136 FERC ¶ 61,030 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 40

[Docket Nos. RM10-15-001 and RM10-16-001; Order Nos. 748-A and 749-A]

Mandatory Reliability Standards for Interconnection Reliability Operating Limits; System Restoration Reliability Standards

(Issued July 13, 2011)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Order on Clarification.

<u>SUMMARY</u>: On March 17, 2011, the Commission issued Order Nos. 748 and 749, which approved new and revised Reliability Standards, including IRO-004-2 and EOP-

001. In this order, we grant the North American Electric Reliability Corporation's

(NERC) request for clarification of certain aspects of Order No. 748 including: (1) the

proper effective date language for Reliability Standard IRO-004-2; (2) the correct version

identification for the approval of EOP-001 intended by the Commission; and (3) the

proper effective date for Reliability Standard EOP-001-2. The Commission also grants

NERC's request for clarification of Order No. 749 with respect to the version EOP-001

the Commission intended to approve and its effective date.

<u>EFFECTIVE DATE</u>: This order on rehearing and clarification will become effective upon publication in the **FEDERAL REGISTER**.

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SUPPLEMENTARY INFORMATION:

136 FERC ¶ 61,030 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.

Mandatory Reliability Standards for InterconnectionDocket Nos.RM10-15-001Reliability Operating Limits; System RestorationRM10-16-001RM10-16-001Reliability StandardsRM10-16-001RM10-16-001

ORDER NOS. 748-A and 749-A

ORDER ON CLARIFICATION

(Issued July 13, 2011)

1. On March 17, 2011, the Commission issued Order Nos. 748 and 749, which

approved new and revised Reliability Standards, including IRO-004-2 and EOP-001. In this order, we grant the North American Electric Reliability Corporation's (NERC) request for clarification of certain aspects of Order No. 748 including: (1) the proper effective date language for Reliability Standard IRO-004-2; (2) the correct version identification for the approval of EOP-001 intended by the Commission; and (3) the proper effective date for Reliability Standard EOP-001-2. The Commission also grants NERC's request for clarification of Order No. 749 with respect to the version EOP-001 the Commission intended to approve and its effective date.

I. <u>Background</u>

A. <u>Order No. 748</u>

2. Order No. 748¹ approved three new Interconnection Reliability Operations and Coordination (IRO) Reliability Standards and seven revised Reliability Standards related to Emergency Operations and Preparedness (EOP), IRO, and Transmission Operations (TOP). The approved IRO Reliability Standards were designed to prevent instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the interconnection by ensuring that the reliability coordinator has the data necessary to analyze and monitor Interconnection Reliability Operating Limits (IROL) within its Wide-Area². The Final Rule also approved the addition of two new terms to the NERC Glossary of Terms, "Operational Planning Analysis" and "Real Time Assessment."

B. <u>Order No. 749</u>

3. Order No. 749³ approved three EOP Reliability Standards as well as the definition of the term "Blackstart Resource." The approved Reliability Standards require

³ System Restoration Reliability Standards, Order No. 749, 134 FERC ¶ 61,215 (continued)

¹ Mandatory Reliability Standards for Interconnection Reliability Operating Limits, Order No. 748, 134 FERC ¶ 61,213 (2011).

² The term "Wide-Area" is defined in the NERC Glossary of Terms Used in Reliability Standards (NERC Glossary), approved by the Commission. As defined, Wide-Area includes not only the reliability coordinators' area, but also critical flow and status information from adjacent reliability coordinator areas as determined by detailed system studies to allow the calculation of IROLs. *See* NERC Glossary *available at* http://www.nerc.com/docs/standards/rs/Glossary_of_Terms_2010April20.pdf.

transmission operators, generation operators, and certain transmission owners and distribution providers to ensure that plans, facilities, and personnel are prepared to enable system restoration from Blackstart Resources and require reliability coordinators to establish plans and prepare personnel to enable effective coordination of the system restoration process. The Commission also approved NERC's request to retire four effective and one pending Reliability Standards.

C. <u>Requests for Clarification</u>

4. On April 18, 2011, NERC submitted a request for clarification of certain aspects of Order No. 748 including: (1) the effective date of Reliability Standard IRO-004-2;
(2) the version of EOP-001 approved by the Commission; and (3) the effective date of Reliability Standard EOP-001-2. On the same day, NERC submitted a request for clarification of Order No. 749 similarly seeking clarification on the version of Reliability Standard EOP-001 approved by the Commission and its effective date.

5. With respect to Reliability Standard IRO-004-2, NERC states that the effective date provision in Reliability Standard IRO-004-2 is inconsistent with the implementation of the three new IRO standards. NERC explains that it proposed, in its petition, to retire six of the seven requirements in the IRO-004-1 standard, and designated the one remaining requirement as IRO-004-2. The Commission approved IRO-004-2 in the Final

(2011).

Rule, but the effective date provision in IRO-004-2 states that the entire Reliability Standard should be retired, even though one requirement remains in effect with Commission approval of revised Reliability Standard. NERC requests clarification from the Commission that the effective date language in the IRO-004-2 standard should be revised as "the latter of either April 1, 2009 or the first day of the first calendar quarter, three months after applicable regulatory approval."

6. Second, NERC requests clarification regarding the Commission's approval of Reliability Standard EOP-001-1. NERC notes that at the same time NERC submitted a Petition in RM10-15-000, NERC filed a petition in Docket No. RM10-16-000 seeking approval of certain EOP Reliability Standards. Each Petition contained specific proposed changes to Reliability Standard EOP-001-0. NERC states in both Petitions that it requested that the Commission approve revised Reliability Standard EOP-001-1 only if the concurrent petition is not previously (or concurrently) approved by the Commission and otherwise to approve Reliability Standard EOP-001-2, which reflected the changes in both Petitions, rather than EOP-001-1. NERC requests clarification that EOP-001-2 is the approved Reliability Standard given the concurrent issuance of the Final Rules.

7. Finally, NERC requests clarification regarding the effective date of Reliability Standard EOP-001-2. NERC states that it requested Reliability Standard EOP-001-1 to become effective "the first day of the first calendar quarter, three months after applicable regulatory approval." However, NERC states that it also requested that if the Commission previously or concurrently approved Reliability Standard EOP-001-2, it should be made effective "twenty-four months after the first day of the first calendar quarter following applicable regulatory approval." NERC seeks clarification that Reliability Standard EOP-001-2 be made effective in accordance with the implementation schedule in the EOP-001-2 Reliability Standard given the concurrent issuance of the Final Rules.

II. <u>Discussion</u>

8. The Commission grants NERC's request for clarification regarding Reliability Standard IRO-004-2. Consistent with our approval of IRO-004-2, the Commission clarifies that the effective date provision in IRO-004-2 should be modified as requested by NERC to reflect the one requirement in IRO-004-2 that was not retired. NERC has included the modified effective date provision for IRO-004-2 as Exhibit A to its request for clarification. This clarification should alleviate confusion implementing Reliability Standard IRO-004-2.

9. The Commission also clarifies that it approved Reliability Standard EOP-001-2. Each NERC Petition in Docket Nos. RM10-15-000 and RM10-16-000 proposed unique changes to EOP-001-0 not reflected in the other petition presenting a logistical problem with cross-references. Given the issuance of Order Nos. 748 and 749, both on March 17, 2011, Reliability Standard EOP-001-2 is the currently-operative version. Moreover, we clarify that Reliability Standard EOP-001-2 shall become effective according to the implementation schedule in that standard.

III. Document Availability

10. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (http://www.ferc.gov) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington DC 20426.

11. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

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By the Commission.

Docket Nos. RM10-15-001 and RM10-16-001

(SEAL)

Nathaniel J. Davis, Sr., Deputy Secretary.