

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

Standards for Business Practices and)	
Communication Protocols for)	Docket Nos. RM05-5-030,
Public Utilities)	RM05-5-029

**COMMENTS OF
THE ISO/RTO COUNCIL**

The ISO/RTO Council (“IRC”)¹ submits the following comments on the notice of proposed rulemaking (“NOPR”) issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in Docket Nos. RM05-5-029 and RM05-5-030 on July 16, 2020 (“WEQ Version 003.3 NOPR”).²

I. BACKGROUND

On March 30, 2020, the North American Energy Standards Board (“NAESB”) filed with FERC the latest version (“Version 003.3”) of the Wholesale Electric Quadrant (“WEQ”) Business Practice Standards for Public Utilities (“WEQ Version 003.3

¹ The IRC comprises the following independent system operators (“ISOs”) and regional transmission organization (“RTOs”): Alberta Electric System Operator (“AESO”); California Independent System Operator (“CAISO”); Electric Reliability Council of Texas, Inc. (“ERCOT”); the Independent Electricity System Operator of Ontario, Inc. (“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”). ERCOT, AESO, and IESO are not public utilities subject to the Commission’s jurisdiction and do not join these comments.

² *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice of Proposed Rulemaking, 172 FERC ¶ 61,047 (2020) (“NOPR”).

Standards”) adopted by NAESB.³ In the associated NOPR that FERC issued, the Commission proposed to amend its regulations to incorporate by reference, with certain exceptions, the WEQ Version 003.3 Standards.⁴

II. COMMENTS

With certain exceptions described herein, the IRC generally supports the Commission’s proposal to amend its regulations to incorporate WEQ Version 003.3 Standards. The IRC also provides comments on specific aspects of the NOPR in sections II.A through II.E below. In summary, the IRC:

- 1) supports the adoption of the revisions in the WEQ Version 003.3 Standards necessary to effectuate the parallel flow visualization (“PFV”) congestion management process (“PFV Standards”);⁵
- 2) requests an expedited implementation timeline for the PFV Standards;
- 3) supports the adoption of the proposed WEQ-023 business practice standards except for WEQ-023 requirements 1.4 and 1.4.1, which requirements the Commission should refrain from adopting;
- 4) with the exception of the timeline for implementation of the PFV Standards and revised business practice standards in the WEQ Version 003.3 to

³ See *Standards for Business Practices and Communication Protocols for Public Utilities*, Report of the North American Energy Standards Board Wholesale Electric Quadrant Business Practice Standards Version 003.3, Docket No. RM05-5-000, p. 15 (Mar. 30, 2020) (“NAESB Report”).

⁴ NOPR at P 15.

⁵ The PFV Standards include “...modifications, additions, and reservations to WEQ-008 Transmission Loading Relief – Eastern Interconnection Business Practice Standards as well as new acronyms and new and revised defined terms in WEQ-000 Abbreviations, Acronyms, and Definition of Terms Business Practice Standards.” NAESB Report at p. 15; see also NOPR at P 23.

effectuate cybersecurity improvements (“Cybersecurity Standards”),⁶ the IRC requests an implementation date in October 2022 for the WEQ Version 3.3 Standards and recommends the Commission provide public utilities with the option of implementing the WEQ Version 003.2 Business Practices Standards Business Practice Standards for Public Utilities (“WEQ Version 003.2 Standards”) either: (a) in October 2021 under the current implementation timeline for the WEQ Version 003.2 Standards and prior to WEQ Version 003.3 Standards; or (b) in October 2022 simultaneously with the WEQ Version 003.3 Standards; and

- 5) requests that the Commission clarify in the final rule that—consistent with Commission precedent and currently-effective policy—each public utility may seek as part of its compliance filing: (i) a waiver of new or revised standards in the WEQ Version 003.3 Standards; and (ii) a renewal of existing waivers that the Commission previously granted.

A. Parallel Flow Visualization

The WEQ Version 3.3 Standards include revisions to WEQ business practice standards to improve the congestion management process for the Eastern Interconnection by incorporating PFV enhancements into the Transmission Loading Relief (“TLR”) process (*i.e.*, the PFV Standards). Under the PFV-enhanced congestion management process, the network native load (“NNL”) calculations the Interchange Distribution

⁶ The Cybersecurity Standards include revisions to the following business practice standards: WEQ-000 Abbreviations, Acronyms, and Definition of Terms; the WEQ-001 Open Access Same-Time Information System (“OASIS”); and the WEQ-002 OASIS Standards and Communication Protocols Business Practice Standards. *See* NOPR at P 16.

Calculator (“IDC”)⁷ uses to determine reliability coordinators’ relief obligations and curtailments are replaced by generation-to-load impacts. Unlike the NNL calculation that the IDC currently uses, the generation-to-load impact calculation uses real-time data reported by the balancing authorities to determine the calculated energy flows on a flowgate and assign relief obligations during a transmission loading relief event.

The IRC strongly supports the inclusion and adoption of the PFV Standards. The PFV enhancements are the culmination of industry effort that has taken 14 years and will significantly improve upon the congestion management procedures for the Eastern Interconnection. PFV’s enhanced congestion process will more accurately account for internal flows (*i.e.*, NNL) by incorporating the use of real-time data into relief obligations calculated by the IDC. Rather than estimating generator output based on load and whether or not units are on outage, the calculation will utilize real-time output and projected next-hour output to calculate native load and network service. This approach is similar to an approach currently used by PJM, MISO, and SPP to calculate market flows that was incorporated into the IDC in 2003.

As NAESB explains in its latest report, PFV “...provides a more accurate model, a better analysis of the impacts on flowgates, assigns relief obligations more accurately, and is a considerable improvement over the current IDC tool methodologies,” as evidenced by a field trial conducted by the industry.⁸ These benefits to the TLR process result from PFV’s enhanced timing and granularity of input (*i.e.*, the real-time generation-to-load

⁷ The IDC is a tool used by the reliability coordinators in the Eastern Interconnection that calculates the distribution of energy flows over specific flowgates and is used for assigning relief obligations and curtailments.

⁸ NAESB Report at pp. 12-13.

impacts that the balancing authorities report to the IDC) that the IDC uses to calculate reliability coordinators' relief obligations and curtailments. These improved IDC inputs and calculations result "...in a more accurate calculation of system impacts and provides reliability coordinators in the Eastern Interconnection an improved view of the current operating state of the bulk electric grid through increased visibility of the source and magnitude of parallel interchange flows."⁹ In short, the PFV congestion management process will result in a more reliable Eastern Interconnection and equitable TLR process.

B. Implementation Schedule for Parallel Flow Visualization

The IRC requests the PFV Standards be implemented on an expedited timeline separate from the rest of the proposed modifications in the WEQ Version 003.3 Standards. Similar to the Commission's proposed schedule for implementing the Cybersecurity Standards, compliance filings to incorporate PFV Standards should be filed with the Commission nine months after the publication of a final rule in this proceeding, with implementation required three months after compliance filings are submitted.

As mentioned above, the PFV project and effort is a significant, multi-year effort initiated in 2006 to improve upon and enhance the TLR process. This effort, which will result in a more reliable Eastern Interconnection and equitable TLR process, has already taken 14 years. PFV should be implemented on the shortest possible, yet feasible, timeline (e.g., a timeline similar to the Cybersecurity Standards) to allow the electric industry to realize the significant reliability benefits of the PFV enhancements with as little additional delay as possible.

⁹ *Id.* at p. 15.

C. *WEQ-023 Modeling Business Practice Standards*

In the NOPR, the Commission proposed to incorporate by reference the latest version of the WEQ-023 Modeling Business Practice Standards into the Commission’s regulations.¹⁰ The WEQ-023 business practice standards contain technical details and requirements for the calculation of Available Transfer Capability (“ATC”) for wholesale electric transmission services.¹¹ The WEQ-023 standards are intended to address the aspects of certain of the North American Electric Reliability Corporation (“NERC”) MOD A reliability standard relating to modeling, data and analysis that are included in the NERC’s proposed retirement of its NERC MOD A reliability standard.¹²

Although the Commission proposed to incorporate the WEQ-023 standards into its regulations, it also expressed concern that WEQ-023 business practice standards may lack the detail and, as a result, transparency and consistency that the currently-enforceable NERC MOD A reliability standard (which is being replaced with the WEQ-023 standard) provides.¹³ For example, the Commission stated that WEQ-023 business practice standards do not contain requirements that replace Requirements R6 and R7 of MOD-001-1a, which obligate each transmission operator to use assumptions no more limiting than those used in its planning of operations calculations.¹⁴ Accordingly, the Commission requested parties to submit comments on whether the WEQ-023 standards provide sufficient details to protect transmission customers.¹⁵

¹⁰ NOPR at P 52.

¹¹ *Id.* at P 104.

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at P 57.

¹⁵ *Id.* at P 52.

With the exception of WEQ-023 requirements 1.4 and 1.4.1, which are discussed below, the IRC supports the adoption of the WEQ-023 business practice standards. The initiative to transition ATC requirements pertaining to business practices from NERC to NAESB has been ongoing since 2013. A primary objective of NAESB and industry representatives in developing the WEQ-023 standards was to ensure that the requirements would result in transparent, consistent, and non-discriminatory ATC calculations. NAESB and industry representatives also focused on eliminating certain requirements in the MOD-001-1a reliability standard that were administratively burdensome yet provided little or no additional transparency or consistency to the ATC calculations. All of the requirements in the MOD-001-1a reliability standard that were deleted or revised in the development of the WEQ-023 business practice standards were vetted over a long period of time to ensure these objectives were satisfied. Similar to all other NAESB business practice standards, the WEQ-023 standards were extensively vetted through NAESB’s industry-wide standards development process where any comments received regarding the lesser degree of detail in the standards were successfully addressed prior to NAESB ratification.

As a result of these efforts and objectives, the proposed WEQ-023 business practice standards contain sufficient detail to protect transmission customers and ensure transparent, consistent, and non-discriminatory ATC calculations. Moreover, compared to the NERC MOD-001-1a reliability standards, WEQ-023 business practice standards increase transparency. For example, Requirements R6 and R7 of the NERC MOD-001-1a reliability standard—*i.e.*, the requirements not being included in the proposed WEQ-023 standards with which the Commission has “particular”¹⁶ concern—require each

¹⁶ *Id.* at P 57.

transmission service provider to “use assumptions no more limiting than those used in the planning of operations” to calculate ATC and Total Transfer Capability (“TTC”). NAESB and industry representatives intentionally excluded these requirements from WEQ-023 because they are vague, ambiguous, and provide little value to the transparency or consistency of ATC calculations while creating a disproportionate administrative burden to the ATC process and calculations.

The Commission also requested comments on whether the WEQ-023 business practice standards ensure non-discriminatory practices and sufficiently limit a transmission provider’s discretion in calculating ATC and Available Flowgate Capability (“AFC”).¹⁷ The WEQ-023 standards accomplish both goals by requiring each transmission service provider to document and post its respective ATC calculation methodologies. Moreover, WEQ-023-1.3.1 requires each transmission service provider to describe ATC or AFC methodology in its ATC implementation document “...in such detail that given the same information used by the Transmission Service Provider, the results of the ATC or AFC calculations can be validated.” This requirement ensures that a transmission service provider’s ATC results are reproducible and can be validated. If a transmission service customer cannot validate a transmission service provider’s ATC result, WEQ-023-1.7 allows for that entity to request any additional information required to achieve that goal. This limits a transmission service provider’s discretion in calculating ATC. Moreover, this revised requirement obviates inefficient administrative requirements to document specific criteria in WEQ-023 that may not apply to all transmission service providers’ ATC and AFC processes.

¹⁷ *Id.* at P 72.

While the IRC generally supports the adoption of the revised WEQ-023 business practice standards, the IRC requests the Commission refrain from incorporating WEQ-023 requirements 1.4 and 1.4.1 into its regulations. Requirement 1.4 prohibits transmission providers from granting firm transmission service in exceedance of the sum of facility ratings for an ATC path and requirement 1.4.1 limits net interchange schedules to this same amount. These requirements are problematic and expose transmission providers to unintended compliance risks under certain system conditions. These system conditions include the sudden, unexpected outage or de-rate of a transmission facility associated with an ATC path, as there may not be sufficient time to adjust posted ATC or modify the current interchange schedule in a manner that would completely avoid a violation of the requirement language. Furthermore, these requirements demand that transmission providers severely limit the practice of considering “expected usage” in favor of accounting for full reservation capacity granted when calculating the net of firm transmission service transactions. Treating every firm transmission service reservation as if it is being used in-full, regardless of the transmission customer’s scheduling activity, will undoubtedly result in less efficient use of the transmission system.

The IRC and other industry participants raised these concerns and other similar concerns during the standards drafting process; however, these concerns were not addressed and remain unresolved. These requirements were discussed at length during the WEQ-023 drafting process, and were initially voted down by the NAESB Business Practices Subcommittee yet were eventually included in the WEQ-023 business practice standard. PJM, MISO, SPP, ERCOT, and IESO all filed comments relating to the negative impacts or ambiguities in these proposed standards during the August 2015 meeting of the Executive Committee where the WEQ-023 Modeling Business Practice Standards were

adopted. Additionally, a task force further captured the outstanding concerns raised by industry relating to the MOD standards as noted in the WEQ EC Contract Path Task Force Issues List discussed during the October 20, 2015 meeting of the NAESB Executive Committee.

In conclusion, while the IRC generally supports of the adoption of WEQ-023, it also urges the Commission to refrain from incorporating WEQ-023 requirements 1.4 and 1.4.1 into its regulations because these requirements limit a transmission service provider's ability to maximize the efficient use of the transmission system and create the compliance risks described above. Moreover, if the Commission ultimately determines as part of this rulemaking proceeding that the WEQ-023 business practice standards require additional detail, the IRC requests and recommends that the Commission direct NAESB to develop revisions to WEQ-023 through NAESB's standard drafting process, which provides an open forum for developing consensus among industry participants.

D. Implementation Schedule for WEQ Version 003.3 Standards Other Than PFV and Cybersecurity Business Practice Standards

With the exception of the Cybersecurity Standards,¹⁸ the Commission proposes to implement the WEQ Version 3.3 Standards under an 18-month implementation timeline, which the Commission acknowledges could cause the implementation of WEQ Version 3.3 Standards simultaneously with or just after implementing WEQ Version 3.2 in October

¹⁸ The Commission is proposing an expedited timeline for the Cybersecurity Standards that is separate from the other WEQ Version 3.3 Standards. Specifically, the Commission proposes that public utilities submit compliance filings for the Cybersecurity Standards nine months after the publication of a final rule in this proceeding, with implementation required no sooner than three months after compliance filings are submitted.

2021.¹⁹ Given this possibility, the Commission requested comments “...on how best to proceed with the implementation of the remaining WEQ 003.3 Business Practice Standards, including the standards related to PFV and OASIS, but not those related to cybersecurity....” and comments as to a preferred approach and timeline for implementation of these various WEQ Version 3.3 Standards.²⁰

With the exception of the PFV Standards, which the IRC recommends be implemented on an expedited timeline similar to the Cybersecurity Standards as discussed above, the IRC requests that the Commission require public utilities to implement the WEQ Version 3.3 Standards by October 2022, which is approximately 12 months after the current implementation deadline of October 2021 for the WEQ Version 3.2 Standards. Moreover, the IRC recommends that the Commission provide public utilities with the option of implementing the WEQ Version 003.2 Standards either: (a) in October 2021 in accordance with the timeline required by Order No. 676-I,²¹ subsequent notice granting an 18-month extension due to COVID-19,²² and prior to WEQ Version 003.3 Standards; or (b) in October 2022 simultaneously with the WEQ Version 003.3 Standards. Additionally, in order to reduce the administrative burden on FERC and public utilities, the Commission

¹⁹ NOPR at P 86 (“...the Commission acknowledges that based upon when the Commission issues a final rule, industry may be required to incorporate certain changes proposed under WEQ Version 003.3 Standards while also implementing changes required by Order No. 676-I. There is the potential for industry to be required to incorporate the changes made in the WEQ 003.2 Standards as adopted by the Commission in Order No. 676-I either immediately prior to or simultaneously with the changes required in the WEQ Version 003.3 Business Practice Standards based upon when the Commission decides to issue a final rule herein.”).

²⁰ *Id.*

²¹ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-I, 85 Fed. Reg. 10,571 (Feb. 25, 2020) (“Order No. 676-I”).

²² *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice of Extension of Time, Docket No. RM05-5-028 (Apr. 3, 2020).

should permit parties to submit a single compliance filing and intended implementation schedule for both WEQ Version 3.2 Standards and WEQ Version 3.3 Standards.

The IRC also requests that the Commission ensure that the implementation timeline account for any external dependencies and system changes beyond a public utility's control but necessary for a public utility's implementation and compliance with the WEQ Version 003.3 Standards. For example, the WEQ-001-28 business practice standard defines new requirements for posting TLR curtailment information on a public utility's OASIS website. This information will be sourced from the IDC, which requires coordination of IDC modifications and with the downstream OASIS system enhancements. Similarly, IDC changes are required before a public utility may implement and comply with the PFV Standards. Therefore, the IRC recommends the Commission ensure that the implementation timeline account for implementation dependencies by allowing public utilities sufficient time after completion of IDC system modifications and any other external dependencies to implement system changes required to comply with the WEQ Version 003.3 Standards.

E. Information for Firm Transmission Service Curtailments

Information needed to meet the posting requirements is contained in two separate tools: the IDC tool for the Eastern Interconnection and the Enhanced Curtailment Calculator ("ECC") for the Western Interconnection. NAESB modified existing templates and created two new templates to provide the mechanism for transmission providers to post the required additional information regarding the curtailment of firm transmission service, including the curtailment of non-firm transmission service that preceded any firm transmission curtailments.

The IRC strongly supports the Commission’s proposal to implement an automated mechanism to transfer data from the IDC/ECC tools to the firm transmission curtailment templates. Currently, it is unclear whether firm curtailment information must be posted manually prior to the implementation of an automated data transfer mechanism. Therefore, the IRC requests that the Commission clarify that manual postings will not be required as an interim means to achieve compliance while the automated data transfer mechanism is being developed per the timeline described in Section D. Manually populating firm curtailment data into the templates is administratively burdensome and introduces the potential for human (data entry) error. In short, automated data transfer will result in a more reliable, accurate and equitable.

F. Waiver Requests

The IRC requests that the Commission clarify in the final rule that—consistent with Commission precedent and currently-effective policy—each public utility may seek as part of its compliance filing: (1) waiver of new or revised standards in the WEQ Version 003.3 Standards; and (2) renewal of existing waivers that the Commission previously granted. In Order No. 676-H,²³ the Commission adopted WEQ standards and explicitly stated that “[p]ublic utilities may seek waiver of the standards for newly developed or newly revised standards and for the renewal of existing waivers. [FERC’s] policy on when these waivers will be granted or denied is not being changed in this Final Rule. All requests for waiver

²³ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014) (“Order No. 676-H”), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh’g*, 151 FERC ¶ 61,046 (2015) (“Order No. 676-H Rehearing Order”).

and requests for renewals of prior granted waiver requests must be submitted...the same date on which the compliance filing is due.”²⁴

The IRC requests that a similar clarification be included in the final rule for this proceeding. FERC previously granted many public utilities waivers of NAESB standards that may still be required. For example, pursuant to section 4.2 of the PJM Open Access Transmission Tariff, FERC previously granted PJM a waiver of various NAESB WEQ business practice standards. These waivers continue to be necessary. While the IRC understands that currently-effective FERC policy precludes the Commission from automatically extending existing waivers or ruling on any specific waivers in this rulemaking proceeding,²⁵ IRC members would appreciate the opportunity to demonstrate in their respective compliance filings that any currently-effective waivers that FERC previously granted continue to be “consistent with or superior” to certain newly proposed WEQ Version 003.3 Standards.

III. CONCLUSION

The IRC respectfully requests that the Commission accept and favorably act upon these comments in the final rule.

²⁴ *See, e.g.*, Order No. 676-H at PP 72-73, 86-88.

²⁵ *Id.* at P 73 (“Furthermore, consistent with previous practice, the Commission does not automatically extend existing waivers without Commission review and approval. When the Commission adopts new requirements, it is incumbent on a public utility that wishes to maintain a previously granted waiver applicable to the previous version of the standard to make a showing to the Commission that, based on the particular facts presented, the waiver should continue. The determination of whether a waiver from a prior requirement should apply to a revised requirement is one that needs to be made on a case-by-case basis. If PJM believes that its circumstances warrant a waiver of any particular NAESB Business Practice Standards that the Commission is incorporating by reference into its regulations in this Final Rule, it may file a request for a waiver wherein it can detail the circumstances that it believes warrant a waiver. The Commission will decide on any such waiver request on a case-by-case basis and we decline to prejudge those circumstances in the context of this rulemaking.”).

Respectfully submitted,

/s/ Margoth Caley

Maria Gulluni
Vice President & General Counsel
Margoth Caley
Senior Regulatory Counsel
ISO New England Inc.
One Sullivan Road
Holyoke, Massachusetts 01040
mcaley@iso-ne.com

/s/ James M. Burlew

Craig Glazer
Vice President-Federal Government Policy
James M. Burlew
Senior Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19403
james.burlew@pjm.com

/s/ Anna McKenna

Roger E. Collanton, General Counsel
Anna McKenna
Assistant General Counsel, Regulatory
Andrew Ulmer Director, Federal Regulatory Affairs
California Independent System Operator Corporation
250 Outcropping Way
Folsom, California 95630
amckenna@caiso.com

/s/ Carl F. Patka

Robert E. Fernandez, General Counsel
Raymond Stalter
Director of Regulatory Affairs
Carl F. Patka
Assistant General Counsel
Christopher R. Sharp
Senior Compliance Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
cpatka@nyiso.com

/s/ Andre T. Porter

Andre T. Porter
Vice President, General Counsel & Secretary
Mary-James Young
Senior Corporate Counsel
Midcontinent Independent System Operator, Inc.
720 City Center Drive
Carmel, Indiana 46032
aporter@misoenergy.org

/s/ Paul Suskie

Paul Suskie
Executive Vice President & General Counsel
Mike Riley
Associate General Counsel
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, Arkansas 72223-4936
psuskie@spp.org

November 3, 2020