

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

Electric Reliability Organization Proposal)	
to Retire Requirements in Reliability)	Docket Nos. RM19-16-000
Standards under the NERC Standards)	RM19-17-000
Efficiency Review)	

**COMMENTS OF THE
TRADE ASSOCIATIONS**

I. INTRODUCTION

The American Public Power Association (“APPA”), Edison Electric Institute (“EEI”), Large Public Power Council (“LPPC”), National Rural Electric Cooperative Association (“NRECA”), and Transmission Access Policy Study Group (“TAPS”), (collectively, the “Trade Associations”) submit these comments in response to the Notice of Proposed Rulemaking (“NOPR”) issued by the Federal Energy Regulatory Commission (“FERC” or “the Commission”) on January 23, 2020 in the above-captioned dockets.¹ Because the Trade Associations and their members recognize the important role they can play in focusing registered entity resources to maintain and enhance reliability, they are active participants in NERC’s Standards Efficiency Review (“SER”) initiative. To that end, Trade Associations and their members have commented and voted on the various Phase 1 and Phase 2 proposals under the SER umbrella; and members of the Trade Associations played and continue to play significant roles in the SER process.

APPA is the national service organization representing the interests of not-for-profit, state, municipal, and other locally owned electric utilities in the United States. More than 2,000

¹ Notice of Proposed Rulemaking, *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards under the NERC Standards Efficiency Review*, 170 FERC ¶ 61,032 (2020) (“NOPR” or “Proposed Rule”).

public power systems provide over 15 percent of all kilowatt-hours sales to ultimate customers and serve over 49 million people, doing business in every state except Hawaii. Over 250 public power utilities are Registered Entities subject to compliance with mandatory reliability standards.

EEI is the association that represents all investor-owned electric companies in the United States. Its members provide electricity for about 220 million Americans and operate in all fifty states and the District of Columbia. As a whole, the electric power industry supports more than seven million jobs in communities across the United States. EEI's members are committed to providing affordable and reliable electricity to customers now and in the future.

LPPC is the association of the 27 largest state-owned and municipal utilities in the nation. LPPC's members are located throughout the nation, both within and outside the boundaries of regional transmission organizations and independent system operators. The members comprise the larger, asset-owning utilities in the public power community, owning approximately 90 percent of the transmission assets owned by non-federal public power entities. LPPC members are also members of APPA.

NRECA represents nearly 900 local electric cooperatives operating in 48 states. America's electric cooperatives power over 20 million businesses, homes, schools, and farms across 56 percent of the nation's landmass and serve one in eight (42 million) consumers. NRECA's member cooperatives include 831 distribution cooperatives and 62 generation and transmission ("G&T") cooperatives. Distribution cooperatives provide power to their end-of-the-line cooperative consumer-members. The G&T cooperatives generate, purchase, and transmit power to distribution cooperatives. Collectively, G&T cooperatives provide power to nearly 80 percent of the nation's distribution cooperatives. The remaining distribution cooperatives receive power from other generation sources within the electric sector. Both distribution and

G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service. NRECA's member cooperatives include entities subject to the mandatory Reliability Standards at issue in this proceeding. Accordingly, NRECA members are directly affected by the NOPR.

TAPS is an association of transmission-dependent utilities ("TDUs") in 35 states, promoting open and non-discriminatory transmission access.² TAPS members have long recognized the importance of grid reliability. As TDUs, TAPS members are users of the Bulk Power System and are highly reliant on the reliability of facilities owned and operated by others for the transmission service required to meet TAPS members' loads.

Members of the Trade Associations participate in the development of and are subject to compliance with NERC Reliability Standards.

As discussed below, the Trade Associations support the Commission's proposal to approve the 74 Reliability Standard requirement retirements identified in the NOPR, and encourages the Commission to approve these retirements in its final rule. The Trade Associations also support the position NERC takes in comments on the NOPR³ in support of its original proposal to retire Requirements R7 and R8 of Standard FAC-008-4 which, in the view of the Trade Associations, will not result in a reliability gap. Finally, the Trade Associations support NERC's request that the Commission defer action on its NOPR proposal to remand proposed Reliability Standard VAR-001-6 until after the NERC Board of Trustees has had the

² David Geschwind, Southern Minnesota Municipal Power Agency, chairs the TAPS Board. Jane Cirrincione, Northern California Power Agency, is TAPS Vice Chair. John Twitty is TAPS Executive Director.

³ Comments of the North American Electric Reliability Corporation In Response to Notice of Proposed Rulemaking, Docket No. RM19-16, et al., at 2 (filed Apr. 6, 2020) ("NERC NOPR Comments").

opportunity to consider the Commission’s concerns at its upcoming May 14, 2020 meeting and to determine whether to take further action with respect to the proposed standard.⁴

II. TIMELINESS OF THE TRADE ASSOCIATIONS’ COMMENTS

The NOPR was issued by the Commission on January 23, 2020, and published in the *Federal Register* on February 6, 2020 (85 FR 6831), establishing a comment date of April 6, 2020. While that deadline has passed, the Trade Associations ask that these comments be accepted consistent with the Commission’s March 19, 2020 Notice Granting Extension of Time.⁵ The Notice announced that in recognition of the potential impact of the March 13, 2020 Presidential proclamation declaring a National Emergency concerning the Novel Coronavirus Disease (COVID-19), the Commission found good cause to extend until May 1, 2020 certain “deadlines for filings required by the Commission that occur on or before May 1, 2020 for those entities that are unable to meet deadlines due to steps they have taken to meet the emergency conditions.” The Commission’s extension applies to, specifically, “the deadline for entities to make other non-statutory filings required by the Commission (e.g., . . . rulemaking comments).”⁶ The Trade Associations’ member personnel involved in NERC regulatory and compliance matters have been focused over past two months substantially on efforts to respond to issues that have arisen as a direct result of COVID-19.

⁴ NERC NOPR Comments at 2.

⁵ *Extension of Non-Statutory Deadlines*, Notice Granting Extension of Time, Docket No. AD20-11-000 (March 19, 2020).

⁶ *Id.* at 1.

III. COMMENTS

A. The Trade Associations Support FERC's Proposal to Approve Retirement of Reliability Standard Requirements

The Trade Associations support the Commission's proposal to approve the retirement of 74 of the 77 Reliability Standard requirements requested for retirement by NERC, including all of the proposals related to the INT, IRO, PRC, MOD and TOP Reliability Standard families. With respect to each of these, the Trade Associations agree with FERC and NERC that retirement of these requirements will enhance reliability by allowing entities to focus resources on those Reliability Standard requirements that more effectively promote the reliable operation and planning of the Bulk Electric System ("BES"). In addition, the Trade Associations agree with FERC that retirement will improve the efficiency of NERC's Reliability Standards program by reducing duplicative or unnecessary regulatory burdens.⁷

The Trade Associations further agree with the additional comments advanced by NERC in support of retirement of Reliability Standard MOD-020-0. As NERC explains, Reliability Standard MOD-031-2 also provides a means for obtaining demand response information.⁸

B. The Commission Should Approve NERC's Proposed Reliability Standard FAC-008-4, Including Retirement of Requirements R7 and R8

In the NOPR, the Commission preliminarily concludes that Reliability Standard FAC-008-3, Requirements R7 and R8, may not be fully redundant with the three Reliability Standards to which NERC cites in its petition: MOD-032-1, IRO-010-2, and TOP-003-3.⁹ The

⁷ NOPR, P 2.

⁸ NERC NOPR Comments at 6-7.

⁹ See *Petition of NERC for Approval of Revised and Retired Reliability Standards under the NERC Standards Efficiency Review*, Docket No. RM19-17-000, at 27-28 (June 7, 2019) ("NERC FAC, INT, MOD, and PRC Petition").

Commission requests additional input and information regarding the proposed retirement of Requirements R7 and R8 in the FAC-008-4 standard proposed by NERC.¹⁰

The Trade Associations agree with NERC that Requirements R7 and R8 of FAC-008 are unnecessary,¹¹ and support NERC's original proposal to retire these two requirements. The Commission believes that NERC's explanation in support of retirement does not fully address all elements of Requirements R7 and R8. Reliability Standard FAC-008-3, Requirements R7 and R8 require Generator Owners and Transmission Owners, respectively, to provide facility ratings, most limiting equipment and next most limiting equipment of the facilities as requested by Reliability Coordinators, Planning Coordinators, Transmission Planners, Transmission Owners and Transmission Operators. In its petition, NERC states that requirements in Reliability Standards MOD-032-1, IRO-010-2, and TOP-003-3 render the data provision obligations of Requirements R7 and R8 in Reliability Standard FAC-008-3 redundant and therefore unnecessary for reliability.¹² The Commission in its NOPR asserts that Reliability Standards MOD-032-1, IRO-010-2, and TOP-003-3 do not require the provision of facility ratings from Transmission Owners and Generator Owners to Transmission Owners.¹³

But while the Commission states that Transmission Owners need accurate facility ratings information from Transmission Owners and Generator Owners to plan and operate the BES, it is Transmission Operators and Transmission Planners that need this information. And they receive it through the data request requirements contained within the other Reliability Standards to which NERC cites. It is also important to recognize that, to the extent Transmission Owners

¹⁰ NOPR, P 33.

¹¹ NERC FAC, INT, MOD, and PRC Petition at 26; NERC NOPR Comments at 8-9.

¹² NERC FAC, INT, MOD, and PRC Petition at 27-28.

¹³ NOPR, P 31.

need facility rating information, they already have it because they develop the facility rating for their own BES facilities: Transmission Owners conduct planning studies to rate lines (i.e., capacity ratings), while Transmission Operators and Transmission Planners use facility ratings to conduct studies for purposes of broader area reliability (i.e., wide area planning). Thus, from a grid reliability perspective, it is the responsible Transmission Planner and Transmission Operator that need the facility ratings because they are accountable for the reliable planning and operation of the bulk electric system, not the Transmission Owner.

The Trade Associations note further that the Commission previously approved the retirement of Reliability Standard FAC-008-3, Requirement R4, which had similar obligations to Requirements R7 and R8. Requirement R4 required Transmission Owners to develop facility ratings methodology and each Generator Owner to make its documentation for determining its facility ratings and its facility ratings methodology available for inspection and technical review by responsible Reliability Coordinators, Transmission Operators, Transmission Planners and Planning Coordinators. In approving the retirement of Requirement R4, the Commission concluded that the requirement to make available such facility ratings information was an administrative task that provides little protection for BES reliability.¹⁴ Likewise, Requirements R7 and R8 require similar facility rating sharing that provides little if any protection to BES reliability. For these reasons, retirement of Requirements R7 and R8 would not create a reliability gap because the appropriate entities receiving facility rating information will continue to receive it.

¹⁴ *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards*, Order No. 788, 145 FERC ¶ 61,147 at P 19 (2013) (FERC approved retirement of 34 requirements within 19 Reliability Standards, including FAC-008-3, Requirement R4, finding that elimination of such requirements “that pertain to information collection or documentation will not result in a reliability gap.” P 19).

In the NOPR, the Commission goes on to state that Reliability Standards MOD-032-1, IRO-010-2, and TOP-003-3 do not address sub-requirements R8.1.2 and R8.2 of Reliability Standard FAC-008-3 regarding the most limiting equipment, next most limiting equipment, and thermal rating of the existing next most limiting equipment of facilities with a thermal rating that limits the use of that facility causing either an Interconnection Reliability Operating Limit, a limitation of Total Transfer Capability, an impediment to generator deliverability, or an impediment to service to a major load center.¹⁵ The Commission states that, while there is some overlap, the requirements are not entirely redundant of the MOD, IRO and TOP Reliability Standards to which NERC points.¹⁶

To the extent Transmission Operators need this information, the Trade Associations note that Reliability Standard TOP-003-3 (Operational Reliability Data) Requirements R3 and R5 require the provision of such information through data specifications that are issued by Transmission Operators. Requirement R3 requires a Transmission Operator to distribute its data specification to entities that have data required by the Transmission Operator's Operational Planning Analyses, Real-Time Monitoring, and Real-Time Assessment. Requirement R5 states that Transmission Owners receiving a Requirement R3 data specification must have and maintain evidence that it satisfied the obligations of the documented specifications. This information would include the information identified in Reliability Standard FAC-008-3 Requirement R8 and associated sub-requirements. Reliability Coordinators have similar requirements that obligate the development and distribution of data specifications that are needed to perform Operational Planning Analyses, Real-Time Monitoring, and Real-Time Assessments.

¹⁵ NOPR, P 32.

¹⁶ NOPR, P 33.

Much like the data specifications developed within Reliability Standard TOP-003-3, the information currently identified in FAC-008-3 Requirement R8 and associated sub-requirements would be a part of those data specifications.

For these reasons the Trade Associations agree with NERC Reliability Standards MOD-032-1, IRO-010-2, and TOP-003-3 provide entities responsible for reliable modeling, planning and operation of the BES with authority to obtain the information they need from Generator Owners and Transmission Owners to complete their reliability tasks, which may include next most limiting equipment information.¹⁷ In addition, the Trade Associations agree with NERC that the provision by Transmission Owners and Generator Owners to the Planning Coordinator and Transmission Planner of information related to the identity of the next most limiting equipment of a requested facility (Part 8.1.2), and the identification and thermal rating of the existing next most limiting equipment of facilities with a thermal rating that limits the use of that facility (Part 8.2), is addressed by the “catch-all” provision contained in MOD-032-1, Attachment 1 Data Reporting Requirements.¹⁸

C. The Commission Should Defer Action on its Proposal to Remand Reliability Standard VAR-001-6

In the NOPR, the Commission proposes to retain Requirement R2 of the currently-effective standard VAR-001-5, “because it is the only requirement that explicitly requires transmission operators to schedule reactive resources.”¹⁹ According to the Commission, while Reliability Standards TOP-001-4 and TOP-002-4 address situations involving the possible need to schedule reactive resources, “they are not adequate substitutes for the explicit obligation in

¹⁷ NERC NOPR Comments at 9.

¹⁸ NERC NOPR Comments at 8.

¹⁹ NOPR, P 38.

Requirement R2 of Reliability Standard VAR-001-5 requiring transmission operators to schedule enough reactive resources to regulate voltage levels under all system conditions.”²⁰ On this basis, the Commission states that it believes eliminating requirement R2 will create an unacceptable risk that voltage, reactive flows, and reactive resources will not be controlled and maintained within System Operating Limits.²¹

As a general matter, the Trade Associations agree with NERC²² that the retirement of Requirement R2 would not pose an unacceptable risk to the BES for those reasons articulated in NERC’s petition,²³ and the Trade Associations further believe that the record in this proceeding supports Commission approval of proposed Reliability Standard VAR-001-6.

In its NOPR comments, NERC asks the Commission to defer action on its proposal to remand Reliability Standard VAR-001-6 until the NERC Board of Trustees has had an opportunity to consider whether to take further action with respect to this proposed standard at its May 14, 2020 meeting. NERC states that it “would inform the Commission of the outcome through the timely submission of one or more appropriate filings so as not to unduly delay the issuance of a final rule in this proceeding.”²⁴ The Trade Associations support this approach, and join NERC in asking that the Commission defer acting on its proposal to remand VAR-001-6.

²⁰ NOPR, P 39.

²¹ NOPR, P 41.

²² NERC NOPR Comments at 9.

²³ *Petition of NERC for Approval of Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6 Developed under the NERC Standards Efficiency Review*, Docket No. RM19-16-000, at 18-21 (June 7, 2019).

²⁴ NERC NOPR Comments at 9-10.

IV. CONCLUSION

For the foregoing reasons, the Trade Associations request that the Commission accept these comments, and ensure that any final rule issued in these proceedings is consistent with them.

Respectfully submitted,

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