BEFORE THE PROVINCE OF MANITOBA

| NORTH AMERICAN ELECTRIC |) |
|-------------------------|---|
| RELIABILITY CORPORATION |) |

REPORT OF THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION OF PLAN AND TIMETABLE FOR MODIFICATION OR DEVELOPMENT OF RELIABILITY STANDARD FOLLOWING REMAND OF TRANSMISSION PLANNING RELIABILITY STANDARD TPL-002-0b

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May 18, 2012

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Attachment A -- Standard Authorization Request Form for revision of TPL-002 footnote 'b' and TPL-001 footnote 12

I. <u>INTRODUCTION</u>

Pursuant to Rule 309.2 of the Rules of Procedure, the North American Electric Reliability Corporation ("NERC") hereby provides the plan and timetable for modification or development of the Reliability Standard following the remand by the Federal Energy Regulatory Commission ("FERC") of Reliability Standard TPL-002-0b. NERC had provided a notice of remand of TPL-002-0b on April 27, 2012.

NERC is submitting this filing with the other applicable governmental authorities in Canada.

II. NOTICES AND COMMUNICATIONS

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

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III. PLAN AND TIMETABLE FOR MODIFICATION OR DEVELOPMENT OF TPL-002-1b

On April 19, 2012, FERC issued Order No. 762 remanding TPL-002-0b because FERC determined that footnote b to Table 1 of that Reliability Standard was vague,

unenforceable, and not responsive to previous directives. Therefore, FERC found TPL-002-0b to be unjust, unreasonable, unduly discriminatory or preferential, and not in the public interest. In a related matter, FERC proposed to remand TPL-001-2 because NERC incorporated footnote b into the new TPL-001-2 reliability standard. NERC has been directed to revise footnote b in accordance with the directives of Order Nos. 762 and 693. This project will also revise footnote 12 to TPL-001-2 in order to prevent the remand of TPL-001-2. This provision will allow for entities to plan to shed load under very limited circumstances so long as there is no adverse reliability impact to the BES.

Rule 309.2 of the NERC Rules of Procedure requires that, once a Reliability Standard is remanded by an Applicable Governmental Authority, NERC must notify all other Applicable Governmental Authorities within five business days of the remand and, within thirty calendar days, report to all Applicable Governmental Authorities a plan and timetable for modification or development of the Reliability Standard. NERC provided notice of the remand on April 27, 2012. This filing provides a description of the plan and timetable for modification or development of TPL-002-0b, as required by Rule 309.2.

The drafting team is working to provide clarity on TPL-002-0b, Table 1 - footnote b and TPL-001-2 Table 1 footnote 12, regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system. The drafting team plans on quickly responding to the directives in Order No. 762 in order to preserve their ability to plan to shed load under limited circumstances in response to a single contingency on a system. The timetable that the drafting team will follow in revising the footnote is included below, with a projected delivery date to the NERC Board of Trustees for approval at its February 2013 meeting.

High Level Proposed Schedule for Footnote b

(Approximate)

June 14 SAR approved by SC

May 1 – June 18 Development of draft footnote b June 19 Deliver draft to QR and SRI

June 25 Receive comments back from QR & SRI

June 29 Revised draft back to QR

July 5 – August 20 45 day combined posting/initial ballot

August 22 Comments received

September 7 Successive ballot draft to QR & SRI
September 14 Receive comments back from QR & SRI

September 20 Revised draft back to QR September 24 – October 24 Successive ballot and comment

October 26 Comments received

November 10 Recirculation draft to QR & SRI

November 17 Receive comments back from QR & SRI

November 27 Revised draft back to QR

November 29 – December 8 Recirculation ballot

In addition, attached to this filing as Attachment A is the Standard Authorization Request

Form for revision of TPL-002 footnote b and TPL-001 footnote 12.

Respectfully submitted,

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ATTACHMENT A

Standard Authorization Request Form for revision of TPL-002 footnote 'b' and TPL-001 footnote 12



Standard Authorization Request Form

| Request Date | Revision of TPL-002 footnote 'b' and TPL-001 footnote 12 |
|--------------|--|

| SAR Requester Information | | SAR Type (Check a box for each one that applies.) | |
|---|---|--|--|
| Individual, Group, or Committee Name Standards Committee | | New Standard | |
| Primary Contact (if Group or Committee) Allen Mosher | Х | Revision to existing Standard | |
| Company or Group Name APPA | | Withdrawal of existing Standard | |
| E-mail amosher@publicpower.org | | Project Identified in Reliability Standards Development Plan (Project Number and Name:) | |
| Telephone (202) 467-2944 | | Modification to NERC Glossary term or addition of new term | |

Brief Description of Proposed Standard Modifications/Actions

The drafting team must provide clarity on TPL-002-0, Table 1 - footnote 'b' and TPL-001-2 Table 1 footnote 12, regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system. The drafting team must quickly respond to the directives in Order No. 762 in order to preserve their ability to plan to shed load under limited circumstances for certain contingencies.

Need

On April 19, 2012, FERC issued Order No. 762 remanding TPL-002-2b because FERC determined that footnote b to Table 1 of that Reliability Standard was vague, unenforceable, and not responsive to previous directives. Therefore FERC found TPL-002-2b to be unjust, unreasonable, unduly discriminatory or preferential, and not in the public interest. In a related matter, FERC proposed to remand TPL-001-2 because NERC incorporated footnote b into the new TPL-001-2 reliability standard.

NERC has been directed to revise footnote b in accordance with the directives of Order Nos. 762 and 693. This project will also revise footnote 12 to TPL-001-2 in order to prevent the remand of TPL-001-2.

This provision will allow for entities to plan to shed load under very limited circumstances so long as there is no adverse reliability impact to the BES.

Goals (Describe what must be accomplished in order to meet the above need. This section would become the Requirements in a Reliability Standard.)

NERC must develop a process that will not adversely impact BES reliability and that satisfies the directives of Order No. 762 by clearly delineating when entities may plan for load shedding following a single contingency.

Objectives and/or Potential Future Metrics

The drafting must either develop a blend of quantitative and qualitative methodologies or a specific "customer consent" process that will allow for planning to shed load following a single contingency.

Detailed Description The drafting team must provide clarity on TPL-002-0, Table 1 - footnote 'b' and TPL-001-2 Table 1 footnote 12, regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system. The drafting team must quickly respond to the directives in Order No. 762 in order to preserve their ability to plan to shed load under limited circumstances for certain contingencies.

NERC has been directed to revise footnote b in accordance with the directives of Order Nos. 762 and 693. This project will also revise footnote 12 to TPL-001-2 in order to prevent the remand of TPL-001-2.

This provision will allow for entities to plan to shed load under very limited circumstances so long as there is no adverse reliability impact to the BES.

OPTIONAL: Technical Analysis Performed to Support Justification

NERC will be conducting a mandatory Data Request to identify the specific instances of any planned interruptions of Firm Demand under footnote 'b' and how frequently the provision has been used in parallel with this SAR.

Reliability Functions

| The Standard(s) May Apply to the Following Functions (Check box for each one that applies.) | | |
|---|-------------------------------------|---|
| | Regional Entity | Conducts the regional activities related to planning and operations, and coordinates activities of Responsible Entities to secure the reliability of the Bulk Electric System within the region and adjacent regions. |
| | Reliability Coordinator | Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view. |
| | Balancing Authority | Integrates resource plans ahead of time, and maintains load- interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time. |
| | Interchange Authority | Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas. |
| Х | Planning Coordinator | Assesses the longer-term reliability of its Planning Coordinator Area. |
| | Resource Planner | Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area. |
| Х | Transmission Planner | Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area. |
| | Transmission Service Provider | Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff). |
| | Transmission Owner | Owns and maintains transmission facilities. |
| | Transmission Operator | Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area. |
| | Distribution Provider | Delivers electrical energy to the End-use customer. |
| | Generator Owner | Owns and maintains generation facilities. |
| | Generator Operator | Operates generation unit(s) to provide real and reactive power. |
| | Purchasing- Selling Entity | Purchases or sells energy, capacity, and necessary reliability-related services as required. |
| | Market Operator | Interface point for reliability functions with commercial functions. |
| | Load- Serving Entity | Secures energy and transmission service (and reliability-related services) to serve the End-use Customer. |

Reliability and Market Interface Principles

| App | Applicable Reliability Principles (Check box for all that apply.) | | |
|---|--|--|--|
| Х | 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. | The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand. | |
| | 3. | Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably. | |
| | 4. | Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented. | |
| | 5. | Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems. | |
| | 6. | Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions. | |
| | 7. | The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis. | |
| | 8. | Bulk power systems shall be protected from malicious physical or cyber attacks. | |
| | | e proposed Standard(s) comply with all of the following Market Interface es? (Select 'yes' or 'no' from the drop-down box.) | |
| | | ability standard shall not give any market participant an unfair competitive ntage. Yes | |
| 2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes | | | |
| | 3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes | | |
| i | 4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes | | |

Related Standards

| Standard No. | Explanation |
|--------------|---|
| TPL-001-0.1 | System Performance Under Normal (No Contingency) Conditions (Category A) |
| TPL-002-0b | System Performance Following Loss of a Single Bulk Electric System Element (Category B) |
| TPL-003-0a | System Performance Following Loss of Two or More Bulk Electric System Elements (Category C) |
| TPL-004-0 | System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Elements (Category D) |

Related Projects

| Project ID and Title | Explanation |
|----------------------|-------------|
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Regional Variances

| Region | Explanation |
|--------|-------------|
| ERCOT | |
| FRCC | |
| MRO | |
| NPCC | |
| SERC | |
| RFC | |
| SPP | |
| WECC | |