

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

Cedar Creek Wind Energy, LLC)	Docket No. RC11-1-___
Milford Wind Corridor Phase I, LLC)	Docket No. RC11-2-___

**COMPLIANCE FILING OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

I. INTRODUCTION

The North American Electric Reliability Corporation (“NERC”) submits this filing in compliance with the directives in the Federal Energy Regulatory Commission’s (“FERC” or “the Commission”) Order issued June 16, 2011.¹ The June 16 Order upheld the registration of Cedar Creek Wind Energy, LLC (“Cedar Creek”) and Milford Wind Corridor Phase I, LLC (“Milford”) in the NERC Compliance Registry for the functions of transmission owner (“TO”) and transmission operator (“TOP”) within the Western Electricity Coordinating Council (“WECC”) region. The Commission denied the registration appeals filed by each of Cedar Creek and Milford and affirmed that these entities are properly registered as TOs and TOPs.² The Commission also found that NERC adequately supported the decisions to register Cedar Creek and Milford as TOs and TOPs and that NERC’s decisions and comments to the appeals provided sufficient, fact-specific evidence to adequately support a conclusion that the facilities will have a material impact on the Bulk Power System (“BPS”).³

In addition, the Commission found that, at a minimum, each of Cedar Creek and Milford should be required to comply with a specified list of Reliability Standards and directed NERC

¹ *Cedar Creek Wind Energy, LLC et al.*, 135 FERC ¶ 61,241 (2011), *reh’g pending*.

² June 16 Order at P 58.

³ *Id.*

and/or WECC and each of Cedar Creek and Milford to negotiate as to what, if any, additional Reliability Standards and Requirements will be applicable to each of Cedar Creek and Milford.⁴

NERC was also directed to submit a compliance filing identifying the applicable TO and TOP Reliability Standards and Requirements applicable to Cedar Creek and Milford. In the event that NERC and/or WECC believed Reliability Standards and Requirements beyond those listed by FERC in the June 16 Order must be satisfied by these entities and NERC and the entities could not agree on which Reliability Standards apply, the parties were to explain their disagreements and the Commission would resolve the dispute.⁵

Requests for rehearing of certain aspects of the Commission's order were filed by NERC, Cedar Creek and Milford. The Commission issued an order on November 17, 2011 denying rehearing and partially granting clarification.

II. COMPLIANCE FILING

NERC and WECC met with each of Cedar Creek and Milford by telephone on a number of occasions⁶ to discuss the applicable Reliability Standards and Requirements in accordance with the June 16 Order. In person meetings were also held with Milford, on October 25, 2011 and Cedar Creek, on October 31, 2011.

A. Applicable Reliability Standards and Requirements

Attachment A to this filing identifies all TO and TOP Reliability Standards to which the parties have agreed will apply to Milford and Cedar Creek.

⁴ *Id.* at P 71-73 and 87-89.

⁵ *Id.* at P 73 and 89.

⁶ Calls with Cedar Creek were held on various occasions, including August 5, 10 and 31, 2011 and November 29, 2011. Calls with Milford were held on various occasions, including August 9, 19 and 26, 2011 and November 29, 2011.

The Attachment A list is based on information available to NERC and WECC to date regarding the current operation of Milford and Cedar Creek and is subject to revision with appropriate notice as may be necessary to ensure no gap exists as to maintaining the reliability of the BPS in the event Milford and/or Cedar Creek prospectively change the operation of their respective facilities in a manner that would create a new reliability gap.

This Attachment A list also is subject to revision as a result of applicable FERC orders that relate to existing, pending or new Reliability Standards and Requirements applicable to the TO or TOP functions. Such list will be revised automatically to include the new or modified TO or TOP Reliability Standard or Requirement, unless the Reliability Standard or Requirement expressly excludes generator transmission leads such as those owned or operated by Milford or Cedar Creek. In addition, anytime prior to the effective date of a new or modified Reliability Standard or Requirement applicable to either the TO or TOP function, if so requested by Milford or Cedar Creek, NERC will evaluate whether such Reliability Standard or Requirement is not necessary to cover a reliability gap with respect to Milford or Cedar Creek's facilities and, therefore, should not apply to Milford or Cedar Creek. NERC will promptly advise the requesting entity of its determination and the rationale relating to the reliability gap, if any, supporting such determination. It is Milford and Cedar Creek's responsibility to allow sufficient time for the evaluation of such a request prior to the effective date of a new or modified standard or requirement. In the event that NERC has not reached a determination with respect to such a request, the new or modified standard or requirement will apply to Milford and Cedar Creek as of the effective date.

This list does not reference standards that may apply to Milford or Cedar Creek as a result of any other functions for which these entities may be registered since these other functional registrations were not at issue in this proceeding and are not affected by it.

B. Other Initiatives

NERC is continuing to develop refined guidance in a generic sense to better align appropriate standards for generator owners and generator operators that own and operate transmission facilities without general applicability of all TO and TOP standards. Although the Attachment A list of standards will apply to Milford and Cedar Creek in connection with their registration as TOs and TOPs, nothing is intended to preclude Milford and Cedar Creek from participating in any future initiatives by NERC or the Regional Entities that seek to define an appropriate set of standards to apply to these types of entities, their facilities, or operations. To the extent that any future initiative (including specifically NERC's Draft Compliance Process Directive #2011-CAG-001, Directive Regarding Generator Transmission Leads) would result in a minimum applicable list of standards that is different from the Attachment A list of standards, the parties would, at the time, request any necessary approvals to replace the Attachment A list with the list that results from the initiative.

Additionally, the Attachment A list is not intended to prejudge the outcome of the NERC Reliability Standards development process for Project 2010-07 (Generator Requirements at the Transmission Interface). It is also NERC, WECC, Milford, and Cedar Creek's intention that any standards that become effective as a product of Project 2010-07 will supersede and replace comparable standards included in the list of standards provided herewith or any comparable standards that are implemented as a product of any future initiative, whichever are in place at the

time Project 2010-07 is complete. Any necessary approvals related to the modification of the then applicable standards list will be sought at the appropriate time.

III. CONCLUSION

The list in Attachment A reflects the agreement of NERC, WECC, Milford and Cedar Creek with respect to the projects at issue in this proceeding in accordance with the June 16 Order. NERC respectfully requests that the Commission accept this filing as compliant with the June 16 Order.

Respectfully submitted,

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Dated: December 2, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 2nd day of December, 2011.

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