

September 13, 2012

Mr. Mark Maher
President and CEO
Western Electricity Coordinating Council
155 North 400 West, Suite 200
Salt Lake City, UT 84103

NERC Comments on WECC Preliminary Response to the “Arizona-Southern California Outages on September 8, 2011” Report

Dear Mark:

Thank you for WECC’s August 31, 2012 preliminary response to my July 26, 2012 letter requesting a detailed report outlining near-term remediation actions completed or in progress to date, and plans for additional actions going forward. As I indicated at the WECC board meeting last week, I am pleased with the scope of your strategic review, including the structural and governance issues that are key to ensuring reliability in the Western Interconnection. I found your preliminary response to be substantive in terms of the actions already taken and indicative of a clear commitment and sense of urgency to addressing the remaining reliability issues. The commitment to the long-term reliability and improvement of the Western Interconnection is clearly demonstrated by WECC.

First and foremost, I want to encourage you to continue to enhance the capabilities of the WECC Reliability Coordinator function. I see this as one of the more critical elements in addressing the reliability issues faced in the West, and believe that the enhancement of that function should move forward independent of your consideration of governance and institutional issues.

Attached are some initial comments on your preliminary report that I hope will help you further enhance the final report to NERC, which we expect to receive by September 30, 2012. We understand that some activities will take many months to complete, so we are particularly interested in your efforts to monitor and track their progress and verify their successful completion. Continuing the weekly or bi-weekly calls with NERC and FERC for the immediate future, coupled with monthly status reports to NERC, and quarterly updates at the NERC Board of Trustees meetings will clearly demonstrate the WECC commitment to long-term reliability and place continued emphasis on the remediation activities initiated as a result of September 8, 2011 event. Let me know if you have any questions about these comments or need further clarification.

Obviously, NERC must reserve the right to make further comments based upon our, and FERC’s review of the WECC final report and all other relevant information.

3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

Finally, please continue to have Melanie Frye, WECC Vice President, Operations and Planning, work closely with Dave Nevius, NERC Senior Vice President, in tracking and reporting on the progress of your on-going efforts and in keeping the FERC staff fully informed. I believe that these efforts in communicating with FERC staff have been appreciated by FERC.

Thank you again for your efforts and those of the entire WECC organization for your commitment to this critical endeavor.

Sincerely,

A handwritten signature in black ink that reads "Gerry Cauley". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

Gerry Cauley
President and CEO

NERC Comments on WECC Preliminary Response to the “Arizona-Southern California Outages on September 8, 2011” Report

Role of Path Operators (ORG3)

NERC is pleased to see that WECC is holding additional discussions to clarify the role of Path Operators, including the potential to implement contractual relationships and make use of RTCA and other tools to improve the accuracy of system operating limits. As these discussions continue NERC suggests that you also review the concept of Path Ratings and whether, as the Western Interconnection has become more highly interconnected, the Path Rating and Path Operator concept, along with the use of nomograms, still has merit for real-time operations. Other Interconnections do determine Flowgate limits for purposes of interchange scheduling, but rely more fully on RTCA for real-time operating reliability.

Review of Standards (ORG5)

NERC is willing to collaborate with WECC in reviewing the need for new or revised standards that clarify those issues that were identified in the Inquiry recommendations. A good starting point for this effort would be for WECC to draft proposed SARs for each of the issues that need to be addressed. Given that NERC has just established the Reliability Issues Steering Committee (RISC), some of these issues might be good examples to submit to the RISC for their consideration.

Resource Sharing (ORG6)

WECC has identified the need to significantly expand the resources of its Reliability Coordinator function. Given that it may take some time to find, hire, and train the highly-qualified people that are needed, NERC strongly supports WECC’s efforts to pursue with its members opportunities for resource sharing and cross training, as well as the potential to work with educational institutions.

Share Next-Day Studies (RC1)

The activities described in RC1, RC2, RC10, O&P1, O&P2, CP2, NERC1, and several individual entity activities relate to Recommendation 1 of the FERC/NERC Inquiry report, but may not be seen as fully addressing the specific recommendation that “All TOPs should conduct next-day studies and share the results with neighboring TOPs and the RC (before the next day) to ensure that all contingencies that could impact the BPS are studied.”

Universal Non Disclosure Agreement (RC2)

NERC is encouraged to see that 81 percent of the potential signatories have executed the Universal NDA, but believes that anything short of 100 percent will be unacceptable, and would expect to see WECC reach that level prior to the end of the year.

Sub-100 kV Facilities (RC3, O&P16)

In addition to the two-phase analysis approach being taken by WECC, NERC suggests that, on an interim basis while the detailed study work is underway, individual TOPs be requested to suggest sub-100 kV facilities for active monitoring by the Reliability Coordinator that from the experience and judgment of the TOP could be subject to significant flow-through, especially during periods of heavy transfers or when higher voltage facilities are out of service.

Unit Commitment Data (RC9)

The schedule for improving unit commitment data has an expected completion date of December 31, 2013. While identifying the reasons for errors in forecasts that are currently provided is an important first step, it seems to NERC that these data should be able to be provided to the Reliability Coordinator sooner than the end of 2013, and suggests that WECC reevaluate this expected completion date.

SOL Reporting Tools (RC12) and Revise Internal Operating Procedures (RC17)

The activities covered under these two areas are not identified as addressing any of the Inquiry report recommendations. Suggest that these activities be identified in Table 4 as addressing portions of Recommendations 18 and 24.

Seasonal Planning (O&P3)

Documenting the roles of subregional study groups, enhancing consistency and coordination, identifying a central oversight authority, and developing a process for N-1 contingency analysis for the entire WECC footprint are all excellent objectives. As WECC pursues these objectives, NERC believes it important to also stress the value of communication between those performing seasonal studies and the operators that will be faced with operating the system once that season arises. Sharing not only the technical results of those studies with operators, but also the insights gained by those running the studies, will give the operators a much better understanding of what they may be facing in real-time operations.

Ensure Coverage of Planning Coordinators (O&P4)

The expected completion date for this activity (2015) should be reconsidered, especially given that it relates to the four Inquiry report Recommendations (5, 6, 7, and 9.)

Review of Remedial Action, Tie Line Separation and Safety Net Schemes (O&P5, O&P6)

As part of WECC review of these schemes, NERC suggests that WECC also investigate developing Real-Time Digital Simulation (RTDS) capabilities for the Reliability Coordinator to enable more accurate evaluation of the interactions of these schemes, especially during unusual system conditions.

Relay Operations Guidelines (O&P9)

The WECC Relay Work Group, in developing guidelines for best practices for relay settings, should interface with the NERC System Protection and Control Subcommittee, as well as with the North American Transmission Forum System Protection Practices Group.

Generator Model Data Verification Policy (O&P10)

WECC should provide estimated milestones for this effort.

Generator Tripping in Base Cases (O&P20)

The proposed schedule for this effort seems extremely long and should be reevaluated.

Coordination with NERC on Compliance Activities (CPL1, CPL2, CPL3, and CPL4)

WECC should coordinate closely with NERC Compliance Operations on all compliance related activities.

WECC Member and Registered Entity Activities

Individual TOP and other registered entity activities related to review of Remedial Action Schemes, real-time tools, SOL/IROL determinations, etc., should be closely coordinated and aligned with overall WECC and WECC Reliability Coordinator activities relating to the same issues.