The ISO’s Reliability Coordinator, named RC West, obtained certification from the North American Electric Reliability Corp. (NERC) on May 30, 2019. It has finalized service agreements with 39 balancing authorities and transmission operators, and customer onboarding has begun.

In January 2018, the ISO announced plans to become its own RC and offer these services to other balancing authorities in the western United States, Canada, and Mexico.

Shortly after, the ISO opened a public process to develop its RC. In November, the Federal Energy Regulatory Commission (FERC) approved the rates, terms, and conditions for the RC services.

During this time, the existing RC provider, Peak Reliability, announced it will discontinue RC services at the end of 2019.

The ISO has collaborated with entities, regulators, and other RC service providers to work toward its certification, and to create procedures for logistics and operations.

The ISO completed the NERC certification process led by the Western Electricity Coordinating Council (WECC), allowing it to provide RC services to all of California, as well as Northern Mexico, by July 2019. The ISO plans to offer RC services to the remaining entities in November of 2019.

In March 2019, the RC West Oversight Committee began holding public meetings. A new webpage was launched to provide access to key information such as the committee roster and meeting agendas and materials.

For more information, visit the ISO’s Reliability Coordinator webpage.

THE BASICS

WHAT IS A RELIABILITY COORDINATOR (RC)?

An RC provides grid stability monitoring for multiple electric transmission systems, including system restoration coordination, outage coordination, day-ahead operational planning assessment, and real-time assessment for its balancing areas. The role is defined by FERC and implemented by NERC.
WHAT ARE THE STEPS FOR THE ISO TO GET CERTIFIED?

A Reliability Coordinator is required to be certified by NERC to ensure it has adequate facilities, tools, personnel, procedures, and training necessary to perform the tasks of the Reliability Coordinator. WECC is conducting the ISO’s RC certification process, acting as a Regional Entity of NERC under a delegation agreement. WECC granted RC certification for the July 1 operations, and is currently reviewing and auditing RC West for the November 1 expanded footprint.

On a separate but concurrent course, the ISO initiated a public stakeholder process to develop the rates, terms and conditions of providing RC services to its customers. Those tariff amendments were approved by FERC on Nov. 14, 2018. As of Feb. 13, 2019, a total of 39 customers had contracted with ISO for RC services.

Finally, the ISO will need to transition the RC responsibilities from the existing RC provider.

WHAT WILL BE THE OVERSIGHT STRUCTURE AND THE ROLE OF THE WORKING GROUPS?

The ISO created a membership-based RC West Oversight Committee to give guidance and build consensus on reliability compliance, including a common understanding of NERC standards.

The ISO also formed working groups to address such topics as operations planning and seams management, data sharing, emergency procedures, and training. The working groups are comprised of ISO management and entities with signed agreements.

SERVICES

WHAT SERVICES WILL THE ISO PROVIDE AS RELIABILITY COORDINATOR?

The ISO will offer core reliability coordination services as required by NERC standards, including outage coordination, day-ahead operational planning analysis, real-time assessment, real-time monitoring and analysis, and system restoration coordination.

The ISO is also offering non-core hosted advanced network applications, including State Estimator, Real Time Contingency Analysis (RTCA), Power Flow and Contingency Analysis. In addition, the ISO is offering NERC CIP-014 Physical Security standards.

WHAT WILL BE THE COST OF THE SERVICES?

The ISO projects it will realize cost savings of at least 50 percent compared to current Peak Reliability pricing, and those savings will improve as more entities join the ISO’s RC program.

HOW WILL THE ISO ACHIEVE THESE SAVINGS?

The ISO will leverage the efficiencies from existing control room technologies, management staff and other necessary infrastructure. With each new participant, costs will be spread out and reduced for all entities receiving RC services from the ISO.
HOW WILL THE RELIABILITY COORDINATOR BUDGET BE DEVELOPED AND MAINTAINED?

The RC West budget will be created using the same guiding principles as those used to set ISO grid management charges. Building from the ISO’s current activity-based pricing structure, the ISO can track the work of different functions to quantify resources being used by the RC function, generating a formula for allocation.

THE PROCESS

WHAT IS THE TIMELINE FOR IMPLEMENTATION?

The ISO began shadow operations with Peak Reliability in May 2019, and is on track to become the RC of record for our balancing authority and Northern Mexico in July 2019. Then, the ISO anticipates to begin shadow operations with other entities. The ISO is targeting November 2019 to be the RC of record for additional balancing authorities taking RC services from the ISO.

For more information on the implementation plan, see the overview.

BACKGROUND

WHAT MOTIVATED THE ISO TO BECOME AN RC?

While the ISO has historically supported a single RC in the West, our leadership recognized the shifts in the industry’s landscape, including possible expanded market competition. The ISO moved to proactively mitigate the impacts of these developments to our customers.

HOW WILL ADDING AN RC AFFECT ELECTRIC RELIABILITY IN THE WEST?

NERC Reliability Standards require all RCs to have a wide-area view. Therefore, adding another RC creates opportunities to have overlapping system views, which enhances reliable operations.

For context, Peak Reliability is one of two entities providing RC services to all of the Western Interconnection. However, Peak has announced it will discontinue RC services by the end of 2019. Before that time, it is expected that four RC service providers will need to transition the services for their set of customers.

That compares to 12 RCs in the Eastern Interconnection, which have been consistently capable of overseeing reliable grid operations.