

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Transmission Planning Standards

Industry Webinar: Footnote 'b'

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- Brief history
- Overview of “as posted” draft standard
- Changes since last posting
- Summary of needs addressed in proposal
- Major objections raised during comment period
- Balloting and next steps
- Section 321 of Rules of Procedure
- Factors to consider
- Question and answer session

What is the current Footnote 'b'?

Table I. Transmission System Standards — Normal and Emergency Conditions

- b) Planned or controlled interruption of electric supply to **radial customers or some local Network customers**, connected to or supplied by the Faulted element or by the affected area, may occur in certain areas without impacting the overall reliability of the interconnected transmission systems. To prepare for the next contingency, system adjustments are permitted, including curtailments of contracted Firm (non-recallable reserved) electric power Transfers.

- Issue first raised by FERC in Order No. 693 issued in March 2007 directing NERC to clarify the Reliability Standard
- In its March 18, 2010 Order, FERC directed NERC to clarify footnote 'b' by March 31, 2011
- Revisions to footnote 'b' in the existing TPL standards were filed on March 31, 2011

- Order No. 762 was issued in April 2012 that:
 - Remanded the TPL Standards (with footnote 'b' revision) to NERC
 - Directed NERC to develop an appropriate modification using the expedited development process
 - Provided guidance on acceptable approaches that addressed Commission concerns
 - Directed NERC to issue a Section 1600 Data Request to collect information about the current utilization of footnote 'b'
- Order on reconsideration issued in August 2012:
 - Granted NERC's request to use the typical development process based on the commitment to deliver a new footnote 'b' to the NERC Board of Trustees (BOT) for a vote at its February 2013 meeting

- Notice of Proposed Rulemaking (NOPR) was issued in April 2012 that:
 - Proposed to remand TPL-001-2 (new TPL standard)
 - Similar objections for footnote 12 since it has the same principles as the revised footnote 'b'
 - NOPR indicates a rapid resolution of this one matter will allow consideration of other TPL improvements

- The starting point for the current draft was the industry and NERC BOT approved standard
- As a result of the remand order, the Standard Drafting Team (SDT) made two major changes to the previously approved standard
 - Limited use of footnote 'b' to 75 MW max
 - Added Attachment 1 to provide the required details to the stakeholder process that had been previously approved by industry

- Utilized NERC 1600 Data Request to establish threshold value and 75 MW limit
- 100% participation (189 respondents)
 - 171 respondents (90%) reported no instances where they utilized footnote 'b' in their planning process
 - 18 respondents (10%) reported instances where they utilized footnote 'b'
- 78 instances were reported
- Maximum value reported – 75 MW
- Average value – 19.5 MW

- Attachment 1:
 - Section I – Provides required details for the stakeholder process
 - Section II – Outlines the information needed for inclusion in the process
 - Section III - Describes instances where additional steps are required

- Key components for application of Footnote
 - Utilization of footnote cannot exceed 75 MW of planned Non-Consequential Load Loss
 - In the Long-Term Transmission Planning Horizon, planner documents use of footnote
 - In the Short-Term Transmission Planning Horizon, planner must meet conditions of Section I and Section II of Attachment 1
 - In addition, before footnote can be applied in Year One of the Planning Assessment, Section III defines the circumstances where additional actions are required

- In the main body of footnote ‘b’, clarified that Consequential Load Loss and Interruptible Demand (or DSM) are not counted toward the 25 MW or 75 MW thresholds
- Clarifications of two items in Section II of Attachment A
 - In Item 2b, changed “Assessment” to “An explanation”
 - In Item 5, changed “mitigate” to “alleviate”
- Minor clarifications in Section III of Attachment A
 - Changed “assure” to “ensure”
 - Made regulatory authority references consistent

- With this draft standard, the SDT has:
 - Clearly defined the parameters of the stakeholder process
 - Established a quantitative criteria by limiting the maximum amount of Non-Consequential Load Loss that can be planned to be interrupted using the footnote to 75 MW

- The 75 MW cap will require construction of major Transmission projects with little or no real benefit
 - While a construction alternative may be the best alternative, there are other ways to alleviate the need
 - Change Transmission configuration
 - Change generation dispatch
 - Use conditional Firm Transmission Service
 - Convert Firm Demand to Interruptible Demand
 - Utilize Demand Side Management

- The use of Footnote ‘b’ and any limitations should be set by local regulators
 - FERC addressed this with Order 693 in March 2007 (see paragraphs 1792 – 1794)
 - FERC considers this matter to be a fundamental issue of Transmission service anticipating no planned interruption and directed the ERO to clarify the standard while considering comments through the standards development process

- Revised TPL-002-1c (footnote 'b') and TPL-001-2a (footnote 12) are posted for a successive ballot ending on January 11, 2013
- Results will be submitted to the NERC BOT for consideration at their February 7, 2013 meeting
- Action taken by the BOT will depend on ballot results
 - An affirmative vote will result in normal processing and filing of the revised standards
 - A negative vote could result in the consideration of utilization of Section 321 of the Rules of Procedure

- Developed to address the mandated obligation of the ERO to respond to FERC directives and remanded standards
- Establishes guidelines and procedures to give the BOT the ability to file standards that meet FERC directives that may not have enough industry support to be approved under normal circumstances

- Clarification efforts for Footnote 'b' and the other requirements of TPL standards have been on-going for 5+ years and the BOT approved TPL-001-2 cannot be finalized until the footnote 'b' issue is resolved
- BOT approved TPL-001-2 provides many improvements including:
 - Addresses FERC Order 693 directives
 - Addresses planning concerns raised in Order 754
 - Removes ambiguity and provides more certainty for planning



Question and Answer Session

Website: http://www.nerc.com/filez/standards/Project2010-11_TPL_Table-1_Order.html