

March 13, 2019

VIA OVERNIGHT MAIL

Sheri Young, Secretary of the Board
National Energy Board
517 – 10th Avenue SW
Calgary, Alberta
T2R 0A8

Re: *North American Electric Reliability Corporation*

Dear Ms. Young:

The North American Electric Reliability Corporation hereby submits Notice of Filing of the North American Electric Reliability Corporation of Proposed Regional Reliability Standard IRO-006-WECC-3. NERC requests, to the extent necessary, a waiver of any applicable filing requirements with respect to this filing.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Lauren Perotti

Lauren Perotti
*Senior Counsel for the North American Electric
Reliability Corporation*

Enclosure

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**BEFORE THE
NATIONAL ENERGY BOARD**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**NOTICE OF FILING OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION OF PROPOSED
REGIONAL RELIABILITY STANDARD IRO-006-WECC-3**

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**NOTICE OF FILING OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION OF PROPOSED
REGIONAL RELIABILITY STANDARD IRO-006-WECC-3**

The North American Electric Reliability Corporation (“NERC”) hereby submits proposed Regional Reliability Standard IRO-006-WECC-3 –Qualified Path Unscheduled Flow (USF) Relief. Regional Reliability Standard IRO-006-WECC-3 addresses requests for transmission relief due to unscheduled flow on Qualified Paths in the Western Interconnection. NERC also provides notice of the regional defined term “Qualified Path” to replace the term “Qualified Transfer Path” in the NERC Glossary and for the retirement of certain regional defined terms no longer used in any WECC Regional Reliability Standard.¹

Proposed Regional Reliability Standard IRO-006-WECC-3 (**Exhibit A**) is just, reasonable, not unduly discriminatory or preferential, and in the public interest. NERC also provides notice of the associated implementation plan (**Exhibit B**), and the associated Violation Risk Factors (“VRFs”) and Violation Severity Levels (“VSLs”) (**Exhibit D**), as detailed in this filing.

This filing presents the technical basis and purpose of the proposed Regional Reliability Standard, a summary of the development proceedings (**Section III.D** and **Exhibit E**), and a

¹ *Glossary of Terms Used in NERC Reliability Standards* (“NERC Glossary”), http://www.nerc.com/files/Glossary_of_Terms.pdf. Unless otherwise designated, all capitalized terms used in this document shall have the meaning set forth in the NERC Glossary.

demonstration that the proposed Regional Reliability Standard meets the Reliability Standards criteria (**Exhibit C**). Proposed Regional Reliability Standard IRO-006-WECC-3 was approved by the WECC Board of Directors on December 5, 2018 and adopted by the NERC Board of Trustees on February 7, 2019.

I. SUMMARY

The purpose of proposed Regional Reliability Standard IRO-006-WECC-3 is to mitigate flows on Qualified Paths to reliable levels during real-time operations. The proposed standard was developed following a periodic review of the currently-effective version of the standard, IRO-006-WECC-2, which became effective in 2014.

As a result of WECC's periodic review, WECC revised the standard to clarify the purpose statement, replace certain defined terms, account for multiple Reliability Coordinators in the Western Interconnection, and conform the standard to the current drafting conventions and template. Proposed Regional Reliability Standard IRO-006-WECC-3 continues to remain more stringent than continent-wide standards and necessary for reliability in the Western Interconnection. The following filing presents the justification for the Standard and supporting documentation.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

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III. BACKGROUND

The following background information is provided below: (a) an explanation of the WECC Regional Reliability Standards development process; and (b) the history of WECC-0130 IRO-006-WECC-2, Qualified Transfer Path Unscheduled Flow (USF) Relief Five-Year Review.

A. WECC Regional Reliability Standards Development Process

The proposed Regional Reliability Standard was developed in an open and fair manner and in accordance with the WECC Reliability Standards Development Procedures (“RSDP”).² WECC’s RSDP provides for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing Reliability Standards and thus addresses certain criteria for approving Reliability Standards. The development process is open to any person or entity that is an interested stakeholder. WECC considers the comments of all stakeholders, and a vote of stakeholders and the WECC Board of Directors is required to approve a Regional

² The currently-effective WECC RSDP is available at: http://www.nerc.com/FilingsOrders/us/Regional%20Delegation%20Agreements%20DL/WECC%20RSDP_20171027.pdf.

Reliability Standard. NERC posts each proposed Regional Reliability Standard for an additional comment period. The NERC Board of Trustees must adopt the Regional Reliability Standard before the Regional Reliability Standard is submitted to the applicable governmental authorities.

B. History of the IRO-006-WECC Standard

The IRO-006-WECC standard was originally developed to mitigate transmission overloads due to unscheduled flow on “Qualified Transfer Paths” (i.e. transfer paths designated by WECC as being qualified for WECC unscheduled flow mitigation). The first version of the Regional Reliability Standard, IRO-006-WECC-1 was submitted on July 8, 2009. The currently effective version of the standard, IRO-006-WECC-2, was submitted on January 8, 2014. In approving Regional Reliability Standard IRO-006-WECC-2 in the U.S., the Federal Energy Regulatory Commission (“FERC”) stated, “We believe regional Reliability Standard IRO-006-WECC-2 will help protect and improve reliability in the Western Interconnection by mitigating transmission overloads due to unscheduled flow on Qualified Transfer Paths.”³

C. Development of the Proposed Regional Reliability Standard

As further described in **Exhibit E** hereto, proposed Regional Reliability Standard IRO-006-WECC-3 was developed in accordance with the WECC RSDP, as part of a five-year review of currently effective Regional Reliability Standard IRO-006-WECC-2. On November 5, 2018, the second draft of proposed Regional Reliability Standard IRO-006-WECC-3 was approved by the WECC ballot body with a 100 percent affirmative vote at 77.6 percent quorum. The WECC Board of Directors approved the regional standard on December 5, 2018. NERC posted the regional standard for a 45-day comment period concluding on January 28, 2019. Commenters agreed that WECC’s process was open, inclusive, balanced, transparent, and that due process was

³ *N. Am. Elec. Reliability Corp.*, 147 FERC ¶ 61,112, P 9 (2014).

followed. The NERC Board of Trustees subsequently adopted the regional standard on February 7, 2019.

IV. JUSTIFICATION

The purpose of proposed Regional Reliability Standard IRO-006-WECC-3 is to mitigate flows on Qualified Paths to reliable levels during real-time operations. The proposed standard would continue to provide specific requirements for acting on requests for unscheduled flow transmission relief on a Qualified Path within the responsible entity's area. Proposed Regional Reliability Standard IRO-006-WECC-3 builds upon the currently effective version of the standard with several improvements to clarify and streamline language. The proposed regional standard continues to remain more comprehensive than its continent-wide counterpart and necessary for reliability in the Western Interconnection. The proposed changes are discussed in more detail below.

A. "Qualified Paths"

In currently effective Regional Reliability Standard IRO-006-WECC-2, the Requirements make reference to Qualified Transfer Paths. The term "Qualified Transfer Path" is defined in the NERC Glossary as "[a] transfer path designated by the WECC Operating Committee as being qualified for WECC unscheduled flow mitigation."⁴ At the time Regional Reliability Standard IRO-006-WECC-2 was developed, WECC served as the administrator of the associated Western Interconnection Unscheduled Flow Mitigation Plan (WIUFMP).⁵ As of 2018, WECC no longer serves in this role. The NERC Glossary definition of Qualified Transfer Path is therefore out of date.

⁴ See NERC Glossary, *supra* n.4.

⁵ The currently effective version of the WIUFMP is available at: <https://www.wecc.biz/Reliability/12c-FERC%20Accepted%20WIUFMP%202016%2003%2011.pdf>.

To address this issue and promote alignment of defined terms across related documents, the defined term Qualified Transfer Path is replaced in proposed Regional Reliability Standard IRO-006-WECC-3 with the proposed term “Qualified Path.” The proposed term Qualified Path would have the same definition as it has in the WIUFMP, which is: “[a] transmission element, or group of transmission elements that has qualified for inclusion into the WIUFMP.”⁶ The defined term “Qualified Path” will replace the term “Qualified Transfer Path” in the NERC Glossary.

B. Purpose and Applicability

The purpose statement of proposed Regional Reliability Standard IRO-006-WECC-3 has been revised and clarified to state that the purpose of the standard is “to mitigate flows on Qualified Paths to reliable levels during real-time operations.”⁷ The proposed standard would continue to be applicable to Reliability Coordinators and Balancing Authorities in the Western Interconnection.

C. Requirements

Proposed Regional Reliability Standard IRO-006-WECC-3 includes revisions that clarify the obligations of Reliability Coordinators (Requirement R1) and Balancing Authorities (Requirement R2) with respect to acting on requests for unscheduled flow transmission relief on Qualified Paths. These revisions are as follows:

Requirement R1

- R1.** Each Reliability Coordinator receiving a request for Curtailments for unscheduled flow transmission relief on a Qualified Path within its Reliability Coordinator Area shall either approve or deny a that request within five minutes of receiving the request for unscheduled flow transmission relief from the Transmission Operator of a Qualified Transfer Path that will result in the calculation of a Relief Requirement receipt.

⁶ The WIUFMP describes, among other things, the process by which an Administrator for the plan is chosen and the criteria that must be met for including paths as Qualified Paths.

⁷ See Exhibit A.

Requirement R2

R2. Each Balancing Authority receiving an approved request for unscheduled flow transmission relief on a Qualified Path per Requirement R1, shall perform any ~~combination~~ of the following actions ~~meeting the Relief Requirement upon receiving a request for relief as described in Requirement R1~~ to meet that request:

- Approve curtailment requests to the schedules as submitted
- Implement alternative actions

The proposed revisions highlighted above do not substantively alter the fundamental obligations of Reliability Coordinators and Balancing Authorities. Rather, the revisions help to streamline the language and improve readability. This is accomplished by, among other things, reducing the use of defined terms that are now used only in Regional Reliability Standard IRO-006-WECC-2. By revising the Regional Reliability Standard, WECC proposes to retire regional defined terms Contributing Schedule and Relief Requirement. Additionally, WECC proposes to replace the defined term Qualified Transfer Path, as discussed above.

WECC has determined that three other WECC regional defined terms may also be formally retired from the NERC Glossary at this time. These defined terms were used in retired Regional Reliability Standard IRO-006-WECC-1, but are no longer used in any regional or continent-wide Reliability Standard. These terms include: (i) Qualified Controllable Device; (ii) Transfer Distribution Factor; and (iii) Qualified Transfer Path Curtailment Event.

D. Enforceability of Proposed Regional Reliability Standard IRO-006-WECC-3

The proposed Regional Reliability Standard includes VRFs and VSLs. The VSLs provide guidance on the way that NERC will enforce the requirements of the proposed Regional Reliability Standard. The VRFs are one of several elements used to determine an appropriate sanction when the associated requirement is violated. The VRFs assess the impact to reliability of violating a

specific requirement. In proposed Regional Reliability Standard IRO-006-WECC-3, the VRFs remain unchanged from the related Requirements in currently-effective Regional Reliability Standard IRO-006-WECC-2. The VSL section has been modified to match the revised language of underlying Requirements. The VRFs and VSLs for the proposed Regional Reliability Standard continue to comport with NERC and FERC guidelines related to their assignment.

The proposed Regional Reliability Standard also includes Measures that support each requirement by clearly identifying what is required and how the requirement will be enforced. These Measures help ensure that the requirements will be enforced in a clear, consistent, and non-preferential manner and without prejudice to any party.

V. EFFECTIVE DATE

Under the proposed implementation plan, provided in **Exhibit B** hereto, proposed Regional Reliability Standard IRO-006-WECC-3 would become effective on the first day of the second calendar quarter following applicable regulatory approval. Currently effective Regional Reliability Standard IRO-006-WECC-2 would be retired immediately prior to the effective date of proposed Regional Reliability Standard IRO-006-WECC-3.

Respectfully submitted,

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Date: March 13, 2019

EXHIBITS A-B AND D-E

Exhibit C Reliability Standards Criteria

WECC-0130 IRO-006-WECC-3 Qualified Transfer Path Unscheduled Flow (USF) Relief Five-year Review

The North American Electric Reliability Corporation (NERC) is responsible for ensuring that the Reliability Standards, Violation Risk Factors (VRF), Violation Severity Levels (VSL), definitions, Variances, and Interpretations developed by drafting teams are developed in accordance with NERC processes. These standards must also meet NERC's benchmarks for Reliability Standards, as well as criteria for governmental approval.

The discussion below explains how the proposed Reliability Standard meets or exceeds the Reliability Standards criteria:

1. Proposed Reliability Standards must be designed to achieve a specified reliability goal.

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American bulk power systems. Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of reliability of the North American bulk power systems. Each Reliability Standard shall also be consistent with all of the reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence. NERC Reliability Principles¹

The Purpose of WECC IRO-006-WECC-3 is to "mitigate flows on Qualified Paths to reliable levels during real-time operations."

Of the eight NERC Reliability Principles, this standard addresses Reliability Principle 1, which states:

Reliability Principle 1

Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.

2. Proposed Reliability Standards must contain a technically sound method to achieve the goal.

Standard Development

This proposed Reliability Standard was developed using the NERC and Western Electricity Coordinating Council (WECC) Standards development processes in effect at each point in the process. Among other

¹ [NERC Reliability Principles](#)

things, these processes include drafting of the standard by a drafting team composed of subject matter experts (SME); biographies of those SMEs are provided with this filing.

These processes also include repeated public iterative comment/response cycles whereby comments are received from the industry, and responses to those comments are provided by the drafting team.

Technically Sound

NERC submitted IRO-006-WECC-1 and July 8, 2009. On March 17, 2011, FERC approved IRO-006-WECC-1 with an effective date of May 24, 2011.² The purpose of the standard was to “mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation.”³ After due diligence, FERC concluded that IRO-006-WECC-1 represented an improvement to reliability.⁴

NERC submitted IRO-006-WECC-2 on January 8, 2014. On May 13, 2017, FERC held that Version 2 of the standard (IRO-006-WECC-2) was just, reasonable, not unduly discriminatory or preferential, in the public interest, and that the standard would “protect and improve reliability in the Western Interconnection by mitigating transmission overloads due to unscheduled flow on Qualified Transfer Paths.”⁵

IRO-006-WECC-3 retains the reliability related content of its predecessor while updating the document’s template, syntax, structure, and eliminating obsolete definitions.

3. Proposed Reliability Standards must be applicable to users, owners, and operators of the bulk power system, and not others.

The Applicability section of the proposed standard is as follows:

4. Applicability⁶

4.1. Reliability Coordinator

4.2 Balancing Authority

4. Proposed Reliability Standards must be clear and unambiguous as to what is required and who is required to comply.

This project was developed using the WECC Reliability Standards Development Procedures (Procedures) as approved by WECC/NERC. Per the Procedures, the project was posted for two 30-day

² FERC Order 746

³ FERC Order 746, Summary

⁴ FERC Order 746, P28

⁵ FERC Letter Order. Docket No. RD14-9-000, P9

⁶ In Version 2, the order of Applicable Entities is Balancing Authority followed by Reliability Coordinator. The order is reversed in Version 3 to match the order in which the entities appear in the Requirements.

public comment periods.⁷ None of the comments received raised the issue of ambiguity. Each requirement continues to state the Applicable Entity required to act and the act that is required.

All comments received on the project can be viewed in their original format on the WECC-0130 project page under the “Submit and review Comments” accordion.⁸

5. Proposed Reliability Standards must include clear and understandable consequences and a range of penalties (monetary and/or non-monetary) for a violation.

This project makes no changes to the Violation Risk Factors.

This project makes no change to the *levels* of the Violation Severity Levels (VSL); however, the syntax in the VSL table was updated and use of the defined term Relief Requirement was converted to a lowercase use because the defined term is proposed for retirement.

6. Proposed Reliability Standards must identify a clear and objective criterion or measure for compliance, so that it can be enforced in a consistent and non-preferential manner.

In IRO-006-WECC-2, Requirement R2 lacked a designated Measure.

In IRO-006-WECC-3, Measure M1 was adjusted to current drafting conventions and a designated Measure was added for Requirement R2.

7. Proposed Reliability Standards should achieve a reliability goal effectively and efficiently - but does not necessarily have to reflect “best practices” without regard to implementation cost.

IRO-006-WECC-3 does not represent an appreciable change in the practical application of the standard. During the two posting periods, no concerns were raised regarding implementation costs or historical regional infrastructure.

IRO-006-WECC-3 reaches its goals effectively and efficiently by using existing business practices. Through joint coordination of the Balancing Authority and the Reliability Coordinator, as required under the proposed standard, potential transmission overloading would be uniformly mitigated.

8. Proposed Reliability Standards cannot be “lowest common denominator,” i.e., cannot reflect a compromise that does not adequately protect bulk power system reliability.

IRO-006-WECC-3 does not represent an appreciable change in the practical application of the standard.

9. Proposed Reliability Standards may consider costs to implement for smaller entities but not at consequence of less than excellence in operating system reliability.

During the development of the project, the industry raised no such concerns.

⁷ Posting 1 opened May 22, 2018 and closed June 22, 2018. Posting 2 opened July 18, 2018 and closed August 20, 2018.

⁸ <https://www.wecc.biz/Standards/Pages/WECC-0130.aspx>

10. Proposed Reliability Standards must be designed to apply throughout North America to the maximum extent achievable with a single reliability standard while not favoring one area or approach.

Regional entities may propose Regional Reliability Standards that set more stringent reliability requirements than the NERC Reliability Standard or cover matters not covered by an existing NERC Reliability Standard. NERC Rules of Procedure, Section 312, Regional Reliability Standards.

The proposed standard is applicable solely within the Western Interconnection.

The proposed standard is more stringent than existing NERC Reliability Standards.⁹

The proposed standard addresses matter not covered in any existing NERC Reliability Standard by providing an alternative approach to meeting the same reliability objective based on physical differences in the Western Interconnection; specifically, Qualified Paths.

Version 3 proposes to delete the defined term “Qualified Transfer Path” from the NERC Glossary of Terms Used in Reliability Standards and replace it with the more viable term “Qualified Path” as used in the Western Interconnection Unscheduled Flow Mitigation Plan (WIUFMP). The proposed definition is as follows:

“Qualified Path (QP): A transmission element, or group of transmission elements that has qualified for inclusion into the WIUFMP.”

11. Proposed reliability standards should cause no undue negative effect on competition or restriction of the grid.

The assigned drafting team does not foresee any negative impacts on competition resulting from the changes proposed for this project.

During the development phase of this project, the industry raised no concerns regarding competition or restrictive use of the grid.

12. The implementation time for the proposed Reliability Standards must be reasonable.

In accordance with the WECC Reliability Standards Development Procedures, an implementation plan for the proposed standard was included with Posting 1 of this project. The Implementation Plan is included as Attachment B of this filing.

⁹ It should be noted that IRO-006-WECC-3 continues the requirement to act within five minutes of a request, as previously contained in both Version 1 and Version 2. In approving Version 1, FERC stated in Order 746, P11: “The Standard goes beyond the corresponding NERC Reliability Standard by requiring a reliability coordinator to approve or deny a transmission operator’s curtailment request within five minutes.” “Accordingly, the Commission adopts the NOPR proposal and approves regional Reliability Standard IRO-006-WECC-1 as just, reasonable, not unduly discriminatory or preferential, and in the public interest.”

The proposed effective date for this project is the first day of the second quarter following applicable regulatory approval.

The project drafting team concluded that the proposed changes: 1) would have no impact on peripheral standards, 2) would add no new burden to the Applicable Entities, and 3) could be implemented earlier than requested without resulting in any negative impact to reliability.

13. The Reliability Standard development process must be open and fair.

WECC followed the WECC Reliability Standards Development Procedures (Procedures) in effect at the time of each step in the process.

In accordance with the Procedures, all drafting team meetings are open to the public.

All drafting team meetings were announced via the WECC Standards Email List for the period prescribed in the Procedures. Notice of the meetings was provided to NERC and posted on the WECC Calendar along with meeting minutes.

All meetings were supported by a telephone conference bridge associated with an on-line internet visual capability allowing all participants to see the document(s) as they were being developed. Further, this team held an open-mic Standards Briefing prior to balloting affording the industry an additional opportunity to have its questions addressed.

This project was posted twice for public comment at WECC.

Comments and the associated responses are posted on the WECC Web Site at the WECC-0130 project page on the Submitted and Review Comments accordion.¹⁰ Response to Comments forms were provided with this filing.

In addition to posting under the WECC Procedures, this project was also posted by NERC for 45-days in accordance with NERC's Rules of Procedure and NERC's internal business practices.

14. Proposed Reliability Standards must balance with other vital public interests.

WECC is not aware of any other vital public interests. No such balancing concerns were raised or noted.

15. Proposed Reliability Standards must consider any other relevant factors.

WECC is not aware of any other general factors in need of consideration.

¹⁰ <https://www.wecc.biz/Standards/Pages/WECC-0130.aspx>