

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

Standards for Business Practices and Communication Protocols for Public Utilities)	Docket No. RM05-5-013
)	

**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 March 19, 2009 in which the Commission proposes to amend its regulations under the Federal Power Act to incorporate by reference the latest version (Version 002.1) of certain business practice standards adopted by the Wholesale Electric Quadrant (“WEQ”) of the North American Energy Standards Board (“NAESB”). These revised standards update earlier versions that the Commission previously incorporated by reference into its regulations at 18 C.F.R. § 38.2 in Order Nos. 676, 676-B, 698, and 676-C, as well as the Version 002.0 standards that NAESB filed with the Commission on September 2, 2008. The new and revised standards that NAESB

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., (“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 either can be subject to the Commission’s jurisdiction. ERCOT is not subject to the Commission’s jurisdiction for the purposes of the NAESB standards, but is joining in support of these comments. Neither AESO nor NBSO are parties to this 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.

adopted in its Version 002.0 and 002.1 standards implement requirements of Order Nos. 890, 890-A, and 890-B.

II. BACKGROUND

NAESB standards include standards for business practices as well as standards and protocols for electronic communication, and business practice standards related to reliability standards promulgated by the North American Electric Reliability Corporation (“NERC”) and approved by the Commission. In Order No. 698, the Commission also incorporated by reference into its regulations the NAESB Gas/Electric Coordination Standards (“WEQ-011”). These standards established communication protocols between interstate natural gas pipelines and electric power plant operators designed to enhance reliability by improving communication between the gas and electric industries relating to the scheduling of gas-fired generators.

On September 2, 2008, the NAESB WEQ Executive Committee approved Version 002.0 of its business practice standards. While the majority of the revisions made in NAESB’s Version 002.0 Standards were adopted in response to Order Nos. 890, 890-A, and 890-B, the Version 002.0 Standards also included: (1) the eTariff related standards developed by NAESB in coordination with Commission staff and the electric, gas, and oil industries; (2) modifications to WEQ’s existing interconnection time monitor standards in the Manual Time Error Corrections Standards (“WEQ-006”) to ensure the NAESB standards remain consistent with NERC’s BAL-004 standard; and (3) the explicit inclusion of demand resources in the definitions of certain ancillary services.

On February 19, 2009, NAESB notified the Commission that the WEQ Executive Committee had approved its Version 002.1 standards, which include both new standards and modifications to existing Version 002.0 standards. The Version 002.1 standards include new

standards related to capacity benefit margin and rollover rights, and were developed in response to Order Nos. 890, 890-A, and 676. Additional modifications included in the Version 002.1 standards include: (1) modifications to existing standards pertaining to rollover rights; (2) modifications to the Coordinate Interchange Timing tables contained in Appendix D of the Coordinate Interchange Standards (“WEQ-004”) to clarify the differences in timing requirements for the Western Electricity Coordinating Council and all other interconnections, complementary to the NERC reliability standards; and (3) modifications to the Transmission Loading Relief – Eastern Interconnection Standards (“WEQ-008”) to add clarity and ensure that the business practice standards are consistent with NERC reliability standard IRO-006.

III. COMMENTS

The IRC provides the following comments for the Commission’s consideration:

1. Request to set the implementation date of the OASIS changes to be no less than 12 months after the issuance of a final order:

The ISOs/RTOs have been active participants in the NAESB WEQ standards development and approval process in both the Version 002.0 and Version 002.1. We have actively participated, and in some instances chaired the subcommittees that developed the standards, apart from frequently submitting both informal and formal comments to the standards under development. The ISOs/RTOs also have a number of representatives on the WEQ Executive Committee, which has the final approval and can revise the recommended standards before they are sent to the NAESB membership for ratification.

Based on the extensive ISO/RTO involvement in the development of the NAESB standards, the IRC believes that it is in a better position to understand the scope of the changes

between Version 001.0 standards which were approved under Order 676-C² and the standards under consideration in this NOPR.

Unlike Version 001.0 standards, which required changes to some processes for utilizing existing OASIS templates and changes to data values, **the Version 002.1 standards require significantly more software changes.** For example, new data elements are being added to the *security* and *transstatus* templates and new templates are being created such as the *rollover* template. There are a considerable number of additional processes that have to be developed to support posting of data to the OASIS templates such as ATC annotation and load forecast data. Due to the amount of development work required to fully implement the standards, the IRC requests that the Commission set the implementation date of the OASIS changes to be no less than 12 months after it issues a final order on the NAESB Version 002.1 standards.

2. Request to not approve the Standards related to Rollover Rights for Redirects:

When version 002.1 standards were submitted to the Commission by NAESB on February 19, 2009, it was acknowledged that the Rollover Rights for Redirects was divided into two parts. Part one was included in the Version 002.1, while “part two of the standards, will be included in WEQ Version 002.2, expected to be complete at year end 2009 and

² In Order No. 676-C (73 Fed. Reg. 43,848 (July 29, 2008)), the Commission incorporated by reference the latest version (Version 001) of certain standards adopted by NAESB’s WEQ. In addition, the Commission directed public utilities to comply with the revised standards and revise their open access transmission tariffs (OATT) to include the revised standards. The NAESB WEQ standards: (1) revise the Open Access Same-Time Information Systems (OASIS) business practice standards and communications protocols (Standards WEQ-001, 002, and 003); (2) revise four business practice standards relating to interchange matters (Standards WEQ-004, 005, 006, 007); (3) add new standards on transmission loading relief for the Eastern Interconnection (WEQ-008); (4) add new standards regarding Gas/Electric Coordination (WEQ-011); (5) add new standards for key public infrastructure (WEQ-012); and (6) add a new OASIS implementation guide (WEQ-013).

published in first quarter 2010.”³ When Version 002.1 Rollover Rights for Redirect standards were approved by the WEQ Executive Committee in November 2008 and subsequently ratified by the membership in January 2009, these approvals were done so with the understanding that these proposed standards were relatively stable and would not be substantially modified during the part two work. The Electronic Scheduling Subcommittee / Information Technology Subcommittee on April 13, 2009 posted a recommendation for the part two work of the Rollover Rights for Redirects.⁴ In the recommendation posted for formal comment, **a new definition for Unexercised Rollover Rights (001-0.30) was created, and the requirements under 001-20.2.4 and 001-20.3 were substantively revised.** Hence, rather than approving the NAESB version 002.1 of these standards, the IRC requests that the Commission defer action on these standards until part two of the Rollover of Redirects is filed with the Commission, which NAESB expects will be included in the Version 002.2 standards.

IV. CONCLUSION

The IRC requests that the Commission consider the expressed comments before proceeding to issue the final order on the NAESB business standards.

Respectfully submitted,

³ Page 5 of the NAESB status report to FERC: http://www.naesb.org/pdf4/ferc021909_weq_v002.1.pdf

⁴ http://www.naesb.org/pdf4/weq_2009_api_2aii3_rec.doc

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