

134 FERC ¶ 61,007
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

North American Electric Reliability Corporation

Docket No. RD10-04-000

ORDER APPROVING REVISIONS TO TWO RELIABILITY STANDARDS
AND DIRECTING A COMPLIANCE FILING

(Issued January 6, 2011)

1. The North American Electric Reliability Corporation (NERC) has petitioned the Commission for approval of revisions to two Reliability Standards (INT-003-2 and BAL-006-1). The revised Reliability Standards, designated INT-003-3 (Interchange Transaction Implementation) and BAL-006-2 (Inadvertent Interchange), eliminate waivers currently provided to the Midwest Independent Transmission System Operator (MISO) for each Reliability Standard. We approve the proposed revisions to the two Reliability Standards, which will be effective from the date of this order. In addition, we require NERC to submit, within 45 days of the date of this order, a compliance filing consistent with this order.

I. Background

2. On February 3, 2006, the Commission issued Order No. 672 to implement the requirements of section 215 of the Federal Power Act (FPA) governing electric reliability.¹ In July 2006, the Commission, pursuant to section 215 of the FPA,² certified NERC as the Electric Reliability Organization.³

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (2006), *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

² 16 U.S.C. § 824o (2006).

³ *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030, *order on clarification and reh'g*, 119 FERC ¶ 61,046 (2007), *aff'd sub nom. Alcoa Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

3. On March 16, 2007, pursuant to section 215(d) of the FPA,⁴ the Commission issued Order No. 693 approving 83 Reliability Standards proposed by NERC, including INT-003-2 and BAL-006-1.⁵

II. NERC Filing

4. In its petition, NERC proposes eliminating the MISO waivers found in INT-003-2 and BAL-006-1. NERC submits that the MISO waivers were once necessary to accommodate the operation of the MISO market in a multi-Balancing Authority environment but are no longer needed because MISO is now a single Balancing Authority for the geographic region it encompasses. NERC requests that the retirement of INT-003-2 and BAL-006-1 and the implementation of proposed Reliability Standards INT-003-3 and BAL-006-2 be made effective upon their approval by the Commission.

III. Procedural Matters

5. Notice of NERC's filing was published in the *Federal Register*, 74 Fed. Reg. 65,111 (2009), with interventions and protests due on or before December 23, 2009. No motion to intervene or protest was received.

IV. Discussion

6. We approve NERC's petition to implement INT-003-3, which removes the MISO waivers currently found in INT-003-2. We also approve BAL-006-2, which similarly removes the MISO waiver in the current version of that Reliability Standard. In addition, we direct NERC to submit a compliance filing within 45 days of the date of this order, as discussed below.

7. As described in its Amended Balancing Authority Agreement,⁶ MISO is the Balancing Authority for the MISO footprint. In addition, encompassed within the MISO

⁴ 16 U.S.C. 824o(d) (2006).

⁵ See *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

⁶ Midwest Indep. Transmission Sys. Operator, Inc. Tariff Filing, Docket No. ER07-1372-008 (filed May 23, 2008) (Amended Balancing Authority Agreement).

footprint are smaller Balancing Authorities, termed Local Balancing Authorities,⁷ which are also registered by NERC in its compliance registry as Balancing Authorities.⁸ MISO and the Local Balancing Authorities operate under a Joint Registration Organization-arrangement by which responsibilities for compliance with the Reliability Standards are divided between MISO and the Local Balancing Authorities. In the case of BAL-006-1, which deals with “Inadvertent Interchange” calculations, MISO is registered with NERC as the responsible entity for compliance with Requirements R1, R2, R4, R4.1, R4.1.1, R4.2, R4.3, and R5 of the Reliability Standard, and certain Local Balancing Authorities are registered with NERC as the responsible entities for compliance with Requirements R3, R4.1, R4.1.2, and R4.3.⁹

8. In practice, MISO performs its compliance responsibilities on a MISO-wide basis under BAL-006-1 (i.e., MISO calculates Inadvertent Interchange between the MISO area and external Balancing Authorities). However, it is not clear from the filing what entity or entities perform the local Balancing Authority responsibilities under BAL-006-1 for the Local Balancing Authorities within the MISO area (i.e., between the Local Balancing Authorities situated inside MISO). Since the Local Balancing Authorities are registered with NERC, they are subject to BAL-006-1, and they are responsible for calculating the Inadvertent Interchange with other Local Balancing Authorities within the MISO footprint. They can contractually delegate this to another entity pursuant to a Joint Registration Organization agreement. However, it is not clear whether such delegation has, in fact, occurred.

⁷ *Id.* The following entities are recognized as Local Balancing Authorities in the MISO area under the Amended Balancing Authority Agreement: Alliant Energy Corporate Services, Inc., Ameren Services Company, City of Columbia Water & Light, City Water, Light & Power, Consumers Energy Company, Detroit Edison Company, Duke Energy Shared Services, Inc., FirstEnergy Service Company, Greater River Energy, Hoosier Energy REC, Inc., Indianapolis Power & Light Company, Integrys Energy Group, International Transmission Company/Michigan Electric Transmission Company, LLC, Madison Gas & Electric Co., Minnesota Power, Montana-Dakota Utilities Co., Northern Indiana Public Service Co., Otter Tail Corporation, Southern Illinois Power Cooperative, Inc., Southern Indiana Gas and Electric Company, Southern Minnesota Municipal Power Agency, Wisconsin Electric Power Company, and Xcel Energy Services, Inc. *See* Amended Balancing Authority Agreement at Appendix A.

⁸ NERC, *Registration Standards Applicability List for Coordinated Function Registration (CFR) JRO00001* (Nov. 2010), available at http://www.nerc.com/files/JRO00001_SERC_REPORT20101116_Standards%20list.pdf; http://www.nerc.com/files/JRO00001_MRO_REPORT20101116_Standards%20list.pdf; http://www.nerc.com/files/JRO00001_RFC_REPORT20101116_Standards%20list.pdf.

⁹ *Id.*

9. Therefore, consistent with the above discussion, we direct NERC, in a compliance filing due within 45 days of the date of this order, to identify the entity or entities that are responsible under Reliability Standard BAL-006-2 for calculating Inadvertent Interchange inside the MISO area.

The Commission orders:

(A) NERC's petition to revise Reliability Standards INT-003-2 and BAL-006-1 to remove the MISO waivers, and therefore implement INT-003-3 and BAL-006-2, is approved.

(B) NERC is hereby directed to submit a compliance filing within 45 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Document Content(s)

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