

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

Transmission Relay Loadability Reliability Standard) Docket No. RM08-13-000

**COMMENTS OF
THE ISO/RTO COUNCIL**

I. INTRODUCTION

The ISO/RTO Council (“IRC”)¹ respectfully submits these joint comments in response to the Commission’s Notice of Proposed Rulemaking (“NOPR”) issued on May 21, 2009 in which the Commission proposes to approve Reliability Standard PRC-023-1 (Transmission Relay Loadability Reliability Standard) submitted to the Commission for approval by the North American Electric Reliability Corporation (“NERC”). The proposed Reliability Standard requires certain transmission owners, generator owners, and distribution providers to set protective relays according to specific criteria in order to ensure that the relays reliably detect and protect the electric network from all fault conditions, but do not limit transmission loadability or interfere with system operators’ ability to protect system reliability. In addition, pursuant to section 215(d)(5) of the Federal Power Act, the Commission proposes to direct NERC to develop modifications

¹ The IRC is comprised of 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., (“MISO”), 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 they can be subject to the Commission’s jurisdiction. ERCOT, AESO, and NBSO are not parties to the instant filing. 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.

to the proposed Reliability Standard to address specific concerns identified by the Commission.

II. OVERVIEW OF RELIABILITY STANDARD PRC-023-1

Proposed Reliability Standard PRC-023-1 requires certain transmission owners, generator owners, and distribution providers to set protective relays according to specific criteria to ensure that they detect only faults for which they must operate and do not operate unnecessarily during non-fault load conditions. This standard, which was developed and approved via the established NERC reliability standard development process, applies to transmission owners, generator owners, and distribution providers with load-responsive phase protection systems as described in Attachment A to PRC-023-1, for the following facilities: (1) all transmission lines and transformers with low-voltage terminals operated or connected at 200 kV and above; and (2) those transmission lines and transformers with low-voltage terminals operated or connected between 100 kV and 200 kV that are designated by planning coordinators as critical to the reliability of the bulk electric system.

Proposed Reliability Standard PRC-023-1 consists of three compliance requirements. Requirements R1 and R2 apply to transmission owners, generator owners, and distribution providers with transmission lines or transformers with low-voltage terminals connected at 200 kV and above. Requirement R3 requires planning coordinators to identify the facilities operated between 100 kV and 200 kV that are critical to the reliability of the bulk electric system, and therefore subject to Requirement R1. Specifically, Sub-Requirements R3.1 and R3.1.1 require planning coordinators to identify these facilities through a process that considers input from adjoining planning coordinators and affected reliability coordinators.

III. GENERAL COMMENTS

The IRC agrees with the Commission that PRC-023-1 is a significant step toward improving the reliability of the Bulk-Power System in North America because it requires that protective relay settings provide essential facility protection for faults, while allowing the Bulk-Power System to be operated in accordance with established Facility Ratings. The IRC also supports NERC's proposed applicability of PRC-023-1 which will ensure that all protective relays critical to the operation of bulk electric system facilities will be subject to the requirements stipulated in this standard.

IV. SPECIFIC COMMENTS

A. PRC-023-1 Should Apply To Facilities Below 100 kV That Are Critical To The Reliability Of The Grid

The IRC agrees with the Commission that NERC should modify PRC-023-1 to make it applicable to facilities operated below 100 kV that are critical to the reliability of the bulk electric system. This proposal is consistent with the IRC's belief that a proactive approach should be implemented to identify any facilities that are critical to the reliability of the bulk electric system. The IRC believes that this proposal can be accomplished by expanding the Applicability Section and Requirement R3 of Reliability Standard PRC-023-1.

B. The Commission Should Clarify That Requirement 2 Of Reliability Standard PRC-023-1 Is Intended Only As A Data Check Or Confirmation

The IRC believes that clarification is required regarding Requirement R2 of Reliability Standard PRC-023-1. R2 provides that

The Transmission Owner, Generator Owner, or Distribution Provider that uses a circuit capability with the practical limitations described in R1.6, R1.7, R1.8, R1.9, R1.12, or R1.13 shall use the calculated circuit capability as the Facility Rating of the circuit and shall obtain the agreement of the Planning Coordinator, Transmission Operator, and Reliability Coordinator.

As written, this requirement is unclear. The IRC believes that the requirement is simply intended to require the Planning Coordinator, Transmission Operator and Reliability Coordinator to agree to use these ratings in performing their functions. For example, they would agree to use such limits in their state estimator and planning models. Under these circumstances, the term “agreement” should be considered only a data check or confirmation. Stated differently, the respective entities should simply agree that they will use the number provided by the Transmission Owner, Generator Owner or Distribution Owner. This approach would be consistent with Reliability Standards FAC-008 and FAC-009. In that regard, Reliability Standard, FAC-008 provides that Transmission and Generator Owners establish Facility Rating methodologies for their facilities and provide them to Reliability Coordinators, Transmission Operators, Transmission Planners and Planning Authorities, including ISOs and RTOs that are performing those functions, for review and comment. Under Reliability Standard FAC-009, the Facility Ratings established by the methodology are then provided to the Reliability Coordinator, Transmission Operator, Transmission Planner and Planning Coordinator.

If “agreement” under R2 of Reliability Standard PRC-023 is intended to be something more than a data check, for example to give the Reliability Coordinator *et al* authority to overrule a Transmission Owner, Generator Owner, or Distribution Provider with respect to a Facility Rating, that would be inconsistent with Reliability Standards

FAC-008 and FAC-009.² The IRC requests that the Commission clarify that its understanding of this requirement is consistent with the IRC's understanding stated above.

V. RESPONSE TO THE COMMISSION'S SPECIFIC REQUESTS FOR COMMENTS

The IRC members are operators, but not owners, of the bulk power system facilities that are the subject of the present NOPR. As such, we are responding to the Commission's specific request for comments only on the following specific issues:

- 1. Whether the Commission should direct the ERO to modify the proposed Reliability Standard to address generator step-up and auxiliary transformer loadability, or whether generator step-up and auxiliary transformer loadability should be addressed in a separate Reliability Standard, as the ERO intends. Further, what is a reasonable timeframe for developing a modification or separate Reliability Standard to address generator step-up and auxiliary transformer loadability.**

The IRC believes that the requirements for the loadability of generator step-up and generator auxiliary transformers may differ from the requirements for transmission system loadability. Therefore, creating a separate generator relay reliability standard is an appropriate approach for generator step-up and auxiliary transformers. The IRC suggests, however, that a decision to develop a separate generator loadability standard not delay the approval of the instant Transmission Relay Loadability Standard.

² It is important to note that the inconsistency noted here is between base level reliability standards. RTO and ISOs may and do have contractual agreements with transmission owners that require agreement, subject to dispute resolution, regarding ratings. These arrangements vary between the different RTOs and ISOs.

2. **The Commission seeks comment on whether the exclusions in Section 3 (of Attachment 1 to PRC-023-1, List of Protection Systems Excluded from the Standard) are technically justifiable and whether the Commission should direct the ERO to modify PRC-023-1 by deleting specific subsections in Section 3. The Commission also seeks comment on whether it should direct the ERO to modify subsection 3.1 to clarify that it does not exclude from the requirements of PRC-023-1 such protection systems as described above.**

The IRC supports NERC's position to exclude relays in Section 3.1 of the Standard because these relays are not capable of independently opening the circuit breaker by themselves without the action of other relays.

VI. CONCLUSION

The IRC requests that the Commission issue a Final Rule in this proceeding approving Reliability Standard PRC-023-1 consistent with the discussion herein.

Respectfully submitted,

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Date: August 17, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned docket.

Dated at Folsom, California on this 17th day of August, 2009.

/s/ Anna Pascuzzo
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