

May 18, 2020

VIA ELECTRONIC FILING

Mr. Neil Cunningham
Director of Climate Change and Energy Branch
Department of Sustainable Development
1200-155 Carlton Street
Winnipeg MB R3C 3H8

RE: *North American Electric Reliability Corporation*

Dear Mr. Cunningham:

The North American Electric Reliability Corporation (“NERC”) hereby submits Notice of Withdrawal of the North American Electric Reliability Corporation for Proposed Reliability Standard VAR-001-6. NERC requests, to the extent necessary, a waiver of any applicable filing requirements with respect to this filing.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Lauren Perotti

Lauren Perotti
*Senior Counsel for the North American Electric
Reliability Corporation*

Enclosure

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**BEFORE THE
PROVINCE OF MANITOBA**

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION)
)

**NOTICE OF WITHDRAWAL OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
FOR PROPOSED RELIABILITY STANDARD VAR-001-6**

The North American Electric Reliability Corporation (“NERC”) hereby submits this notice of withdrawal for proposed Reliability Standard VAR-001-6.

I. Background

On June 20, 2019, NERC submitted a Notice of Filing of proposed Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6.¹ In the filing, NERC also provided notice of the retirement of currently effective Reliability Standards IRO-002-6, TOP-001-4, and VAR-001-5. On January 23, 2020, the Federal Energy Regulatory Commission (“FERC”) issued a Notice of Proposed Rulemaking (“NOPR”) proposing to approve Reliability Standards IRO-002-7 and TOP-001-5, but proposing to remand proposed Reliability Standard VAR-001-6 based on concerns stated in the NOPR.² On April 6, 2020, NERC submitted comments asking FERC to defer action on its NOPR proposal to remand proposed Reliability Standard VAR-001-6 until after the NERC Board of Trustees had the opportunity to consider FERC’s concerns at its May 14, 2020 meeting and determine whether to take further action with respect to the proposed standard.³ In its comments, NERC stated that it would “inform the Commission of the outcome through the timely

¹ *Notice of Filing of NERC of Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6 Developed under the NERC Standards Efficiency Review*, (June 20, 2019).

² *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review*, Notice of Proposed Rulemaking, 170 FERC ¶ 61,032 (2020) [hereinafter the NOPR].

³ *Comments of NERC in Response to Notice of Proposed Rulemaking 9-10*, Docket Nos. RM19-16-000 and RM19-17-000 (Apr. 6, 2020).

submission of one or more appropriate filings so as to not unduly delay the issuance of a final rule in this proceeding.”⁴

II. Support for Withdrawal

In the NOPR, FERC proposed to remand Reliability Standard VAR-001-6 to retain Requirement R2 of the currently effective standard, stating that Requirement R2 “is the only requirement that explicitly requires transmission operators to schedule reactive resources.”⁵ FERC expressed disagreement with NERC’s assertion that Reliability Standard VAR-001-5 Requirement R2 is duplicative of other existing Reliability Standard requirements and stated, “While Reliability Standards TOP-001-4 and TOP-002-4 address situations involving the possible need to schedule reactive resources, they are not adequate substitutes for the explicit obligation in Requirement R2 of Reliability Standard VAR-001-5 requiring transmission operators to schedule enough reactive resources to regulate voltage levels under all system conditions.”⁶ FERC further stated, “Reliability Standards TOP-001-4 and TOP-002-4 do not require the transmission operator to implement mitigation plans: instead, the transmission operator need only analyze and develop a plan to address a potential System Operating Limit.”⁷

At its May 14, 2020 meeting, the NERC Board of Trustees considered FERC’s NOPR proposal and approved a resolution to withdraw proposed Reliability Standard VAR-001-6.⁸

⁴ *Id.* 9-10.

⁵ NOPR, *supra*, at P 38.

⁶ *Id.* at P 39.

⁷ *Id.* at P 40.

⁸ *See* NERC Board of Trustees May 14, 2020 Agenda Package Item 5.b, available at https://www.nerc.com/gov/bot/Agenda%20highlights%20and%20Mintues%202013/Board_Open_Agenda_Package_May_14_2020_PUBLIC-POSTING.pdf.

NERC therefore withdraws that portion of NERC's June 20, 2019 filing of proposed Reliability Standard VAR-001-6 and the retirement of currently effective Reliability Standard VAR-001-5.

NERC does not seek to withdraw the other two proposed Reliability Standards in its June 20, 2019 filing, proposed Reliability Standards IRO-002-7 and TOP-001-5.

Respectfully submitted,

/s/ Lauren A. Perotti

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