SRC Comments on TPL-002, Footnote b

John P Buechler
NYISO Executive Regulatory Policy Advisor

NERC Technical Conference
SERC Offices, Charlotte, NC
August 10, 2010

Background

- In Order 693, FERC found "..that the transmission planning Reliability Standard (TPL-002) should not allow an entity to plan for the loss of non-consequential load in the event of a single contingency."
  - FERC directed the ERO to "clarify the Reliability Standard" in accordance with its directive by developing a modification to Table I, Footnote b
- On March 18, 2010, FERC ordered the ERO to submit the modification to Footnote b by June 30, 2010
  - In response, NERC (supported by all of the Regional Entities and others) filed for a stay of this Order and called for a Technical Conference to afford an opportunity for the industry to examine the technical aspects of the proposed modification
  - NERC also stated that FERC's directive was "overly prescriptive" and questioned whether a requirement to avoid all loss of load was "commensurate with bulk power system reliability."

Background **(Cont'd)**

- On June 11, 2010, FERC issued an order denying a stay and declining to convene a technical conference.
  - FERC granted an extension of time for the compliance deadline—to March 31, 2011
  - FERC agreed that there are technical considerations that must be addressed by NERC in the standards development process
  - FERC offered several additional suggestions for consideration by NERC
- At the July 6th FERC Technical Conference on Reliability Standards Development, FERC Commissioners clarified that their March 18th Orders were NOT meant to signify that the Commission views any loss of load as a reliability violation
  - There was substantial discussion at the conference on this issue

NERC Technical Conference

- In its filed comments following the July 6 FERC Technical Conference, NERC indicated that the guidance provided in the June 11th Order would allow NERC and the industry to fashion an appropriate response.
  - NERC noted that it had scheduled a Technical Conference for August 10th to address this issue
- The NERC Standards Drafting Team has already proposed clarifying language for Footnote b
  - The IRC Standards Review Committee (SRC) has indicated its support for these proposed clarifications in comments submitted on May 25, 2010.

Existing Footnote “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.”

NERC Note for Discussion on August 10th:

The key phrases that need to be interpreted and resolved are shown in italics and underlined.

SDT Proposed Revisions

b) No interruption of projected customer Demand is allowed except:

- Interruption of Demand that is directly served by the elements that are removed from service as a result of the Contingency
- Planned or controlled interruption of [electric supply to] Demand supplied by Transmission Facilities made temporarily radial [customers] as a result of the Contingency and where that Demand must be interrupted to meet performance requirements only on those now radial Transmission Facilities
- Planned [or some local Network customers, connected] controlled interruption of Demand required to [or supplied by the Faulted element or by the affected area, may] address post-Contingency performance issues that occur [in certain areas without impacting the overall reliability of] at Demand levels greater than 90% of forecasted Peak Demand provided that the [interconnected transmission systems. To prepare for] Demand being interrupted does not exceed 50 MW
- Interruptible Demand or Demand-Side Management

Curtailment of firm transfers is allowed, when coupled with the [next contingency, system adjustments are permitted, including curtailments of contracted Firm (non-recallable reserved) electric power Transfers] appropriate re-dispatch of resources obligated to re-dispatch, where it can be demonstrated that Facilities remain within applicable Facility Ratings and the re-dispatch does not result in the shedding of any firm Demand. Where Facilities external to the Transmission Planner's planning region are relied upon, Facility Ratings in those regions would also be respected.

NERC Question #1

Under what circumstances do you believe the existing footnote 'b' allows an entity to plan to shed non-consequential firm load for a single contingency (Category B)? Please provide specific information to the extent possible.

SRC Comments:

- ***The existing language—especially the highlighted terms—is very broad and subject to interpretation***
- ***We support the SDT proposed revisions which provide more specificity***

NERC Question #2:

The June 11th order from FERC suggested that planning to shed non-consequential firm load for a single contingency (Category B) could be applied at the fringes of a system. Is this limitation appropriate and if so, please define it? What other specific criteria could be applied to limit the planned use of non-consequential firm load loss for a single contingency (Category B)?

SRC Comments:

- ***It could be problematic to determine what constitutes the "fringes" of the system***
- ***We support the SDT proposed revisions that would place a limit on the amount of Demand that can be interrupted***

NERC Question #3:

If footnote 'b' were re-stated such that there would be no planned loss of non-consequential firm load allowed for a single contingency event (Category B), what changes to your transmission plan would be required? Please quantify your response to the extent possible.

SRC Comments:

- ***Assuming such a restatement of footnote b would prohibit a special protection scheme from tripping non-consequential load, there would likely be some upgrades needed in many ISO/RTO and other regions***
- ***This may create an inconsistency with planning criteria for local supply reliability as deemed appropriate by State or Provincial regulatory authorities***
- ***May also result in increased costs to end-use customers***

NERC Question #4:

The June 11th order from FERC suggested that planning to shed non-consequential firm load for a single contingency (Category B) could be handled on a case-by-case basis with affected entities asking for an exception from the ERO. Could you support such a process? If your response is no, then what process would you suggest? If your response is yes, then what technical criteria should be developed to identify and evaluate cases?

SRC Comments:

- ***We do not support the implementation of a subjective and potentially inconsistent process for granting exceptions***
- ***We support clarification of Footnote b—such as that proposed by the SDT—to provide further specificity for the conditions under which Demand may be interrupted to ensure the reliability of the bulk power system***

Potential Conflicts with States

- In its comments on the SDT's proposed revisions, the SRC noted the potential for conflicts with state commissions which could place utilities who attempt to follow FERC's position on non-consequential load loss in a compromising position:
  - In the US, state commissions with retail rate recovery authority may take the position that interruption of small or remote loads may be acceptable in light of the costs for upgrade facilities that would otherwise be needed
  - Similar conflicts may also exist in the Canadian provinces