



DECISION

IN THE MATTER OF an Application by New Brunswick Power Corporation pursuant to the *Electricity Act* and with respect to reliability standard VAR-001 and VAR-002 (Matter 268)

December 18, 2014

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

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IN THE MATTER OF an Application by New Brunswick Power Corporation pursuant to the *Electricity Act* and with respect to Reliability Standards VAR-001 and VAR-002

NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

Member:	John P. Herron
Chief Clerk:	Kathleen Mitchell
Board Counsel:	Ellen Desmond

APPLICANT:

New Brunswick Power Corporation

INTERVENERS:

There were no interveners

A. Introduction

- [1] On September 30, 2014, the New Brunswick Power Corporation (NB Power) filed an application and supporting evidence (Application) with the New Brunswick Energy and Utilities Board (Board). The Application is filed pursuant to subsection 119(1) of the *Electricity Act*, S.N.B. 2013, c. 7 (Act) and the *New Brunswick Regulation 2013-66* under the *Electricity Act (Reliability Standards Regulation – Electricity Act)*.
- [2] Further to an Order of the Board dated October 3, 2014 (Order), the Board posted the Application and Notice of this Matter 268 on the Board's website.
- [3] The registered entities, the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council Inc. (NPCC) were notified electronically of the Order and the Notice of this Matter 268. The parties were invited to submit written comments. The comment period concluded on December 2, 2014. The Board received no comments from any registered entities, NERC, or NPCC.
- [4] This Application seeks the approval of the Board of the following:
- a. modifications of Board approved reliability standard VAR-001-3 by approving new version VAR-001-4 and NB Appendix VAR-001-4-NB-0;
 - b. retirement of existing Board approved reliability standard VAR-001-3;
 - c. modifications of Board approved reliability standard VAR-002-2b by approving new version VAR-002-3 and NB Appendix VAR-002-3-NB-0;
 - d. retirement of existing Board approved reliability standard VAR-002-2b,
 - e. an Order varying a decision of the Board dated June 11, 2014 (Matter 245) removing the condition associated with Board's approval of the Corporation's request to withdraw proposed modifications to reliability standard VAR-001-2.
 - f. such other orders and/or directions as the Board may see fit.

[5] The Chairperson has directed one member of the Board to deal with this Matter 268 pursuant section 5 of the *New Brunswick Regulation 2007-4* under the *Energy and Utilities Board Act*.

B. Approval of Reliability Standards

[6] Section 8 of the *Reliability Standards Regulation – Electricity Act* directs the Board to approve modifications to an approved reliability standard as contemplated by subsection 8(4), which provides:

8(4) As soon as practicable after the expiry of the comment period under subsection (2), the Board shall approve modifications to an approved reliability standard that are recommended by the Corporation in an application under subsection 7(3) or paragraph 7(5)(a)

(a) if the recommended modifications are not substantively different from revisions approved by FERC to the equivalent reliability standard, and

(b) if, during the comment period under subsection (2), there were no substantive comments submitted to the Board by a registered entity, the standards body or the compliance body.

[7] An “approved reliability standard” as defined in the Act, is comprised of (a) a reliability standard (as established by NERC and approved by the Board) and (b) any corresponding NB Appendix, detailing modifications to the former, necessary to ensure compatibility or consistency with the laws of the Province or Canada. Accordingly, the two documents must be read together.

[8] In this case, NB Power submits that the modifications to reliability standards VAR-001-3 and VAR-002-2b are not substantively different from revisions approved by FERC to the equivalent reliability standards. The Board finds that the proposed modifications are not substantively different.

[9] Section 8 of the *Reliability Standards Regulation – Electricity Act* directs the Board to retire an approved reliability standard as contemplated by subsection 8(5), which provides:

8(5) As soon as practicable after the expiry of the comment period under subsection (2), the Board shall retire an approved reliability standard

(a) if the application under subsection 7(4) or paragraph 7(5)(b) indicates the date on which FERC approved the retirement of the equivalent reliability standard, and

(b) if, during the comment period under subsection (2), there were no substantive comments submitted to the Board by a registered entity, the standards body or the compliance body.

[10] In this case, NB Power provides the date on which FERC approved the retirement of VAR-001-3 and VAR-002-2b.

C. Matter 245- Decision of the Board dated June 11, 2014- Request for Variation

[11] NB Power has requested that the Board vary its Order dated June 11, 2014 in connection with Matter 245.

[12] In that decision, dealing with reliability standard VAR-001-2, the Board stated as follows:

The Board approves the withdrawal of the requested modification to reliability standard VAR-001-2 on the condition that NB Power will make another application for approval of similar revisions to currently effective reliability standard VAR-001-3 at the earliest opportunity.

[13] NB Power submits there is no benefit in making an application for approval of similar revisions to VAR-001-3 as a request has been made to retire VAR-001-3. The Board agrees that there is no benefit in NB Power applying for revisions to reliability standard VAR-001-3. As a result, the Order of the Board dated June 11, 2014 is varied and the Board approves the withdrawal of the requested modification to reliability standard VAR-001-2 without condition.

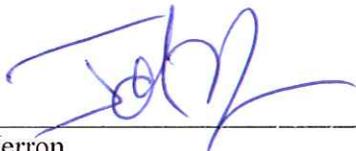
D. Conclusion

[14] The Board has carefully considered the Application and is satisfied that the requirements of the Act and the *Reliability Standards Regulation – Electricity Act* have been met. The Board finds that the modifications and retirements of the reliability standards are both warranted and appropriate.

[15] The Application is approved as requested.

Dated in Saint John, New Brunswick, this 18th day of December, 2014.

New Brunswick Energy and Utilities Board



John Herron
Member