

September 24, 2020

Mr. Neil Cunningham  
Director of Climate Change and Energy Branch  
Department of Sustainable Development  
1200-155 Carlton Street  
Winnipeg MB R3C 3H8

Re: *North American Electric Reliability Corporation*

Dear Mr. Cunningham:

Pursuant to Section 309.2 of the Rules of Procedure of the North American Electric Reliability Corporation (“NERC”),<sup>1</sup> NERC hereby provides notice that the United States Federal Energy Regulatory Commission (“FERC”) has remanded a proposed Reliability Standard. On September 17, 2020, the FERC issued Order No. 873 in which it remanded proposed Reliability Standard FAC-008-4 to NERC for further consideration.<sup>2</sup>

NERC submitted proposed Reliability Standard FAC-008-4 to the U.S. FERC on June 7, 2019 as part of a suite of proposed retirements developed under the NERC Standards Efficiency Review. NERC submitted the proposed standard to this jurisdiction on June 20, 2019.<sup>3</sup>

In proposed Reliability Standard FAC-008-4, NERC proposed to retire two requirements from the currently effective standard on the basis that the requirements are redundant to those in other Reliability Standards and therefore are not needed for reliability. Specifically, NERC proposed to retire FAC-008-3 Requirements R7 and R8. No other substantive changes were proposed. In Order No. 873, the FERC agreed that the retirement of Requirement R7 would not result in a reliability gap, as the entities responsible for planning and operating the Bulk Power System could obtain the subject information under other Reliability Standards.<sup>4</sup> The FERC concluded, however, that Requirement R8 is needed to ensure that Transmission Owners have information about a co-owner’s most and next most limiting equipment on shared facilities

<sup>1</sup> NERC’s Rules of Procedure are available at <https://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>.

<sup>2</sup> U.S. FERC, *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards under the NERC Standards Efficiency Review*, Order No. 873, 172 FERC ¶ 61,225 (Sep. 17, 2020) (hereinafter “Order No. 873”). In this order, FERC also approved a series of NERC proposals submitted concurrently with proposed Reliability Standard FAC-008-4, including: (i) the retirement of four Reliability Standards in their entirety (FAC-013-2, INT-004-3.1, INT-010.2.1, and MOD-020-0); and (ii) five modified Reliability Standards in which requirements are individual requirements were proposed for retirement (INT-006-5, INT-009-3, PRC-004-6, IRO-002-7, and TOP-001-5). The FERC declined to take action on certain NERC proposals involving the MOD Reliability Standards family.

<sup>3</sup> *Notice of Filing of the North American Electric Reliability Corporation of Revised and Retired Reliability Standards under the NERC Standards Efficiency Review* (filed June 20, 2019), available at <https://www.nerc.com/FilingsOrders/ca/Pages/default.aspx>.

<sup>4</sup> Order No. 873 at PP 38-39.

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when requested.<sup>5</sup> The FERC, therefore, remanded proposed Reliability Standard FAC-008-4 to NERC for further consideration pursuant to Section 215(d)(4) of the U.S. Federal Power Act.<sup>6</sup>

In the coming months, NERC plans to initiate its standards development process to determine what, if any, further steps are appropriate with respect to the FAC-008 Reliability Standard and the retirement of individual requirements therein. At this time, NERC has not established a timetable for the completion of this process. Any standard development project would need to be assigned an appropriate priority, relative to other, higher priority development projects addressing regulatory directives, and its timeline would need to reflect the ongoing effects of the COVID-19 pandemic on stakeholder availability and participation. Should a standard development project be initiated, the project status and projected timelines, including anticipated completion dates, will be regularly updated in the Project Tracking Spreadsheet maintained by the NERC Standards Committee Project Management Oversight Subcommittee on the NERC website.<sup>7</sup>

In light of the FERC action, NERC respectfully requests that proposed Reliability Standard FAC-008-4 be withdrawn in this jurisdiction.

Please contact the undersigned with any questions regarding this communication.

Sincerely,

*/s/ Lauren A. Perotti*

Lauren A. Perotti  
Senior Counsel  
North American Electric Reliability Corporation

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<sup>5</sup> Order No. 873 at PP 39-40.

<sup>6</sup> Order No. 873 at P 5 (citing 16 U.S.C. 824o(d)(4)).

<sup>7</sup> The Project Tracking Spreadsheet is available on the NERC website at [https://www.nerc.com/comm/SC/Pages/ProjectManagementandOversightSubcommittee\(PMOS\).aspx](https://www.nerc.com/comm/SC/Pages/ProjectManagementandOversightSubcommittee(PMOS).aspx).