UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Time Error Correction Reliability Standard	**)**	**Docket No.**
	)	**RM09-13-000**

COMMENTS OF THE ISO/RTO COUNCIL

I. INTRODUCTION

The ISO/RTO Council ("IRC")[1] respectfully submits these joint comments in response to the Federal Energy Regulatory Commission's ("Commission") Notice of Proposed Rulemaking ("NOPR") issued on March 18, 2010, in which the Commission requests comments on certain changes proposed by the North American Electric Reliability Corporation ("NERC") to the existing Time Error Correction Reliability Standard.

II. BACKGROUND

In a petition filed with the Commission on March 11, 2009, NERC sought approval for certain modifications to the reliability standard, denominated BAL-004-1. NERC described the proposed changes as interim adjustments intended to be in place during the time that NERC and the industry were considering significant changes to the present approach to Time Error Correction. The March 18, 2010 NOPR remands the standard to NERC for re-

[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"), Midwest Independent Transmission System Operator, Inc., ("Midwest ISO"), New York Independent System Operator, Inc. ("NYISO"), PJM Interconnection, L.L.C. ("PJM"), Southwest Power Pool, Inc. ("SPP"), and New Brunswick System Operator ("NBSO"). The IESO, AESO and NBSO are not subject to the Commission's jurisdiction and these comments do not constitute agreement or acknowledgement that either can be subject to the Commission's jurisdiction. 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. In fulfilling this mission, it is the IRC's goal to provide a perspective that balances reliability standards with market practices so that each complements the other, thereby resulting in efficient, robust markets that provide competitive and reliable service to customers.

examination of two issues: one, the process for designating an Interconnection Time Monitor, and two, the scope of the Time Monitor's responsibilities under the Reliability Standard. The IRC's comments focus on the latter of these two issues.

III. COMMENTS

The IRC believes that the ongoing debate about the scope of the Time Correction Reliability Standard and the proper role of an Interconnection Time Monitor reflects some confusion about the function of Time Error Correction in the reliable operation of the bulk power system. The IRC respectfully suggests that the Commission extend the deadline for comments in this proceeding in order to convene a technical conference. Such a conference could clarify the electric industry's practices with respect to correcting time error and the significance of time error in system reliability. The IRC anticipates that the results of such a discussion would enable the industry and the Commission to focus more efficiently on those aspects of the standard that have reliability implications.

As the Commission has previously acknowledged, Time Error Correction has no reliability function in itself. System operators do not rely on it to regulate frequency in real time. For this reason, the IRC suggests that the Commission does not need to impose the same degree of responsibility to the role of the monitor that it applies in other circumstances where a party's decision to act or not to act has direct consequences for reliability. The IRC believes that the Commission and NERC should clearly separate the duties of the monitor from the obligations of the system operators implementing a correction, and avoid extending the liabilities and penalties that attach to violations of the approved reliability rules to the Interconnection Time Monitor's actions. A technical conference would assist the Commission in understanding the implications of time error and the proper allocation of responsibility between operators and monitors in this arena.

In support of its suggestion, the IRC notes that Time Error Correction is an artefact of the period when industry and many public authorities depended on using electric system time to drive analog clocks. For example, radio and television operators were adversely impacted when the integrated system frequency varied too far from zero, thus causing clocks to lag behind or accelerate ahead. Electric system operators developed processes for correcting time error in order to repair the imbalances that resulted from the limits of the timekeeping technology then available.[2] However, these industries, like many others, have long since abandoned "electrical time" and now rely on atomic time and other methods for their needs. Indeed, many standard computers now have better time keepers than what is offered by electrical time. Time Error Correction was and remains an after-the-fact adjustment, unrelated to the maintenance of frequency in real-time. It is conceivable that, as industry and the public continue to adopt alternatives, the fact of electrical frequency variation will become entirely irrelevant to time keeping and the need for Time Error Correction will disappear.

More importantly, Time Error Corrections, when mandated as a procedure, could result in actions that are arguably inconsistent with maintaining system reliability in the most efficient manner possible. By mandating the implementation of a Time Error Correction Procedure, the Time Error Monitor is effectively put in the position of initiating a fast time error correction at a point when the system may be exhibiting a naturally low frequency (for example, during load pick up periods). If the Monitor does not take such action it may be subjecting itself to a potential NERC violation; if the Time Error Monitor does not implement the procedure to avoid further lowering the system frequency during such periods, that Monitor can be found non-compliant with the proposed standard requirement. Specifically, to

[2] Properly understood, the function of correcting accumulated time error was a service voluntarily provided by system operators to the public.

avoid potential violations under these circumstances, the Monitor would have to implement a TEC for fast time, which results in slowing the system. Following this action, if the frequency follows the natural pattern of slowing even more, it is possible that a large contingency could occur, thereby exacerbating the situation.

Given that TEC is not needed for reliability, the Commission should carefully evaluate the merits of imposing a rule that, in essence, requires the Monitor to act in a manner that is arguably inconsistent with the appropriate response to system conditions. At a minimum, consistent with these comments, the IRC urges the Commission to move forward with a technical conference to fully vet these issues. The IRC believes this will facilitate an outcome that provides the correct reliability incentives in the most efficient manner possible while minimizing unintended and unjustified NERC penalty exposure.

IV. CONCLUSION

The IRC requests that the Commission consider its comments and request for a technical conference in determining how to proceed under the NOPR.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Rensselaer, NY this 28th day of April, 2010

By: */s/ John C. Cutting*

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