

155 FERC ¶ 61,291
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Western Electricity Coordinating Council

Docket No. IN14-11-000

ORDER AMENDING ORDER APPROVING STIPULATION AND CONSENT
AGREEMENT AS TO PEAK RELIABILITY

(Issued June 21, 2016)

1. The Commission hereby approves an amendment to paragraph 41 of the Stipulation and Consent Agreement (Agreement) among the Western Electricity Coordinating Council (WECC), Peak Reliability (Peak), the Office of Enforcement (Enforcement) and the North American Electric Reliability Corporation (NERC).¹ Under the amended paragraph 41, Peak will finalize any changes to its system operating limits (SOL) methodology related to the 1,000 MW threshold consistent with the effective date of the Reliability Standards that result from NERC Project 2015-09. Paragraph 56 of the Agreement will also be amended to require Peak to report semi-annually to Enforcement and NERC on the progress of its compliance with amended paragraph 41 until completed.
2. On May 24, 2016, in Docket No. IN14-11-000, Peak filed a motion that the Commission amend its May 2015 Order on an expedited basis. Peak sought to amend the May 2015 Order and attached Agreement, to extend the deadline for compliance with paragraph 41 of the Agreement. Peak's rationale was that the amendment would allow Peak to implement the results of a current Reliability Standard development process, known as Project 2015-09, which is directly applicable to the 1,000 MW threshold issue.

¹ *Western Electricity Coordinating Council*, 151 FERC ¶ 61,175 (2015) (May 2015 Order). The May 2015 Order approved the Agreement that provided, among other things, for WECC and Peak to complete certain mitigation and reliability activities (at PP. 25-55).

3. The Agreement arose out of the September 8, 2011 blackout that affected Arizona, Southern California and Baja California, Mexico. Peak is a party to the Agreement, because Peak was formed as a result of the bifurcation of WECC to assume WECC's Reliability Coordinator function for the Western Interconnection.

4. In paragraph 41 of the Agreement, as part of the agreed mitigation measures, Peak agreed to modify its SOL methodology to either justify a 1,000 MW threshold for finding SOLs to be interconnection reliability operating limits (IROLs), or implement another threshold with technical justification. The deadline for completing all mitigation measures, unless otherwise specified, was one year from the Effective Date of the Agreement, or May 26, 2016.²

5. Since the Agreement was approved on May 26, 2015, NERC commenced a standards development project known as Project 2015-09, which will provide industry-wide guidance on establishing and communicating SOLs and IROLs. Peak is actively involved in Project 2015-09 and chairs the team drafting the proposed Reliability Standards.³ On November 19, 2015, the Commission agreed in Order No. 817 that it is reasonable for "the specific regional difference of WECC's 1,000 MW threshold in IROLs," among other regional differences, to be addressed in Project 2015-09. *Transmission Operations Reliability Standards and Interconnection Reliability Operations and Coordination Reliability Standards*, Final Rule, Order No. 817, 153 FERC ¶ 61,178 at P 27 (2015).

6. Peak states that the requested change is in the public interest as "it prevents Peak from implementing further changes to its methodology while an industry-wide resolution is being developed."⁴ Peak also requested expedited action.

7. Peak states that Enforcement does not oppose Peak's request, and that NERC supports the request, as it is appropriate for Peak to revise its SOL methodology consistent with the NERC Reliability Standards development process.

² 151 FERC ¶ 61,175 at P 25 of Stipulation and Consent Agreement.

³ *Motion to Amend Order Approving Stipulation and Consent Agreement, Shortened Comment Period, and Expedited Commission Action of Peak Reliability* (May 24, 2016) at 4.

⁴ *Id.*

The Commission finds:

The amendments proposed by Peak to paragraphs 41 and 56 of the Agreement are in the public interest, and amendment of the May 2015 Order is unnecessary to effectuate the relief requested by Peak.

The Commission orders:

Paragraph 41 of the Agreement is hereby amended to provide that Peak will finalize any changes to its SOL methodology related to the 1,000 MW threshold consistent with the effective date of the Reliability Standards that result from NERC Project 2015-09. Paragraph 41 of the Agreement is hereby further amended to require that, if no Reliability Standards are finalized as part of Project 2015-09, within 60 days of Project 2015-09 ending, Peak will submit a schedule to Enforcement to implement paragraph 41. Paragraph 56 of the Agreement is hereby amended to require Peak to report semi-annually to Enforcement and NERC on the progress of its compliance with amended paragraph 41 until completed.

By the Commission. Chairman Bay is not participating.

(S E A L)

Kimberly D. Bose,
Secretary.