

Consideration of Comments on Re-ballot — EOP-002-2 — Brookfield Power Request for Interpretation (Project 2008-07)

Summary Consideration: The majority of those balloters who submitted a negative vote expressed concern that a source Balancing Authority (BA) does not know the status of the energy/transmission. The Operating Reliability Subcommittee Executive Committee (ORS EC), which is serving as the drafting team for the interpretation, believes that from a reliability perspective, the source BA and other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. The ORS EC explains that in some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.

A few commenters had concerns about the use of firm Point-to-Point Transmission Service. This interpretation is meant to only cover the firmness of the energy component of the energy transactions, regardless of the type of Transmission Service. The interpretation states “EOP-002-2 addresses capacity and energy emergencies (i.e., a capacity/energy shortage, compliance with Control Performance (CPS) and Disturbance Control Standards (DCS), etc.), and the steps to be taken in their event. This standard does not specify the curtailment sequence to use for interruptible loads or non-firm/firm exports based on the type of transmission service being utilized. Curtailment procedures for transmission service are addressed in IRO-006-4 and are not tied to control actions identified in EOP-002-2.” It is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.

Voter	Entity	Segment	Vote	Comment
Kirit S. Shah	Ameren Services	1	Negative	To the extent a BA is experiencing an emergency; they need ALL the help they can get. The revised interpretation limits what they can curtail. To the extent an “export” is originating in a remote BA (AND IT IS NOT a DNR for the sink) and is a “wheel through” for the intermediate BA who is in trouble, then the intermediate should be allowed to cut the export portion from their system to help alleviate the emergency. From our perspective, the added words do not add to but may detract from reliability.
<p>Response: The ORS EC believes there can be firm energy that is not available for curtailment by a BA experiencing an energy deficiency. If all transactions were available for curtailment, there would be no instances of a company building a generator outside of its balancing area due to the unreliability of the service. It is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
Scott Kinney (1) Edward F. Groce (5)	Avista Corp.	1,5	Negative	<p>A “source” BA does not necessarily know which exported resources are designated as Network Resources in the “sink” BA. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are</p>

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				already incorporated into operating procedures and exports would be curtailed.
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
Catherine Koch	Puget Sound Energy, Inc.	1	Negative	<p>PSE believes is no way for the source BA to be able to differentiate between schedules that are designated network resources versus firm energy transactions. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation. In order for the source BA to be able to differentiate, the E-tag Specifications would have to be modified to add an identifier for designated resources.</p> <p>Alternatively, compliance could be accomplished using the existing E-tag Specifications if this interpretation were modified to clearly indicate that R6.3 is where curtailment of non-firm exports is addressed, and that R7.2 is where curtailment of firm exports, regardless of designation, is addressed.</p>
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
Pawel Krupa (1) Dana Wheelock (3) Hao Li (4)	Seattle City Light	1,3,4	Negative	<p>A "source" BA does not necessarily know which exported resources are designated as Network Resources in the "sink" BA. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are already incorporated into operating procedures and exports would be curtailed.</p> <p>Perhaps the INT Standards should be amended to include the Network Resources designation on the electronic tags that would allow BA operators to quickly determine which transaction could be curtailed.</p>

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<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
<p>Donald S. Watkins (1) Francis J. Halpin (5)</p>	<p>Bonneville Power Administration</p>	<p>1,5</p>	<p>Negative</p>	<p>BPA's No vote is for the following reasons:</p> <ol style="list-style-type: none"> 1. Under the proposal, if two loads in a common BA are both importing firm energy from another BA, but one load is served via a Network contract and the other load is served via a Point-to-Point contract, the firm energy delivered via the Point-to-Point contract would be curtailed but the firm energy delivered via the Network contract would not. The importing BA will just as likely have an energy shortage when the firm energy is cut under the Point-to-Point contract as it would if the Network contract was curtailed. Given this, BPA fails to understand how the drafting team can say a network resource is a higher priority than any other firm energy transaction being used to serve load in an external BA. 2. In response to a number of similar comments, the Subcommittee continues to assert that it is focused only on the firmness of the energy as opposed to the type of Transmission Service. But in defining which exported resources need to be cut in an emergency, the language of the proposed interpretation utilizes transmission service definitions of "Network Resource" and "Designation of Network Resources" from FERC Order 890. The result is a directive to exclude firm service for Network Resources, which are defined in terms of taking Network Integration Transmission Service, from these cuts. But a "source" BA does not necessarily know which exported resources are designated as Network Resources in the "sink" BA. A customer in a sink BA may use Firm Point-to-Point Transmission Service in the source BA for the export of firm energy to the boundary with the sink BA, but then designate the firm energy as a Network Resource in the sink BA. In this real scenario, the source BA will not know that the Point-to-Point export has a Network Resource designation in the sink BA. If the Subcommittee intends to focus on the firmness of the energy component of a transaction, it should not be referencing types of transmission service in its interpretation. 3. In the Western Interconnection, BAs simultaneously export and import energy from one another. In an energy emergency, prescribing curtailment of firm exports may actually harm interconnection-wide reliability and worsen the BA's energy shortage situation if firm exports are curtailed. For example, if a BA is directed to curtail firm exports yet is also counting on imports from an adjacent BA to serve load, an energy

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				<p>imbalance situation may occur if the adjacent BA is dependent on those exports for load service. The revised interpretation to force curtailment of firm exports to resolve an energy imbalance on one BA's system may force a reliability problem onto neighboring BAs where none existed to begin with. The interpretation should be modified to indicate that the BA with the energy shortage should curtail all nonfirm exports and take appropriate actions for the situation, in conjunction with the RC, without causing interconnection-wide reliability problems.</p> <p>4. In Order 693, FERC directed that COM-002-2 be revised to include a requirement for the RC to assess and approve actions that have impacts beyond the area views of transmission operators and balancing authorities. That revision process is underway. Given that direction, it seems imprudent for an interpretation of EOP-002-2 to suggest that there is no role for the RC in determining whether specific actions proposed to be taken by a BA because of an energy emergency in its BA Area can or should be taken.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are already incorporated into operating procedures and exports would be curtailed.</p> <p>Coordinating actions through the Reliability Coordinator and adjacent BA's (time permitting) is the best course of action. The RC can assess the impact of a curtailment to the Interconnection and/or an adjacent BA. The interpretation should be modified to indicate that the BA with the energy shortage should take appropriate actions for the situation, in conjunction with the RC, without causing interconnection-wide reliability problems.</p>

Response: The role of ORS EC in this instance is to provide an interpretation for the implementation of standard EOP-002-2 Requirements 6.3 and 7.1. Although the ORS EC is in agreement with your comment concerning revisions to standard EOP-002-2, this is outside the scope of this project. However, the ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications to EOP-002-2.

The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information.

With regards to your comment concerning firm Point-to-Point Transmission Service, this interpretation is meant to only cover the firmness of the energy component of the energy transactions, regardless of the type of Transmission Service. As stated in the interpretation, "EOP-002-2 addresses capacity and energy emergencies (i.e., a capacity/energy shortage, compliance with Control Performance (CPS) and Disturbance Control Standards (DCS), etc.), and the steps to be taken in their event. This standard does not specify the curtailment sequence to use for interruptible loads or non-firm/firm exports based on the type of transmission service being utilized. Curtailment procedures for transmission service are addressed in IRO-006-4 and are not tied to control actions

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<p>identified in EOP-002-2.” In addition, it is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
<p>Dilip Mahendra</p>	<p>Sacramento Municipal Utility District</p>	<p>1</p>	<p>Negative</p>	<p>SMUD would like to see the following concerns addressed:</p> <p>There is no way for the source BA to be able to differentiate between schedules that are designated network resources versus firm energy transactions. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation. In order for the source BA to be able to differentiate, the E-tag Specifications would have to be modified to add an identifier for designated resources.</p> <p>Alternatively, compliance could be accomplished using the existing E-tag Specifications if this interpretation were modified to clearly indicate that R6.3 is where curtailment of non-firm exports is addressed, and that R7.2 is where curtailment of firm exports, regardless of designation, is addressed.</p> <p>Under the proposal, if two loads in a common BA are both importing firm energy from another BA, but one load is served via a Network contract and the other load is served via a Point-to-Point contract, the firm energy delivered via the Point-to-Point contract would be curtailed but the firm energy delivered via the Network contract would not. The importing BA will just as likely have an energy shortage when the firm energy is cut under the Point-to-Point contract as it would if the Network contract was curtailed.</p> <p>A “source” BA does not necessarily know which exported resources are designated as Network Resources in the “sink” BA.</p> <p>In the Western Interconnection, BAs simultaneously export and import energy from one another. In an energy emergency, prescribing curtailment of firm exports may actually harm interconnection-wide reliability and worsen the BA’s energy shortage situation if firm exports are curtailed.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are already incorporated into operating procedures and exports would be curtailed.</p>

Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of

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<p>the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p> <p>With regards to your comment concerning firm Point-to-Point Transmission Service, this interpretation is meant to only cover the firmness of the energy component of the energy transactions, regardless of the type of Transmission Service. As stated in the interpretation, "EOP-002-2 addresses capacity and energy emergencies (i.e., a capacity/energy shortage, compliance with Control Performance (CPS) and Disturbance Control Standards (DCS), etc.), and the steps to be taken in their event. This standard does not specify the curtailment sequence to use for interruptible loads or non-firm/firm exports based on the type of transmission service being utilized. Curtailment procedures for transmission service are addressed in IRO-006-4 and are not tied to control actions identified in EOP-002-2." In addition, it is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
<p>William Mitchell Chamberlain</p>	<p>California Energy Commission</p>	<p>9</p>	<p>Negative</p>	<p>I am voting against this because it does not seem that it has adequately reduced the level of ambiguity and it should go back for further discussion. The following views of entities who participate in the electricity market in the West have convinced me that this interpretation needs more work:</p> <p>There is no way for the source BA to be able to differentiate between schedules that are designated network resources versus firm energy transactions. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation. In order for the source BA to be able to differentiate, the E-tag Specifications would have to be modified to add an identifier for designated resources.</p> <p>Alternatively, compliance could be accomplished using the existing E-tag Specifications if this interpretation were modified to clearly indicate that R6.3 is where curtailment of non-firm exports is addressed, and that R7.2 is where curtailment of firm exports, regardless of designation, is addressed.</p> <p>Under the proposal, if two loads in a common BA are both importing firm energy from another BA, but one load is served via a Network contract and the other load is served via a Point-to-Point contract, the firm energy delivered via the Point-to-Point contract would be curtailed but the firm energy delivered via the Network contract would not. The importing BA will just as likely have an energy shortage when the firm energy is cut under the Point-to-Point contract as it would if the Network contract was curtailed.</p> <p>A "source" BA does not necessarily know which exported resources are designated as Network Resources in the "sink" BA.</p> <p>In the Western Interconnection, BAs simultaneously export and import energy from one</p>

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				<p>another. In an energy emergency, prescribing curtailment of firm exports may actually harm interconnection-wide reliability and worsen the BA's energy shortage situation if firm exports are curtailed.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are already incorporated into operating procedures and exports would be curtailed.</p>
<p>Response: The ORS EC believes that from a reliability perspective the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p> <p>With regards to your comment concerning firm Point-to-Point Transmission Service, this interpretation is meant to only cover the firmness of the energy component of the energy transactions, regardless of the type of Transmission Service. As stated in the interpretation, "EOP-002-2 addresses capacity and energy emergencies (i.e., a capacity/energy shortage, compliance with Control Performance (CPS) and Disturbance Control Standards (DCS), etc.), and the steps to be taken in their event. This standard does not specify the curtailment sequence to use for interruptible loads or non-firm/firm exports based on the type of transmission service being utilized. Curtailment procedures for transmission service are addressed in IRO-006-4 and are not tied to control actions identified in EOP-002-2." In addition, it is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
Robert Temple	Western Area Power Administration	1	Negative	<p>There is no way for the source BA to be able to differentiate between schedules that are designated network resources versus firm energy transactions. The Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation. In order for the source BA to be able to differentiate, the E-tag Specifications would have to be modified to add an identifier for designated resources.</p> <p>Alternatively, compliance could be accomplished using the existing E-tag Specifications if this interpretation were modified to clearly indicate that R6.3 is where curtailment of non-firm exports is addressed, and that R7.2 is where curtailment of firm exports, regardless of designation, is addressed.</p> <p>Under the proposal, if two loads in a common BA are both importing firm energy from another BA, but one load is served via a Network contract and the other load is served via a Point-to-Point contract, the firm energy delivered via the Point-to-Point contract</p>

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				<p>would be curtailed but the firm energy delivered via the Network contract would not. The importing BA will just as likely have an energy shortage when the firm energy is cut under the Point-to-Point contract as it would if the Network contract was curtailed.</p> <p>A “source” BA does not necessarily know which exported resources are designated as Network Resources in the “sink” BA.</p> <p>In the Western Interconnection, BAs simultaneously export and import energy from one another. In an energy emergency, prescribing curtailment of firm exports may actually harm interconnection-wide reliability and worsen the BA’s energy shortage situation if firm exports are curtailed.</p> <p>There are too many variables and circumstances to take into consideration in determining the best course of action to take during an energy or capacity emergency to mandate shedding firm load before curtailing an export as this interpretation suggests. In some cases, there will not be time to coordinate curtailing exports. In other cases, shedding firm load is the best option. In still other cases, agreements are already incorporated into operating procedures and exports would be curtailed.</p>
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p> <p>With regards to your comment concerning firm Point-to-Point Transmission Service, this interpretation is meant to only cover the firmness of the energy component of the energy transactions, regardless of the type of Transmission Service. As stated in the interpretation, “EOP-002-2 addresses capacity and energy emergencies (i.e., a capacity/energy shortage, compliance with Control Performance (CPS) and Disturbance Control Standards (DCS), etc.), and the steps to be taken in their event. This standard does not specify the curtailment sequence to use for interruptible loads or non-firm/firm exports based on the type of transmission service being utilized. Curtailment procedures for transmission service are addressed in IRO-006-4 and are not tied to control actions identified in EOP-002-2.” In addition, it is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
Douglas E. Hils	Duke Energy Carolina	1	Negative	<p>This Interpretation goes too far in trying to resolve issues that should be dealt with in a SAR to revise the standard. The Interpretation should only say that in Requirement R6.3, the word “interruptible” modifies the word “load”, and not the word “exports”. How the BA determines which exports should be curtailed for interruption under an energy emergency is not within the scope of EOP-002-2.”</p>
<p>Response: The role of the ORS EC in this instance is to provide an interpretation for the implementation of Standard EOP-002-2 Requirements 6.3 and 7.1.</p>				

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<p>Although the ORS EC is in agreement with your comment concerning revisions to standard EOP-002-2, this is outside the scope of this project. However, the ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications to EOP-002-2.</p> <p>With regards to your comment concerning Requirement 6.3, the ORS EC agrees that the word “interruptible” only modifies the word “load.” However, the ORS EC disagrees with your comment concerning exports available for interruption not being covered in EOP-002-2. Standard EOP-002-2 does address the curtailment of non-firm energy sales. The ORS EC believes that a non-firm energy sale is any sale that is not designated to serve firm load and is therefore available for interruption.</p>				
Ronald D. Schellberg	Idaho Power Company	1	Negative	Failed to address Initial comments at all. The interpretation can not be managed based upon present day information. Secondly, no tariff basis for creating new class of service. interpretation is creating a new non-tariff curtailment category.
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
Robert Williams	PacifiCorp	1	Negative	<p>PacifiCorp shares the concern expressed by some of the members of the WECC Market Interface Committee (MIC) that a “source” Balancing Authority (BA) does not necessarily know which exported resources are designated as Network Resources in the “sink” BA.</p> <p>In addition, although the interpretation clarifies that the standard does not specify the curtailment sequence to use for interruptible loads or nonfirm/ firm exports based on the type of transmission service being utilized, it nevertheless has the potential to create confusion with or conflict with the transmission curtailment priority specified in PacifiCorp’s Open Access Transmission Tariff (OATT) Section 13.6, which requires that the Transmission Provider curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a comparable basis, which PacifiCorp interprets to mean pro rata curtailment.</p> <p>PacifiCorp requests that, to the extent that the control actions identified in EOP-002-2 result in a potential conflict with the transmission curtailment priority specified in the OATT, that this be clarified or addressed in a revised interpretation.</p>
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				

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<p>The ORS EC does not believe that this interpretation crates any conflict with other documents. It is the belief of the ORS EC that this interpretation would be superseded by an entity's filed OATT.</p>				
<p>Michael Ibold (3)</p> <p>David F. Lemmons (6)</p>	<p>Xcel Energy, Inc.</p>	<p>3,6</p>	<p>Negative</p>	<p>Xcel Energy opposes the revised interpretation. Xcel Energy still believes there is no way for the source BA to be able to differentiate between schedules that are designated network resources versus firm energy transactions. We believe that the Balancing Authority requires additional information to differentiate between these two types of transactions in order to comply with the proposed interpretation. In order for the source BA to be able to differentiate, the E-tag Specifications would have to be modified to add an identifier for designated resources. We believe the development and implementation of this programming change could take 6-18 months. Compliance could not be accomplished until the program modifications were complete and implemented nationwide. Further, such an effort to modify the E-tag specification would bring into question what compliance mechanism would be use to validate the claims made as to network resource designation in cases where there was not a common regional transmission tariff administrator covering the various legs of the tagged transaction.</p> <p>Alternatively, compliance could be accomplished using the existing E-tag Specifications if this interpretation were modified to clearly indicate that R6.3 is where curtailment of non-firm exports is addressed, and that R7.2 is where curtailment of firm exports, regardless of designation, is addressed.</p> <p>However, as stated in our comments to the previous draft, Xcel Energy believes the interpretation proposed by the drafting team is in conflict with FERC's definition of firm transactions. There is a FERC definition of firm in the FERC Form 1 at the top of page 310. There have also been numerous Commission and US Circuit Court proceedings which establish curtailment rights and obligations. We consider this proposed standard interpretation of "firm" to be in violation of the established definitions, regulatory determinations and court precedent.</p> <p>Xcel Energy also wishes to point out that not all transactions sourcing from a Balancing Authority originate from resources owned by the Balancing Authority, so this interpretation does obligate the source Balancing Authority to in effect confiscate energy produced by non-affiliated generators if the energy is not sinking inside of the source Balancing Authority. This third-party confiscation issue is a legal and contractual matter that does not appear to have been well considered by the interpretation drafting team. Compliance with the standard and interpretation can't be accomplished otherwise unless the Balancing Authority was a monolithic utility entity, owning all generation resources within its boundary, which is hardly the case in most of the industry. The problem lies with the wording used in the interpretation that states "that all exports</p>

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				<p>originating within the boundaries of the Balancing Authority.” (emphasis added) must be curtailed. With this wording, it is very clear for compliance purposes that an export originating from a generator unaffiliated with the source Balancing Authority must also be curtailed in order to comply with this interpretation.</p> <p>Although we do not concur with the proposed interpretation at all, we feel that the following sentence should be modified, as indicated, in order to resolve another possible problem with the curtailment requirement: “When considering actions to be taken to comply with EOP-002-2 Requirement R6.3, it is intended that all exports originating within the boundaries of the Balancing Authority experiencing the deficiency, firm and nonfirm, are available for curtailment with the exception of those exports designated as network resources for an external Balancing Authority entity.” Without this change, only those resources designated as a network resource for an external Balancing Authority would be spared from curtailment, while other designated network resource schedules would have to be curtailed. Under the NERC Functional Model, Load Serving Entities would be more likely to designate network resources, not Balancing Authorities.</p>
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests this information and is receiving the information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p> <p>It is not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load but instead it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p> <p>The ORS EC does not believe that the proposed modification provides any further clarity to the interpretation and is reinforced by the majority of the industry voting to accept the interpretation as it presently reads.</p>				
David Hawkins	California ISO	2	Negative	<p>The inclusion of Network Resources in the interpretation is an obfuscation of the fundamental issue. The interpretation is becoming prescriptive on “HOW” the BA has to meet the standard and this is unacceptable. The BA should have the option of cutting firm exports to meet the standard but this should not be a requirement. The BA may have good reasons to honor the contract commitments and should have the flexibility in making decisions and taking action to meet the standard.</p>
<p>Response: The ORS EC is not defining a “how” approach in curtailment of transactions by a BA in this interpretation. The interpretation states that all exports “are available” for curtailment.</p>				

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Robert Kondziolka (1) John T. Underhill (3) Glen Reeves (5) Mike Hummel (6)	Salt River Project	1,3,5,6	Negative	The NERC ORS is overstepping its bounds in defining what schedules qualify for being cut under emergency conditions. This is a contractual issue between parties. In addition, just because an entity designates a Network Resource, it doesn't mean that other resources the entity controls aren't being marketed to a 3rd party.
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p> <p>It is also not the intention of this interpretation of EOP-002-2 Requirements 6.3 and 7.1 to place a burden on an external BA by confiscating exports designated to serve firm load; instead, it is the belief of the ORS EC that the BA experiencing the energy deficiency should manage the deficiency.</p>				
Matt Wolf (3) William Franklin (6)	Entergy Services, Inc.	3,6	Negative	Basing curtailments of off-system schedules on whether the schedule is ultimately designated as a network resource or not is not correct. The authors have taken a couple of quotes from the FERC order 890 and misapplied them. There are various types of "firm" sales that can qualify as a network resource. A unit firm sale is an example of a sale that is typically more firm than native load. A system firm sale is typically a wholesale sale that is curtailed either prorata or just before firm load is curtailed. The FERC has clearly ruled that the buyer may specify these types of transactions as a network resource as long as the transaction cannot be curtailed by the seller for economic reason. The approach proposed in the interpretation would only be workable if all off-system sales from all sellers that are designated as a network resource had a curtailment priority that was higher than native load. Each BA must be given the latitude to manage the curtailments of export sales and native load curtailments as appropriate for their situation. As we previously stated, we believe the authors are going beyond just providing an interpretation of an existing standard.
<p>Response: The ORS EC believes that from a reliability perspective, the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use</p>				

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Voter	Entity	Segment	Vote	Comment
the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.				
Sheryl Torrey	Nevada Power Co.	3	Negative	It is not practical to expect the Source BA to identify which exports have been designated as Network Resources by another entity. It would be more reasonable to curtail based on transmission type (ex. non-firm versus firm).
<p>Response: The ORS EC believes that from a reliability perspective the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
Karl Bryan	U.S. Army Corps of Engineers Northwestern Division	5	Negative	I still don't see where the issue of network resource energy is being addressed. If another Rel Stndrd needs to be developed to deal with identifying and coordinating network resources in the source/sink/and intermediary BAs, then develop that Rel Stndrd prior to proceeding with this interpretation.
<p>Response: The ORS EC believes that from a reliability perspective the source BA in addition to other reliability functions should be aware of the firmness of the generation capacity and the transmission priority. In some systems, the source BA already requests and receives this information. The ORS EC will use the standards development process to issue a development plan input form identifying the necessary modifications needed to ensure the transfer of this information.</p>				
Linda Campbell	Florida Reliability Coordinating Council	10	Negative	The changes do not really seem to address the comments on the first ballot.
<p>Response: For the reasons stated in the interpretation, the ORS EC disagrees with your comment concerning curtailment of firm exports. This interpretation is intended to address implementation of EOP-002-2 Requirements 6.3 and 7.1 for energy emergencies and is not intended to address transmission service curtailments resulting from TLRs addressed in the IRO standards.</p>				

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Voter	Entity	Segment	Vote	Comment
Terry Bilke	Midwest ISO, Inc.	2	Affirmative	<p>The official interpretation should only be the very last paragraph. NERC standards should not attempt to interpret tariffs. It is quite likely there are many other contractual arrangements, grandfathered service and other non-OATT obligations that must be followed when curtailments occur. The BA will be held accountable under those provisions if they do not curtail in the proper sequence. Any future drafting team assigned to this standard should consider requirements on cooperation needed to support BAs experiencing deficiencies. This, for example, would allow continuation of energy flowing from external undesignated resources to a Balancing Authority experiencing a deficiency, without the standard encroaching on tariff provisions. Future drafting teams should also realize that the requirements, as stated, have a larger loop hole. A BA experiencing a deficiency will likely not be in danger of failing CPS unless the event lasts for days. DCS may not apply if the BA did not experience a reportable event. Such future changes are outside the scope of the interpretation at hand.</p>
<p>Response: The ORS EC acknowledges your affirmative response and clarifying comment.</p>				
Harvie D. Beavers	Colmac Clarion/Piney Creek LP	5	Affirmative	<p>All 'business' aspects may be ignored to avoid 'failure' of the system.</p>
<p>Response: The ORS EC acknowledges your affirmative response and clarifying comment.</p>				