

Memorandum

To: ISO Board of Governors

From: Keith Casey, Vice President of Market and Infrastructure Development

Date: May 11, 2011

Re: **Transmission Maintenance Coordination Committee Activity Update**

This memorandum does not require Board action.

EXECUTIVE SUMMARY

The Transmission Maintenance Coordination Committee met on January 20, 2011 and discussed the following significant topics:

- Recent TMCC experiences with North American Electric Reliability Corporation (NERC) reliability standards;
- CPUC Staff proposed *General Order for Substation Inspection*;
- CPUC *Proposed Rule Changes for Rulemaking R.08-11-005* on fire safety hazards;
- California Air Resources Board proposed SF₆ regulation requirements;
- Major grid events; and
- ISO Transmission Maintenance Standards.

The TMCC will meet on July 21, 2011 to decide on the minutes of its May 10, 2011 meeting. Minutes are posted to the meeting pages at <http://www.caiso.com/pubinfo/BOG/documents/grid/mcc/archives.html>.

BACKGROUND

In October 1997, FERC directed the ISO Board of Governors to create a Maintenance Coordination Committee to perform the duties set forth in the ISO transmission maintenance standards (Appendix C of the transmission control agreement). In compliance with the order, the Board created an advisory committee entitled the Maintenance Coordination Committee, commonly referred to as the Transmission Maintenance Coordination Committee (TMCC).

Members include one member representing each participating transmission owner (PTO) that has transmission facilities subject to the ISO transmission maintenance standards, two members representing organizations representing labor interests, five members representing other organizations, and the ISO vice president responsible for grid operations, or his or her designee, who shall serve as the Chair of the TMCC.

Members of the TMCC shall perform all duties specified in Appendix C to the transmission control agreement, including:

- a) Convey information to the Board periodically;
- b) Seek input from other PTOs and interested stakeholders regarding the ISO transmission maintenance standards;
- c) Review any proposed changes to the ISO transmission maintenance standards submitted by the ISO, a PTO, or any interested stakeholder, and recommend revisions to the ISO for approval; and
- d) Recommend amendments and revisions to the ISO transmission maintenance standards to the Board.

SUMMARY OF TMCC RECENT ACTIVITIES

Recent TMCC experiences with NERC reliability standards

SCE Manager of Transmission/Substation Maintenance and Inspection, Mike Palusso, stated the NERC Reliability Standard *PRC-005-2 (Protection System Maintenance and Testing)* was currently in the process of having comments reviewed. The requirement to document all testing of relays within an expected calibration level was removed from this revision. The NERC Draft Committee is expected to review and respond to comments and initiate the ballot process at a scheduled meeting in Atlanta, Georgia in February 2011. The current status of *PRC-005-2* can be found at:

http://www.nerc.com/filez/standards/Protection_System_Maintenance_Project_2007-17.html

Mr. Palusso reminded the Committee that FERC issued Order 743 that directed NERC through Project 2010-17 to revise the definition of the Bulk Electric System (BES) so that the definition can be used throughout the North American continent. Currently WECC received comments on Proposal 5 for their BES definition (<http://www.wecc.biz/Standards/Development/BES/default.aspx>) and the status of progress for the BES definition by other reliability organizations is not clear. FERC has made it clear that NERC will develop a BES definition that will govern over all other BES definitions developed by other reliability organizations in the North America continent. Mr. Palusso indicated that NERC provided a BES comment form for utilities to provide comments regarding this definition (<https://www.nerc.net/nercsurvey/Survey.aspx?s=8df18a8871234712911c3431159c1418>) .

WAPA Sierra Nevada Region maintenance manager, Chuck Cooper, addressed the October 7, 2010 NERC Alert on facility ratings that was modified on November 30, 2010. Changes were made to some of the action due dates and facilities covered. Owners of bulk electric system facilities should review their facility ratings methodology for their lines to verify the methodology used is based on actual field conditions and determine if their methodology will develop the correct rating when comparing between design and field conditions. If this verification hasn't occurred then the owners are required by January 18, 2011 to provide its plans to complete this assessment of all its lines. Highest, medium, and lowest priority lines would be assessed respectively by the end of years 2011, 2012, and 2013. At the end of 2011, 2012, and 2013 each line owner must report to its regional entity a summary of the assessments and mitigation timelines for all transmission facilities where as-built conditions are different from design conditions. Further details regarding remediation can be found at: http://www.nerc.com/filez/facility_ratings_alert.html.

Further discussion indicated the participating transmission owners would be able to perform all of the field inspections and assess the data by the new timelines.

CPUC Staff proposed *General Order for Substation Inspection*

Utility Safety and Reliability Branch (USRB) Utilities Engineer, Ryan Yamamoto, provided the current status on the development of the *General Order for Substation Inspection*. Mr. Yamamoto indicated a new Administrative Law Judge, Bruce Deberry, was assigned to the Order Instituting a Rulemaking (OIR) R.10-09-001 to implement this general order.

CPUC Proposed Rule Changes for Rulemaking R.08-11-005 on fire safety hazards

Mr. Yamamoto provided the current status of the proposed change to the *State of California General Order 165* regarding the California Consumer Protection Safety Division's activity on facilitating Phase 2 of OIR R.08-11-005 to reduce fire safety hazards in California. The proposed change to General Order 165 for allowing the CPUC to have access to all transmission facility inspection and maintenance records is expected to be implemented in the first part of 2011.

Mr. Yamamoto indicated the USRB staff would be actively meeting with the transmission line owners starting in late January 2011 to determine what transmission facilities subject to R.10-09-001 and R.08-11-005 are under ISO operational control or other regulatory jurisdiction and those that are not.

California Air Resources Board proposed SF₆ regulation requirements

ISO Grid Asset Transmission Asset Engineer, Tom Halford, informed the Committee of the current status of State Assembly Bill AB32 that mandates the California Air Resources Board to develop regulations to achieve greenhouse gas emission reductions. Only the standard for calibration was changed (+1% to ± 2 pounds). Current status information can be found at: <http://www.arb.ca.gov/cc/sf6elec/sf6elec.htm>

Mr. Halford also mentioned the federal Environmental Protection Agency proposed rule requiring the reporting of sulfur hexafluoride (SF₆) emissions is not final. Upon approval of this rule the current level of voluntary reporting will become mandatory for utilities required to report. More information and status on the Environmental Protection Agency's Mandatory Reporting Rule on Green House Gases can be found at: <http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>

Committee discussion indicated the utilities are concerned that the data reported to the California Air Resources Board is based on equipment owners and that the data reported to the Environmental Protection Agency is based on equipment operators.

Major grid events

PG&E Substation Maintenance and Construction Director, Raj Beasla, indicated they will report back to the Committee when a study is completed regarding two insulator assembly failures that occurred on one of their 500kV lines in the last half of year 2010.

ISO Transmission Maintenance Standards

Mr. Halford provided a presentation on what the *ISO Transmission Maintenance Standards* consist of and what role the ISO performs to ensure the standards are adhered to by the participating transmission owners. The standards were presented as six elements that the ISO uses to assess and enhance the effectiveness of the participating transmission owner maintenance program. The six are:

1. Transmission Maintenance Coordination Committee recommendations;
2. Participating transmission owner maintenance practices;
3. Standard maintenance reporting system;
4. Availability measures;
5. Annual maintenance reviews; and
6. Review for cause and investigations.

The Committee discussed various maintenance procedures that could be modified to make the standards more productive. The maintenance procedures are developed and modified by the Committee to clarify the standards. It was decided that the current versions of Maintenance Procedures 2, 3, 6, and 7 would be reviewed by the participating transmission owners and the ISO in a forum separate from the Committee meeting. Participants in the working group agreed to share best maintenance practices. Any maintenance procedure changes coming out of those reviews would then be presented to the Committee for their approval. The maintenance standards and procedures referenced above are located at:

<http://www.caiso.com/docs/2005/09/28/2005092817502711257.html> .