

133 FERC ¶ 61,074
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 C.F.R. Part 40

Docket No. RM09-19-000

Western Electric Coordinating Council
Qualified Transfer Path Unscheduled Flow Relief Regional Reliability Standard

(October 21, 2010)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: Under section 215 of the Federal Power Act, the Federal Energy Regulatory Commission (Commission) proposes to approve regional Reliability Standard IRO-006-WECC-1 (Qualified Transfer Path Unscheduled Flow Relief) submitted to the Commission for approval by the North American Electric Reliability Corporation. While we propose to approve the regional Reliability Standard, as discussed in this Notice of Proposed Rulemaking, IRO-006-WECC-1 raises some concerns about which the Commission requests additional information. Depending upon the responses received, in the Final Rule the Commission may, as a separate action under section 215(d)(5) of the FPA, direct the Western Electricity Coordinating Council to develop modifications to the regional Reliability Standard to address the issues identified.

DATES: Comments are due [insert date that is 60 days after publication in the **FEDERAL REGISTER**].

ADDRESSES: Interested persons may submit comments, identified by Docket

No. RM09-19-000, by any of the following methods:

- Agency Web Site: <http://www.ferc.gov>. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.
- Mail/Hand Delivery. Commenters unable to file comments electronically must mail or hand deliver an original copy of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426. These requirements can be found on the Commission's website, see, e.g., the "Quick Reference Guide for Paper Submissions," available at <http://www.ferc.gov/docs-filing/efiling.asp> or via phone from FERC Online Support at 202-502-6652 or toll-free at 1-866-208-3676.

FOR FURTHER INFORMATION CONTACT:

Mindi Sauter (Legal Information)
Office of the General Counsel
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
(202) 502-6830

Danny Johnson (Technical Information)
Office of Electric Reliability
Division of Reliability Standards
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
(202) 502-8892

SUPPLEMENTARY INFORMATION:

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Western Electric Coordinating Council
Qualified Transfer Path Unscheduled Flow Relief
Regional Reliability Standard

Docket No. RM09-19-000

NOTICE OF PROPOSED RULEMAKING

(October 21, 2010)

1. Under section 215 of the Federal Power Act (FPA),¹ the Commission proposes to approve regional Reliability Standard IRO-006-WECC-1 (Qualified Transfer Path Unscheduled Flow Relief) submitted to the Commission for approval by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO). While we propose to approve the regional Reliability Standard, as discussed in this Notice of Proposed Rulemaking, IRO-006-WECC-1 raises some concerns about which the Commission requests additional information. Depending upon the responses received, the Commission may, in the Final Rule, direct the Western Electricity Coordinating Council (WECC) to develop modifications to the regional Reliability Standard to address the issues identified.

¹ 16 U.S.C. 824o.

I. Background

A. Section 215 of the FPA and NERC Reliability Standard IRO-006

2. Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, which are subject to Commission review and approval.² Approved Reliability Standards are enforced by the ERO, subject to Commission oversight, or by the Commission independently.

3. On March 16, 2007, the Commission issued Order No. 693 approving 83 Reliability Standards proposed by NERC, including Reliability Standard IRO-006-3, titled “Reliability Coordination – Transmission Loading Relief.”³ In addition, the Commission directed the ERO to develop modifications to IRO-006-3 and other approved Reliability Standards to address specific issues identified by the Commission, pursuant to section 215(d)(5) of the FPA.

4. NERC Reliability Standard IRO-006-3 establishes a Transmission Loading Relief (TLR) process for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions based on their priorities and according to different levels of TLR procedures. Requirement R2.2 provides that “the equivalent

² The Commission certified NERC as the ERO in July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062 (ERO Certification Order), *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *aff’d sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

³ *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh’g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

Interconnection-wide transmission loading relief procedure for use in the Western Interconnection is the WECC Unscheduled Flow Mitigation Plan.” This document provides detailed instructions for addressing unscheduled flows, e.g., parallel path flows, based on the topography and configuration of the Bulk-Power System in the Western Interconnection. The Unscheduled Flow Mitigation Plan identifies nine “steps” to address unscheduled flows. In the first three steps, the Mitigation Plan relies on phase angle regulators, series capacitors, and back-to-back DC lines to mitigate contingencies without curtailing transactions. Steps four and above involve curtailment of transactions.

5. On March 19, 2009, the Commission approved IRO-006-4, which modified the prior version of the Reliability Standard and addressed the Commission’s directives from Order No. 693.⁴ The Commission subsequently accepted an erratum to that Reliability Standard that corrected the reference in Requirement R1.2 to the Unscheduled Flow Mitigation Plan (Mitigation Plan).⁵

⁴ *Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards*, Order No. 713-A, 126 FERC ¶ 61,252 (2009).

⁵ *North American Electric Reliability Corp.*, Docket No. RD09-9-000 (Dec. 10, 2009) (unpublished letter order). Note that Reliability Standard IRO-006-4.1, Requirement R1.2 refers to the “WECC Unscheduled Flow Reduction Procedure,” which is Attachment 1 to the Mitigation Plan, the term we use herein.

B. WECC Delegation Agreement and WECC Regional Reliability Standard IRO-STD-006-0

6. On April 19, 2007, the Commission approved delegation agreements between NERC and each of the eight Regional Entities, including WECC.⁶ Pursuant to such agreements, the ERO delegated responsibility to the Regional Entities to enforce the mandatory, Commission-approved Reliability Standards. In addition, the Commission approved, as part of each delegation agreement, a Regional Entity process for developing regional Reliability Standards. In the Delegation Agreement Order, the Commission accepted WECC as a Regional Entity organized on an Interconnection-wide basis and accepted WECC's Standards Development Manual, which sets forth the process for development of WECC's Reliability Standards.⁷

7. On June 8, 2007, the Commission approved eight WECC regional Reliability Standards that apply in the Western Interconnection, including IRO-STD-006-0.⁸ The regional Reliability Standard applies to transmission operators, load-serving entities and balancing authorities within the Western Interconnection. Currently effective IRO-STD-006-0 addresses the mitigation of transmission overloads due to unscheduled line flow on specified paths. Specifically, Requirement R1 of IRO-STD-006-0 states that:

⁶ See *North American Electric Reliability Corp.*, 119 FERC ¶ 61,060, *order on reh'g*, 120 FERC ¶ 61,260 (2007) (Delegation Agreement Order).

⁷ *Id.* P 469-470.

⁸ *North American Electric Reliability Corp.*, 119 FERC ¶ 61,260 (June 8, 2007 Order).

WECC's Unscheduled Flow Mitigation Plan (Plan) ... specifies that members shall comply with requests from (Qualified) Transfer Path Operators to take actions that will reduce unscheduled flow on the Qualified Path in accordance with the table entitled "WECC Unscheduled Flow Procedure Summary of Curtailment Actions," which is located in Attachment 1 of the Plan.⁹

The regional Reliability Standard then provides excerpts from the plan that describe actions entities must take to address unscheduled flow.

8. The June 8, 2007 Order directed WECC to develop certain modifications to the eight WECC Reliability Standards to address issues identified by the Commission. With respect to IRO-STD-006-0, the Commission directed WECC to clarify the term "receiver" used in the Reliability Standard. The Commission also directed WECC to address concerns raised by a commenter regarding WECC's inclusion of load-serving entities, which may be unable to meet the Reliability Standard's requirements, in the applicability section of the Reliability Standard.¹⁰ The Commission directed WECC to remove a Sanctions Table (identifying a maximum penalty of \$10,000 per violation) that is inconsistent with the NERC Sanctions Guidelines. The Commission also directed WECC to address NERC's concerns regarding formatting, use of standard terms, and the need for greater specificity in the actions that a responsible entity must take.

⁹ Regional Reliability Standard IRO-STD-006-0, *available at* <http://www.wecc.biz/Standards/Approved%20Standards/IRO-STD-006-0.pdf>.

¹⁰ June 8, 2007 Order, 119 FERC ¶ 61,260 at P 70-71.

II. Petition for Proposed Regional Reliability Standard IRO-006-WECC-1

A. Proposed Regional Reliability Standard

9. In a June 17, 2009 filing, NERC requests Commission approval of proposed regional Reliability Standard IRO-006-WECC-1, which was developed in response to the Commission's directives in the June 8, 2007 Order, to replace the currently effective regional Standard.¹¹ NERC states that the purpose of IRO-006-WECC-1 is to mitigate transmission overloads due to unscheduled flow on Qualified Transfer Paths. Under the Reliability Standard, reliability coordinators are responsible for *initiating* schedule curtailments and balancing authorities are responsible for *implementing* the curtailments. Specifically, proposed regional Reliability Standard IRO-006-WECC-1 contains the following two Requirements:

R.1. Upon receiving a request of Step 4 or greater (see Attachment 1-IRO-006-WECC-1) from the Transmission Operator of a Qualified Transfer Path, the Reliability Coordinator shall approve (actively or passively) or deny that request within five minutes.

R.2. The Balancing Authorities shall approve curtailment requests to the schedules as submitted, implement alternative actions, or a combination there of that collectively meets the Relief Requirement.

An attachment to IRO-006-WECC-1 summarizes the nine steps and related actions to address unscheduled flows.

¹¹ North American Electric Reliability Corp., June 17, 2009 Petition for Approval of Proposed Western Electricity Coordinating Council Regional Reliability Standard IRO-006-WECC-1 (NERC Petition).

10. NERC states that the revised regional Reliability Standard addresses the Commission's prior concerns by removing load-serving entities as an applicable entity, no longer referring to receivers, and addressing formatting changes required by NERC and the Commission's June 8, 2007 Order. Further, NERC states the proposed Reliability Standard is justified on the basis that the regional Reliability Standard's requirements are more stringent than those contained in the associated NERC Reliability Standard IRO-006-4. NERC explains that the NERC Reliability Standard IRO-006-4 requires a reliability coordinator experiencing a potential or actual System Operating Limit (SOL) or Interconnection Reliability Operating Limit (IROL) violation to take appropriate actions to relieve transmission loading using local or Interconnection-wide procedures. According to NERC, Requirement R1 of the proposed regional Reliability Standard IRO-006-WECC-1 goes beyond the NERC requirements by establishing a process to reduce schedules that prevents potential overloads during the next operating hour. In addition, the proposed Reliability Standard requires each reliability coordinator to approve or deny a request submitted by a Qualified Transfer Path transmission operator within five minutes. Requirement R2 of the proposed regional Reliability Standard requires each balancing authority to approve curtailment requests to the schedules as submitted, implement alternative actions, or a combination thereof, which collectively meet the relief requirement.

B. Concerns Raised by NERC Regarding the WECC Proposal

11. In the Petition, NERC explains that, when WECC submitted IRO-006-WECC-1 for NERC's review, NERC was concerned that the proposed Standard no longer contains

requirements that are more stringent than the continent-wide NERC Reliability Standard IRO-006-4, which was the main justification for consideration of IRO-006-WECC-1 as the regional Reliability Standard.¹² NERC states that, at the direction of the NERC Board of Trustees, NERC staff met several times with WECC staff to discuss its concerns with the proposed regional Reliability Standard.

1. Pre-Curtailment Actions

12. In its Petition, NERC expressed several concerns. First, NERC was concerned that the proposed Standard only includes the curtailment portion of the Mitigation Plan. In contrast, the current regional Reliability Standard IRO-STD-006-0 references WECC's Mitigation Plan, which contains directions in steps one through three to reduce flows through use of phase-angle regulators, series capacitors, and back-to-back DC lines before transaction curtailment.

13. According to the NERC Petition, WECC explained that the proposed regional Reliability Standard contains the curtailment portion of the Mitigation Plan "because the remaining items contain procedural requirements explaining 'how,' not 'what.'"¹³ WECC explained to NERC that two WECC regional Reliability Standards work together. Proposed IRO-006-WECC-1 prevents overloads during the next hour by requiring applicable entities to reduce schedules and adjust generation patterns. In addition,

¹² *Id* 26-27.

¹³*Id.* at 30.

regional Reliability Standard TOP-007-WECC-1 (System Operating Limits), contains instructions for mitigation of an actual, real-time overload.¹⁴ According to WECC, these regional Reliability Standards, combined, ensure that the transmission operator will utilize the phase-angle regulators, series capacitors, and back-to-back DC lines before transaction curtailment.

14. In addition, NERC provided additional supplemental information in Exhibit C of its Petition regarding how WECC envisions the implementation of proposed regional Reliability Standard IRO-006-WECC-1. Exhibit C contains the complete development record of proposed regional Reliability Standard IRO-006-WECC-1 and includes WECC's undated response to NERC's concerns regarding the interaction between TOP-007-WECC-1 and IRO-006-WECC-1.¹⁵

15. Specifically, NERC raised a concern that "IRO-006-WECC-1 removed a requirement for the Transmission Operator (TOP) to request relief through the WECC Qualified Path Unscheduled Flow Relief Procedure when a qualified transfer path exceeded or was close to exceeding a System Operating Limit (SOL)." In response, WECC stated that "the requirements of another WECC regional reliability standard, TOP-STD-007-0 (interim approved Tier 1 standard), as well as the WECC proposed

¹⁴ NERC's petition for approval of regional Reliability Standard TOP-007-WECC-1 is currently pending before the Commission in Docket No. RM09-14-000.

¹⁵ The document is titled, "Interaction between TOP-007-WECC-1 and IRO-006-WECC-1."

replacement regional reliability standard TOP-007-WECC-1, require the TOP to take actions to ensure that SOLs are not exceeded.”¹⁶

16. WECC further explained that TOP-WECC-007-1 requires Transmission Operators to keep path flows and schedules at or below SOLs for 40 identified paths. WECC stated that “TOPs, in coordination with the Reliability Coordinators, may select from several methods” to reduce flows, and provide several examples, such as on path schedule curtailments, adjust controllable devices (e.g., phase shifters, series capacitors), use of the WECC Mitigation Plan if the path experiencing the loading is a qualified path, or local procedures, as well as other examples. WECC further explained that the “key point” with respect to qualified paths, “is that it is TOP-007-WECC-1, not IRO-006-

¹⁶ Exhibit C to NERC Petition, Interaction between TOP-007-WECC-1 and IRO-006-WECC-1 at 1.

Requirement WR1 of the currently applicable regional Reliability Standard, TOP-STD-007-0 provides, in part, that “Actual power flow and net scheduled power flow over an interconnection or transfer path shall be maintained within Operating Transfer Capability Limits.” The NERC Glossary defines Operating Transfer Capability Limit as “the maximum value of the most critical system operating parameter(s) which meets: (a) precontingency criteria as determined by equipment loading capability and acceptable voltage conditions, (b) transient criteria as determined by equipment loading capability and acceptable voltage conditions, (c) transient performance criteria, and (d) post-contingency loading and voltage criteria.”

Proposed regional Reliability Standard TOP-007-WECC-1, Requirement R1 provides that “When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.”

WECC-1, that requires the TOP to take actions to reduce flows to within SOLs.”¹⁷ In situations where the Transmission Operator has taken action to reduce the flows on qualified paths, but the flows remain near or exceeding the SOL, “IRO-006-WECC-1 requires curtailment of Contributing Schedules or provision of comparable relief through other means, as identified in the Unscheduled Flow Reduction Procedure [a portion of the Mitigation Plan].”¹⁸ WECC further notes that “implementation of the [Mitigation Plan] is one of the options available to the TOP to prevent potential violations of TOP-007-WECC-1. If the TOP is able to take other actions to keep actual flows within SOLs, the TOP may not need or desire to utilize the [Mitigation Plan]. ... However, if the TOP chooses the [Mitigation Plan] as one of the alternatives to manage flows, the requirements of IRO-006-WECC-1 make it mandatory for entities with Contributing Schedules to curtail these schedules, upon approval by the [reliability coordinator], to provide the necessary relief.”¹⁹ WECC summarizes the interaction between the two regional standards, stating that “IRO-006-WECC-1 provides entities with the necessary motivation to curtail off-path schedules and adjust generation to

¹⁷ Exhibit C to Petition, Interaction between TOP-007-WECC-1 and IRO-006-WECC-1 at 2.

¹⁸ *Id.* at 2-3.

¹⁹ *Id.* at 3.

prevent and/or reduce qualified path overloads, thus facilitating compliance with TOP-007-WECC-1.”²⁰

2. Role of Reliability Coordinator

17. NERC’s second concern with the proposed regional Standard was with regard to the role of the reliability coordinator. According to the NERC Petition, NERC staff requested clarification regarding the role of the reliability coordinator in initiating curtailments. In the proposed Reliability Standard, IRO-006-WECC-1, the reliability coordinator is only obligated to respond to a transmission operator’s curtailment request. However, there is no mention in either the proposed Standard IRO-006-WECC-1 or TOP-007-WECC-1 that the entity with the wide-area view, the reliability coordinator, can initiate curtailment requests if needed for reliability. Nor do they indicate what recourse the transmission operator has if the reliability coordinator denies the request for curtailment. WECC confirmed that the reliability coordinator does not initiate curtailments but, rather, approves the transmission operator’s request for curtailment. Requirement R1 of proposed IRO-006-WECC-1 requires the reliability coordinator to approve or deny the request, which is accomplished using the OATI webSAS tool.²¹

²⁰ *Id.* at 4.

²¹ The webSAS (Security Analysis System) is a proprietary internet based application that is used by WECC to analyze, initiate, communicate, and provide compliance reports for implementation of the Unscheduled Flow Reduction Procedure. It is available by subscription through the vendor to provide notification of Unscheduled Flow Events, calculate and display required relief, and provide a rapid method of transaction curtailments.

Unless the reliability coordinator denies the request for reliability reasons, the webSAS tool, through preprogrammed algorithms, identifies the off-path schedules to curtail and submits those curtailments to the entities identified on the tags. WECC also confirmed that the reliability coordinator has the wide-area view and, when a transmission operator requests curtailment of off-path schedules, the reliability coordinator may deny the request for reliability reasons. In that situation, the transmission operator, in coordination with the reliability coordinator, would then follow one of the other WECC or local procedures for reducing path flow.

18. NERC states that, as a result of WECC's clarification, the NERC Board of Trustees approved proposed IRO-006-WECC-1 on February 10, 2009.

III. Discussion

19. Under section 215(d)(2) of the FPA, we propose to approve regional Reliability Standard IRO-006-WECC-1, as just, reasonable, not unduly discriminatory or preferential, and in the public interest. In addition, we ask WECC, the ERO, and other interested entities to provide further clarification regarding several aspects of the proposed regional Reliability Standard. Depending on the responses to our concerns, we may determine that it is appropriate to direct WECC to develop modifications to the proposed regional Reliability Standard under section 215(d)(5) of the FPA.

20. It is the Commission's view that the proposed regional Reliability Standard adequately addresses a number of the directives identified in the June 8, 2007 Order and represents improvement to the standard. For example, it appears that IRO-006-WECC-1 adequately addresses our concern regarding use of the term "receiver" by removing the

term, and thereby eliminating potential confusion that could result from the undefined term. The proposed regional Reliability Standard also provides additional clarity by removing load-serving entities from the applicability section of the standard. This is beneficial since, as noted by NERC and WECC, load-serving entities may be unable to meet the Reliability Standard's requirements with regard to curtailment procedures.

Further, unlike the currently effective regional Reliability Standard, IRO-006-WECC-1 would include reliability coordinators as an applicable entity and would address their role in curtailment procedures.

21. As indicated by NERC, proposed IRO-006-WECC-1 appears to go beyond the corresponding NERC Reliability Standard by requiring a reliability coordinator to approve or deny a request submitted by a transmission operator within five minutes.

22. The WECC Reliability Standard also addresses formatting concerns, including the use of standard terms, conformance with NERC's Violation Severity Level and Violation Risk Factor matrix, and the elimination of a WECC sanction table (with a maximum penalty of \$10,000) and "Excuse of Performance" section in the currently effective WECC standard that significantly differ from NERC's Sanction Guidelines. In addition, IRO-006-WECC-1 ensures that the requirements are part of the regional Reliability Standard rather than embedded in a filing. For these reasons, we propose to approve the proposed WECC Reliability Standard.

Commission Concerns

23. However, in addressing the Commission's directives, such as the removal of load-serving entities and the term "receivers," it appears that WECC has raised some other

concerns that create possible conflicts or inconsistencies between proposed IRO-006-WECC-1 and NERC's currently effective IRO-006-4, as discussed below. In modifying the regional Reliability Standard, WECC has eliminated the reference to the Mitigation Plan, included in both the NERC standard, IRO-006-4, and the currently effective WECC standard. As mentioned above, the Mitigation Plan includes nine steps to address unscheduled flows; steps four and above requiring varying levels of curtailments of transactions. Requirement R1 of proposed IRO-006-WECC-1 provides that "[u]pon receiving a request of Step 4 or greater ... from the Transmission Operator of a Qualified Transfer Path, the Reliability Coordinator shall approve ... or deny that request within five minutes," however, steps one through three are no longer referenced in IRO-006-WECC-1 or in the related regional Standard TOP-007-WECC-1.

24. On the other hand, NERC Reliability Standard IRO-006-4 continues to specifically reference the Mitigation Plan with regard to transmission loading relief in the Western Interconnection. However, the Mitigation Plan has not been updated to include the requirement that the reliability coordinator act on a request for relief within five minutes, an improvement contained in WECC's proposed IRO-006-WECC-1. Likewise, the Mitigation Plan continues to reference and require action by "receivers," while that term is removed from the proposed WECC regional Reliability Standard, in conformance with the Commission's directive in the June 8, 2007 Order.

25. Because of these dichotomies between the proposed regional Reliability Standard and the corresponding NERC Standard, we have several areas of concern regarding how the proposed regional Standard would work in practice to ensure Reliable Operation in

the Western Interconnection. Specifically, we are concerned with: (1) how entities will know whether to follow the national or regional Standard in a given situation; (2) WECC's and NERC's reliance on TOP-007-WECC-1 to ensure that entities manage power flows using steps one through three of the Mitigation Plan prior to requesting curtailments; (3) how the webSAS tool will work with respect to the national and regional Standard; and (4) the potential reliability impact of reliability coordinators' inability to request curtailments.

26. With regard to our first concern, it is our understanding that in responding to unscheduled flows on qualified paths, entities would initially follow the requirements of the current regional TOP-007 Reliability Standard (whichever version is in effect), which would allow the option of using steps one through three of the Mitigation Plan. Although the requirement in the current regional Reliability Standard TOP-STD-007-0 does not specifically require Transmission Operators to perform steps one through three of the Mitigation Plan, it requires Transmission Operators to maintain flow within Operating Transfer Capability Limits, which gives the Transmission Operator the authority to take whatever actions necessary to return within its Operating Transfer Capability Limit or SOL (depending on the version of the Standard). Specifically, as described above, the approved regional Reliability Standard TOP-STD-007-0 does not allow for operation exceeding an Operating Transfer Capability Limit for longer than a specified period of time. Additionally, without prejudging the proposal pending before us in Docket No. RM09-9-000, we note that proposed regional Standard TOP-WECC-007-0 does not allow for operation exceeding an SOL for longer than a specified period of time and also

requires a transmission operator to take immediate action to reduce such flows. Thus, as WECC explained with respect to the proposed TOP-007-WECC-1, one of the Transmission Operator's options for ensuring that flows are maintained within Operating Transfer Capability Limits is to utilize steps one through three. Both of these regional Reliability Standards give the transmission operator authority to use various means to ensure that the system is returned to within an SOL or IROL, including utilizing the options listed within steps one through three of the Mitigation Plan if deemed appropriate. If those steps prove ineffective, it is our understanding that a transmission operator may choose, if the path qualifies, to request curtailments, which would require reliability coordinators and balancing authorities to follow steps four through nine of the proposed regional Standard, IRO-006-WECC-1. Because of this, we are unclear how the NERC IRO-006-4 national Reliability Standard would interact with the regional Reliability Standards, or if the national and regional Standards are duplicative. Accordingly, we request comment from NERC, WECC, and other interested entities regarding the interaction between the differing requirements contained in the regional versus national Reliability Standard. We also seek comment on which of the Standards' requirements take precedence and how NERC envisions ensuring compliance and consistent enforcement with regard to the Standards.

27. In a related vein, NERC indicates that proposed IRO-006-WECC-1 is more stringent than NERC Reliability Standard IRO-006 and "goes beyond the NERC

Requirements by establishing a process to reduce schedules that prevent potential overloads during the next operating hour.”²² However, it is not clear to the Commission why that same benefit is not contained in the Mitigation Plan, which is referenced in the corresponding NERC Reliability Standard. The Commission seeks comment on this matter.

28. Our second concern is that, as noted above, the portion of the Mitigation Plan that the Commission relied upon in determining that the current regional Reliability Standard IRO-STD-006-0 is more stringent than the NERC Standard was contained within the procedures for steps one through three (i.e., use of phase-angle regulators, series capacitors, and back-to-back DC lines to mitigate unscheduled flows before transaction curtailment), which is no longer referenced in proposed IRO-006-WECC-1. The NERC Petition states that another WECC regional Reliability Standard, TOP-STD-007-0 or TOP-007-WECC-1 (whichever is in effect), works in conjunction with IRO-006-WECC-1 to ensure these functions are performed. However, TOP-STD-007-0 requires transmission operators to ensure that power flows are maintained within Operating Transfer Capability Limits, but does not explicitly state that they must perform steps one through three of the Mitigation Plan. Similarly, without prejudging the pending proposal, it appears that TOP-007-WECC-1 generally requires entities to take action to reduce the actual flow to within SOL levels in within set time limits, but does not explicitly require

²² NERC Petition at 11.

action based on the specific options set forth in steps one through three of the Mitigation Plan. NERC and WECC posit that TOP-007-WECC-1 focuses on the “what” and not the “how.” Nonetheless, the Commission is concerned whether WECC’s reliance on TOP-STD-007-0 or TOP-007-WECC-1 (whichever is in effect) is an adequate replacement for the currently required pre-curtailment actions set forth and currently required in steps one through three of the Mitigation Plan. We request further explanation from NERC and WECC on this issue. Depending upon the response and comments, the Commission may determine it is appropriate to direct NERC and WECC to include references in IRO-006-WECC-1 to the specific actions set forth in steps one through three of the Mitigation Plan.

29. Third, as discussed above, NERC’s Petition explains that the webSAS tool uses preprogrammed algorithms to calculate curtailments and, unless the reliability coordinator actively denies the request, webSAS approves the curtailment within five minutes.²³ We request additional information regarding how the webSAS program works in relation to WECC’s proposed IRO-006-WECC-1, as well as NERC’s currently effective IRO-006-4, which is incorporated by reference in the Mitigation Plan. For example, we ask that comments address how the webSAS program incorporates the process outlined in the Mitigation Plan. We also seek comment regarding how differences between the process detailed in the Mitigation Plan, which remains

²³ NERC Petition at 28-29.

incorporated by reference in NERC's IRO-006-4, and the webSAS programming could create conflicts with respect to enforcement.

30. Fourth, the Commission is concerned about the possibility that automatic approval through the webSAS tool may occur without reliability coordinator review, as well as reliability coordinators' inability to request curtailments, and the resultant affect on reliability. Since, as the NERC Petition indicated, reliability coordinators are the only entities with the wide-area view, it is the Commission's view that it is appropriate that reliability coordinators, as the entity with the highest level of authority to ensure reliable operation of the Bulk-Power System²⁴, have the ability to act to ensure reliability if necessary. For example, this is consistent with a reliability coordinator's ability to initiate relief procedures without first receiving a request from a transmission operator as established in NERC Reliability Standard IRO-001-1²⁵ and IRO-006-4.²⁶ We request comment on these concerns.

31. While we believe IRO-006-WECC-1 generally is acceptable and responsive to the directives in the June 8, 2007 Order, because of the issues noted above, we observe that

²⁴ See NERC Glossary definition of "reliability coordinator."

²⁵ Reliability Standard IRO-001-1, Requirement R3, provides that the reliability coordinator "shall have clear decision-making authority to act and direct actions ... to preserve the integrity and reliability of the Bulk Electric System."

²⁶ Reliability Standard IRO-006-4, Requirement R1 provides that a reliability coordinator experiencing a potential or actual system operating limit or interconnection reliability operator limit "shall, with its authority and at its discretion, select one or more procedures to provide transmission loading relief."

maintaining both a regional difference in the national Reliability Standard and a regional Reliability Standard addressing unscheduled flows may be unnecessary and confusing. We believe it might be more efficient and appropriate to incorporate all the WECC rules and procedures with respect to unscheduled flow mitigation in a single document. Thus, the Commission requests comments regarding whether it should direct WECC to either (1) revise the Mitigation Plan referenced by IRO-006-4 to incorporate all the WECC rules and procedures, thus eliminating the need for the regional Reliability Standard; or (2) incorporate all the WECC rules and procedures into IRO-006-WECC-1 and TOP-007-WECC-1 while eliminating the regional difference contained in NERC IRO-006-4..

Summary

32. We propose to approve proposed regional Reliability Standard IRO-006-WECC-1 as just, reasonable, not unduly discriminatory or preferential, and in the public interest.

We also seek comment from the ERO, WECC, and other interested entities regarding the Commission's specific concerns discussed above. The Commission may determine in the Final Rule, after considering such comments, that it is appropriate to direct WECC to develop additional modifications to IRO-006-WECC-1 and/or to update the Mitigation Plan.

IV. Information Collection Statement

33. The Office of Management and Budget (OMB) regulations require approval of certain information collection requirements imposed by agency rules.²⁷ Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of this proposed rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number. The Paperwork Reduction Act (PRA)²⁸ requires each federal agency to seek and obtain OMB approval before undertaking a collection of information directed to ten or more persons, or imposed by agency rules.²⁹

34. The Commission is submitting these reporting requirements to OMB for its review and approval under section 3507(d) of the PRA. Comments are solicited on the Commission's need for this information, whether the information will have practical utility, the accuracy of provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques.

²⁷ 5 CFR 1320.11.

²⁸ 44 U.S.C. 3501-20.

²⁹ 44 U.S.C. 3502(3)(A)(i), 44 U.S.C. 3507(a)(3), 5 CFR 1320.11. The FERC-725E reporting requirements originally were approved by OMB on 10/10/2007.

35. This Notice of Proposed Rulemaking proposes to approve a new regional Reliability Standard, IRO-006-WECC-1, which will replace currently effective regional Reliability Standard IRO-STD-006-0 approved by the Commission on June 8, 2007.³⁰ Rather than creating entirely new requirements, the proposed regional Reliability Standard instead modifies and improves the existing regional Reliability Standard governing qualified transfer path unscheduled flow relief. Thus, this proposed rulemaking imposes a minimal additional burden on the affected entities.

36. The proposed Reliability Standard does not require responsible entities to file information with the Commission. However, it does require responsible entities to develop, provide, and maintain certain information for a specified period of time, subject to inspection by WECC. Specifically, the proposed Reliability Standard requires the reliability coordinator and balancing authorities to document and maintain information regarding actions taken in response to requests to mitigate unscheduled flow. We believe our approval of WECC regional Reliability Standard IRO-006-WECC-1 will result in a minimal increase in reporting burdens as compared to current practices in WECC.

37. Commission approval of proposed regional Reliability Standard IRO-006-WECC-1 would make the standard mandatory and enforceable. Therefore, the Commission will submit this proposed rule to OMB for review and approval of the reporting and recordkeeping requirements.

³⁰ *North American Electric Reliability Corp.*, 119 FERC ¶ 61,260.

Title: FERC 725E, Mandatory Reliability Standards for the Western Electric Coordinating Council'

Action: Proposed modification to FERC-725-E

OMB Control No: 1902-0246

Respondents: Balancing Authorities and Reliability Coordinator in the Western Electricity Coordinating Council (WECC).

Frequency of Responses: On Occasion.

Necessity of the Information: This proposed rule would approve a revised Reliability Standard modifying the existing requirement for entities to respond to requests for curtailment. The proposed Reliability Standard requires entities to maintain documentation evidencing their response to such requests.

Internal review: The Commission has reviewed the requirements pertaining to proposed regional Reliability Standard IRO-006-WECC-1 and believes it to be just, reasonable, not unduly discriminatory or preferential, and in the public interest. These requirements conform to the Commission's plan for efficient information collection, communication and management within the energy industry. The Commission has assured itself, by means of internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

Burden Estimate: The burden for the requirements in this proposed rule follow:

Data Collection FERC-725E	No. of Respondents	No. of Responses	Hours Per Response	Total Annual Hours
35 Balancing Authorities and 1 Reliability Coordinator- Reporting Requirement	36	1	1	36
35 Balancing Authorities and 1 Reliability Coordinator- Recordkeeping Requirement	36	1	1	36
Total				72

38. Total Annual hours for Collection: 36 reporting +36 recordkeeping = 72 hours.

Information Collection Costs: The Commission seeks comments on the costs to comply with these requirements. It has projected the average annualized cost to be \$5760, as shown below:

Reporting = 36 hours @ \$120/hour = \$4320

Recordkeeping = 36 hours @ \$40/hour = \$1440

Total Costs = Reporting (\$4320) + Recordkeeping (\$1440) = \$5760

39. Interested persons may obtain information on the reporting requirements by contacting: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, Phone: (202) 502-8663, fax: (202) 273-0873, e-mail: DataClearance@ferc.gov]. Comments on the requirements of the proposed rule may also be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission]. For security

reasons, comments should be sent by e-mail to OMB at: oir_submission@omb.eop.gov.

Please reference OMB Control Number 1902-0246 and the docket number of this proposed rulemaking in your submission.

V. Environmental Analysis

40. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.³¹ The actions proposed here fall within the categorical exclusion in the Commission's regulations for rules that are clarifying, corrective or procedural, for information gathering, analysis, and dissemination.³² Accordingly, neither an environmental impact statement nor environmental assessment is required.

VI. Regulatory Flexibility Act Analysis

41. The Regulatory Flexibility Act of 1980 (RFA)³³ generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. Most of the entities (i.e., reliability coordinators and balancing authorities) to which the requirements of this Rule would apply do not fall within the definition of small entities.³⁴ The Commission estimates that only 2-4 of the 35

³¹ Order No. 486, *Regulations Implementing the National Environmental Policy Act*, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987).

³² 18 CFR 380.4(a)(5).

³³ 5 U.S.C. 601-12.

³⁴ The RFA definition of "small entity" refers to the definition provided in the Small Business Act (SBA), which defines a "small business concern" as a business that is

(continued...)

balancing authorities (or a maximum of 11.4%) are small. The proposed Reliability Standard reflects a modification of existing requirements. Based on the foregoing, the Commission certifies that this Rule will not have a significant impact on a substantial number of small entities. Accordingly, no regulatory flexibility analysis is required.

VII. Comment Procedures

42. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [Insert date that is 60 days from publication in the **FEDERAL REGISTER**]. Comments must refer to Docket No. RM09-19-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

43. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

independently owned and operated and that is not dominant in its field of operation. *See* 15 U.S.C. 632. According to the SBA, a small electric utility is defined as one that has a total electric output of less than four million MWh in the preceding year.

44. Commenters that are not able to file comments electronically must send an original copy of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

45. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VIII. Document Availability

46. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

47. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

48. User assistance is available for eLibrary and the FERC's web site during normal business hours from FERC Online Support at 202-502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

By direction of the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.