

Revised Interpretation of EOP-002-2 — Capacity and Energy Emergencies Requirement R6.3 and Requirement R7.1 for Brookfield Power

Request for Interpretation of EOP-002-2 Requirement R6.3 and Requirement R7.1 received from Brookfield Power on January 31, 2008:

Brookfield Power specifically requests interpretation of EOP-002-2 Requirements R6.3 and R7.1 with respect to the type of export to be curtailed in conjunction with curtailment of interruptible load and firm load, respectively, to address a Balancing Authority Area's control performance and disturbance control issues. Brookfield Power asks if, to assist in complying with Control Performance and Disturbance Control Standards, R6.3 requires that only non-firm export shall be curtailed when interruptible load is curtailed whereas R7.1 requires that firm export shall be curtailed when firm load is curtailed. Brookfield Power cites the IRO-006-4 Standard as the basis for its interpretation of EOP-002-2 Requirement R7.1.

R6. If the Balancing Authority cannot comply with the Control Performance and Disturbance Control Standards, then it shall immediately implement remedies to do so. These remedies include, but are not limited to:

R6.3 Interrupting interruptible load and exports.

R7. Once the Balancing Authority has exhausted the steps listed in R6, or if these steps cannot be completed in sufficient time to resolve the emergency condition, the Balancing Authority shall:

R7.1 Manually shed firm load without delay to return its ACE to zero; and

The following revised interpretation of EOP-002-2 — Capacity and Energy Emergencies Requirement R6.3 and Requirement R7.1 was developed by the Executive Committee of the NERC Operating Reliability Subcommittee on April 21, 2008.

The request for interpretation of EOP-002-2 Requirement R6.3 and R7.1 focuses on the treatment of export transactions during emergency operations. The issue in question is the firmness of the energy component of export transactions. The NERC Glossary of Terms Used in Reliability Standards does not contain a definition of “firm exports.” However, to determine the firmness of an export it is important to understand how network resources are defined. FERC Order 890 provides for the following definitions:

Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. (FERC Order 890, Appendix B, Section 1.27)

Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale

to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources. (FERC Order 890, Appendix B, Section 30.1)

When considering actions to be taken to comply with EOP-002-2 Requirement R6.3, all exports originating within the boundaries of the Balancing Authority experiencing the deficiency, firm and non-firm, are available for curtailment with the exception of those exports designated as network resources for an external Balancing Authority. If a capacity or energy emergency still exists after all exports have been curtailed with the exception of those related to a network resource designated to an external Balancing Authority then EOP-002-2 Requirement R7.1 would take effect and firm load would be shed while the designated network resource transaction would continue to flow.

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.