UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability Corporation	**)**	**Docket No. RM08-13-001**
	)	

MOTION FOR AN EXTENSION OF TIME
OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Pursuant to Rules 212 and 2008 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.2008 (2011), the North American Electric Reliability Corporation ("NERC") hereby requests an extension of time to submit a filing in the above referenced proceeding.

I. BACKGROUND

On July 30, 2008, NERC filed a Petition for Approval of Reliability Standard PRC-023-1 – Transmission Relay Loadability.[1] On May 21, 2009, the Commission issued a Notice of Proposed Rulemaking ("NOPR") that proposed to approve PRC-023-1 and to direct NERC to develop modifications to the standard.[2] NERC submitted comments in response to the NOPR on August 17, 2009.

On March 18, 2010, FERC issued Order No. 733 approving PRC-023-1 and directing several modifications:[3]

> In light of the ERO's statement that within two years it expects to submit to the Commission a proposed Reliability Standard addressing generator relay loadability, we direct the ERO to submit to the Commission an updated and specific timeline explaining when it expects to develop and submit this proposed Standard. While we recognize that generator relay loadability is a complex issue that presents different challenges than

[1] *Petition of the North American Electric Reliability Corporation for Approval of PRC-023-1 Reliability Standard*, Docket No. RM08-13-000 (July 30, 2008).
[2] *Transmission Relay Loadability Reliability Standard*, 127 FERC ¶ 61,175 (May 21, 2009).
[3] *Transmission Relay Loadability Reliability Standard*, 130 FERC ¶ 61,221 (2010) ("Order No. 733").

> transmission relay loadability, we note that more than six years have passed since the August 2003 blackout and there is still no Reliability Standard that addresses generator relay loadability. With this in mind, the Commission will not hesitate to direct the development of a new Reliability Standard if the ERO fails to propose a Standard in a timely manner...[4]

Order No. 733 also directed NERC to develop new Reliability Standards to address issues related to generator relay loadability and the operation of protective relays due to power swings. [5]

NERC filed a request for clarification and, in the alternative, rehearing of Order No. 733 on April 19, 2010.[6] On February 17, 2011, FERC issued Order No. 733-A granting clarification and, in part, rehearing of Order No. 733.[7] Specifically, Order No. 733-A clarified that certain "mandatory language" regarding Order No. 733 directives "conflicts with the Commission's references to Order No. 693 and creates the impression that the Commission prohibited NERC from developing an equally effective and efficient approach to the approach the Commission laid out in the order." Moreover, Order No. 733-A affirmed that the Commission "did not intend to prohibit NERC from exercising its technical expertise to develop a solution to an identified reliability concern that is *equally effective and efficient* as the one proposed in Order No. 733."[8] The Commission also granted a twenty-four month extension for NERC to comply with the Final Rule.[9]

On August 19, 2010, NERC posted a Standards Authorization Request ("SAR") and draft standard for Project 2010-13 — Relay Loadability Order for public comment.[10] The SAR for Project 2010-13 subdivided standard development related to Order No. 733 directives into three

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[4] Order No. 733 at P 105.
[5] *Id*. at PP 106, 150.
[6] *Request of the North American Electric Reliability Corporation for Clarification and, in the Alternative, Rehearing of Order No. 733*, Docket No. RM08-13-001 (April 19, 2010).
[7] *Order on Rehearing, Clarification, and Request for an Extension of Time*, 134 FERC ¶ 61,127 (February 17, 2011) ("Order No. 733-A").
[8] Order No. 733-A at P 11 (*emphasis added*).
[9] Order No. 733-A at P 5.
[10] NERC Project 2010-13 SAR, Standards Announcement, available at: http://www.nerc.com/docs/standards/sar/Standards%20Announcement_final.pdf.

phases. Phase I focused on the directives requiring modifications to various elements within PRC-023-1. Phase II focused on the directives associated with development of a new standard to address generator relay loadability. Phase III focused on directives associated with developing requirements to address protective relay operations due to power swings.

II. MOTION FOR EXTENSION

By this motion, NERC is requesting an extension of time to address the directive in Order No. 733 to develop a new generator relay loadability standard, in accordance with NERC's Reliability Standards Development Plan 2012-2014.[11] As set forth in NERC's April 5, 2011 informational filing ("April 5 Informational Filing"),[12] NERC adopted a prioritization tool to assist in determining the relative priorities of projects within the NERC Standards Development portfolio. The generator relay loadability standard was not identified as a high priority project in the prioritization analysis. Therefore, NERC is requesting that the generator relay loadability project be postponed in order to focus industry resources on projects that have higher overall reliability impact. As NERC stated in the April 5 Informational Filing:

> This [prioritization] tool consider[s] various factors, including regulatory actions, overall reliability impact, stakeholder and staff experience, and project logistics. Assisted by that prioritization tool, the [NERC] Standards Committee identified a set of projects to which the majority of NERC and industry resources are being assigned. Projects already in progress that are not within this set are being moved into an "informal development" phase, where the industry may continue to perform research and analysis expected to aid in future standards development. Additionally, several projects that have not yet started have had their initiation postponed.[13]

Based on the results of NERC's 2012-2014 prioritization effort and associated work plan development, the proposed Phase II of Project 2010-13— Relay Loadability Order is expected to

[11] NERC's Board of Trustees approved the Reliability Standards Development Plan 2012-2014 on November 3, 2011.
[12] *North American Electric Reliability Corporation Reliability Standards Development Plan 2011-2013 Informational Filing Pursuant to Section 310 of the NERC Rules of Procedure*, Docket Nos. RM05-17-000, RM05-25-000, RM06-16-000 (April 5, 2011).
[13] April 5 Informational Filing at p. 2.

be moved from informal development back into formal development in the fourth quarter of 2012. This expectation relies on an assumption that current standards development project forecasts are correct, and that project priorities will not change before commencement of this project. However, under NERC's current processes, NERC's Standards Committee considers the regulatory, reliability, and logistical issues associated with projects to create or modify NERC standards, then determines the manner in which industry resources and NERC staff are deployed to create or modify those standards. Changes in resources, priorities, or other factors may result in an earlier or later expected date of initiation. Additionally, all new and modified standards must be developed following the steps outlined in the current NERC Standard Processes Manual, which ensures an open and inclusive stakeholder process through adherence to ANSI standards development principles. Accordingly, NERC's development of consensus support may also affect the initiation date.

Given the above, NERC currently forecasts that the standard or standards associated with this project will be completed and filed by the end of the third quarter of 2014. However, because development of this project has been continued on an informal basis for much of 2011, it may be that the project is completed sooner. As the April 5 Informational Filing anticipated, future prioritizations may vary and "new priorities may be created as our experience grows, as new risks are identified, that will create an ongoing need to be flexible in work planning to ensure the activities most in the interest of bulk power system reliability are given appropriate resources and priority."[14] NERC will continue to provide status updates to the Commission through the annual filings of the *Reliability Standards Development Plan* regarding the estimated start and completion dates of this project.

[14] *Id.*

NERC has agreed in the past and continues to agree that generator relay loadability is an issue that needs to be addressed. However, there are limits to how many projects may be undertaken at any one time by NERC staff and the industry volunteers that NERC relies upon to bring these projects to a successful conclusion.

III. CONCLUSION

WHEREFORE, in consideration of the foregoing, NERC respectfully requests that an extension of time be granted until the end of the third quarter of 2014 to complete this project, consistent with the results of the Reliability Standards Development Plan 2012-2014 and the associated results of the NERC prioritization tool.

Respectfully submitted,

/s/ *Willie L. Phillips*

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 22nd day of November, 2011.

/s/ Willie L. Phillips
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Attorney for North American Electric Reliability Corporation