs 26 and 27 of the NOPR, respectively, the Commission asks: (1) whether there are instances in which Transmission Owners ("TOs") or Generator Owners ("GOs") may receive and act on "Operating Instructions," such as in areas operated by an Independent System Operator ("ISO") or Regional Transmission Organization ("RTO"), and (2) if an operating entity such as a Transmission Operator ("TOP") communicates an Operating Instruction to a TO or GO, which entity (if any) is responsible if the TO or GO fails to perform three-part communication properly?

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[3] Capitalized terms used but not defined in these Comments shall have the meanings ascribed to them in the NERCpromulgated *Glossary of Terms Used in NERC Reliability Standards*.

[4] NOPR at P 2 (footnote omitted).

1. Operating Instructions to TOs and GOs

The answer to the question posed in paragraph 26 is "yes." In some ISO/RTO regions, some entities who have elected to register only as a TO or GO (and not as both TO and TOP, or both GO and Generator Operator ("GOP")) may receive and act on an Operating Instruction from an ISO/RTO. The proposed definition of Operating Instruction is a "command by operating personnel responsible for the Real-time operation of the interconnected Bulk Electric System to change or preserve the state, status, output, or input of an Element of the Bulk Electric System or Facility of the Bulk Electric System. (A discussion of general information and of potential options or alternatives to resolve Bulk Electric System operating concerns is not a command and is not considered an Operating Instruction.)"[5] In these instances, the ISOs/RTOs have market rules, operating procedures and protocols in place for communicating Operating Instructions to utilities and market participants in their footprint, and any failure to follow Operating Instructions by those utilities and market participants is a violation of such market rules, operating procedures and protocols.

While the ISOs/RTOs know how their TOs have registered, TOs and Regional Entities make the final determination on their registration. For generation resources, the ISOs/RTOs typically do not have the resources to track how companies owning, operating or representing generation resources have registered with NERC. This is because the NERC Compliance Registry does not specify the "resources" registered - only the entities that own, operate or represent those resources. And, the tolling agreements that companies that own, operate or otherwise represent generation resources have in place may result in a different company registering with NERC than the company that is registered in the markets of the ISO or RTO.

[5] NOPR at P 2, fn. 2.

It must also be noted that NERC Reliability Standards contemplate that a Reliability Coordinator ("RC"), Balancing Authority ("BA") or TOP issues commands to TOPs or GOPs in Real-time, and not to TOs or GOs. Because the definition of "Operating Instruction" applies to "Real-time" operations, Operating Instructions are only those commands issued by RCs, BAs and TOPs when they carry out activities regulated by pertinent NERC Reliability Standards. Accordingly, the core reliability issue at hand is determining whether the RC, BA or TOP command was followed by the relevant recipient. To this point, the IRC members emphasize that they provide both reliability services and market services, each governed by separate sets of rules and protocols - but both of which require strict adherence by the recipient. By the same token, the Reliability Standards require TOPs and GOPs to follow RC, BA, and TOP commands and, of course, the filed rate of the ISOs/RTOs requires utilities and market participants to follow the commands of the ISOs/RTOs. For this reason, applying the requirements of the standard to GOs and/or TOs, especially in the case of the ISOs/RTOs, seems to address an administrative concern as opposed to a reliability concern.

2. Responsibility for Incorrect Communication

With respect to the question posed in paragraph 27, regarding the responsibility for incorrect three-part communications when issuing Operating Instructions to a TO or GO, COM-002-4 as drafted is only applicable to communication protocols for entities performing the RC, BA, TOP, GOP or Distribution Provider ("DP") functions. If an ISO or RTO issues a command to an entity that is not registered as a TOP or GOP and there is a three-part communication failure resulting in an enforcement action, then the NERC Rules of Procedure ("ROP") should be applied to hold that entity responsible. Specifically, NERC ROP Appendix 4C, Section 5.11, allows for an ISO or RTO to include - in an enforcement proceeding - Third Parties that cause or contribute to an alleged violation of a Reliability Standard by an ISO or RTO.

B. Communications Capability and Performance

In paragraph 33 of the NOPR, the Commission observes that the definitions of Interpersonal Communication and Alternative Interpersonal Communication "do not state explicitly a minimum expectation of communication performance such as speed and quality," and that "it is unclear whether the definition of Interpersonal Communications includes mediums used directly to exchange or transfer data." The Commission seeks further explanation from NERC and other interested commenters regarding acceptable (and unacceptable) performance of communication for both Interpersonal and Alternative Interpersonal Communications.

First, the IRC believes that the Commission should not require that a minimum technical specification for the speed and quality of communication performance be added to COM-001-2. Including such a minimum "tech spec" standard could result in entities selecting the least expensive - instead of the best available - medium to comply with the requirement. The IRC members have long had requirements in place with their stakeholders on proper and necessary technical requirements for the voice/data exchange of information.[6] There is no reliability need for a Reliability Standard specifying communication equipment performance. In addition, registered entities are obligated to choose the appropriate performance to meet the core reliability requirements.

Second, COM-001-2 addresses Interpersonal Communication but, as observed by the Commission, the definition of that term does not specify mediums used directly to exchange or transfer of data. The Standard Drafting Team explained during the standards development process for COM-001-2 that data communication is covered, instead, under Requirement R3 of

[6] *See, e.g.,* ISO-NE Operating Procedures 2 and 18, available on the web at http://www.iso-ne.com/static-assets/documents/rules_proceds/operating/isone/op2/op2_rto_final.pdf and http://www.iso-ne.com/static-assets/documents/rules_proceds/operating/isone/op18/op18_rto_final.pdf, respectively.

IRO-010-1,[7] which currently states that "[e]ach Balancing Authority, Generator Owner, Generator Operator, Interchange Authority, Load-serving Entity, Reliability Coordinator, Transmission Operator, and Transmission Owner shall provide data and information, as specified, to the Reliability Coordinator(s) with which it has a reliability relationship." A new version of IRO-010 (IRO-010-2) is being developed in NERC Project 2014-03, and adds a requirement for mutually agreeable data communication mediums:[8]

> **R3.** Each Reliability Coordinator, Balancing Authority, Generator Owner, Generator Operator, Load-Serving Entity, Transmission Operator, Transmission Owner, and Distribution Provider receiving a data specification in Requirement R2 shall satisfy the obligations of the documented specifications using: *(Violation Risk Factor: Medium) (Time Horizon: Operations Planning, Same-Day Operations, Real-time Operations)*
>
> **3.1** A mutually agreeable format
> **3.2** A mutually agreeable process for resolving data conflicts
> **3.3** A mutually agreeable security protocol

In response to comments received during the standards development process, the Project 2014-03 Standard Drafting Team explained that the proposed requirements in IRO-010-2 as written cover both unique data requests and regularly scheduled automatic data submittals. IRO010-2 received overwhelming support (85.49%) during the last balloting period.[9] Finally, data exchange and transfer capability are also addressed in other Reliability Standards.[10]

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[7] *See* Consideration of Comments on Draft Standards for Reliability Coordination - Project 2006-06, at 16 (Exhibit M to NERC's filing in this proceeding).

[8] The new version of Requirement R2 in IRO-010 states that "[t]he Reliability Coordinator shall distribute its data specification to entities that have data required by the Reliability Coordinator's Operational Planning Analyses, Real-time monitoring, and Real-time Assessments." The new version of Requirement R3 also adds Distribution Providers to the list of those receiving data specifications.

[9] *See* Quarterly Status Report of the North American Electric Reliability Corporation, Third Quarter 2014, Docket Nos. RM13-12-000, RM13-14-000, and RM13-15-000, at 3-4 (filed October 1, 2014).

[10] *See, e.g.,* BAL-004-0.2b, R14 ("The Balancing Authority shall provide its operating personnel with sufficient instrumentation and data recording equipment to facilitate monitoring of control performance, generation response, and after-the-fact analysis of area performance. As a minimum, the Balancing Authority shall provide its operating personnel with real-time values for ACE, Interconnection frequency and Net Actual Interchange with each Adjacent Balancing Authority Area."); IRO-002-2, R1 ("Each Reliability Coordinator shall have adequate communications

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IV. COMMUNICATIONS

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facilities (voice and data links) to appropriate entities within its Reliability Coordinator Area. These communications facilities shall be staffed and available to act in addressing a real-time emergency condition."); TOP-006-2, R1 ("Each Transmission Operator and Balancing Authority shall know the status of all generation and transmission resources available for use."); *id.* at R6 ("Each Balancing Authority and Transmission Operator shall use sufficient metering of suitable range, accuracy and sampling rate (if applicable) to ensure accurate and timely monitoring of operating conditions under both normal and emergency situations.").

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V. CONCLUSION

The IRC respectfully requests that the Commission consider the information provided herein.

Respectfully submitted,

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