

**BEFORE THE
PROVINCE OF MANITOBA**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**NOTICE OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION OF
REMAND OF TRANSMISSION PLANNING RELIABILITY STANDARD
TPL-002-0b**

Gerald W. Cauley
President and Chief Executive Officer
North American Electric Reliability
Corporation
3353 Peachtree Road N.E.
Suite 600, North Tower
Atlanta, GA 30326-1001
(404) 446-2560

David N. Cook
Senior Vice President and General Counsel
Holly A. Hawkins
Assistant General Counsel for Standards and
Critical Infrastructure Protection
Andrew Dressel, Attorney
North American Electric Reliability
Corporation
1325 G Street N.W., Suite 600
Washington, D.C. 20005
(202) 400-3000
(202) 644-8099 – facsimile
david.cook@nerc.net
holly.hawkins@nerc.net
andrew.dressel@nerc.net

April 27, 2012

TABLE OF CONTENTS

I.	Introduction	1
II.	Notices and Communications	1
III.	Proposed Reliability Standard	2
IV.	FERC Order Directing Remand of Proposed Reliability Standard	3

I. INTRODUCTION

Pursuant to Rule 309.2 of the Rules of Procedure, the North American Electric Reliability Corporation (“NERC”) hereby provides notice of remand by the Federal Energy Regulatory Commission (“FERC”) of Reliability Standard TPL-002-0b.¹ Specifically, FERC remanded the proposed footnote ‘b’ to Table 1. Footnote ‘b’ to Table 1 establishes the requirements for the limited circumstances when and how an entity can plan to interrupt Firm Demand for Category B contingencies.

NERC filed this notice of remand with the other applicable governmental authorities in Canada.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

Gerald W. Cauley
President and Chief Executive Officer
North American Electric Reliability Corporation
3353 Peachtree Road N.E.
Suite 600, North Tower
Atlanta, GA 30326-1001
(404) 446-2560

David N. Cook
Senior Vice President and General Counsel
Holly A. Hawkins
Assistant General Counsel for Standards
and
Critical Infrastructure Protection
Andrew Dressel, Attorney
North American Electric Reliability
Corporation
1325 G Street N.W., Suite 600
Washington, D.C. 20005
(202) 400-3000
(202) 644-8099 – facsimile
david.cook@nerc.net
holly.hawkins@nerc.net
andrew.dressel@nerc.net

¹ Pursuant to Rule 309.2 of the Rules of Procedure, NERC will submit within thirty (30) calendar days a plan and timetable for modification or development of TPL-002-0b.

III. PROPOSED RELIABILITY STANDARD

In Order No. 693, FERC directed NERC to clarify footnote ‘b’ in Table 1.² In that order, FERC stated that the transmission planning Reliability Standard should not allow an entity to plan for the loss of non-consequential firm load in the event of a single contingency.³ In a subsequent clarifying order, FERC stated that “a regional difference, or a case-specific exception process that can be technically justified, to plan for the loss of firm serve at the fringes of various systems would be an acceptable approach.”⁴

Following the issuance of the orders by FERC directing clarification of footnote “b” in Table 1 of TPL-002-0b, NERC submitted a filing on April 13, 2011 seeking approval of TPL-002-1b. The revised footnote ‘b’ in the filing was intended to address FERC’s directives. Specifically, NERC addressed FERC’s instruction to clarify “footnote ‘b’ in regard to load loss following a single contingency, specifying the amount and duration of consequential load loss and system adjustments permitted after the first contingency to return the system to a normal operating state.” However, NERC did not delete in its entirety the ability of an entity “to plan for the loss of non-consequential load in the event of a single contingency.” Rather, NERC crafted a footnote to meet FERC’s objective while simultaneously meeting the needs of industry and respecting of jurisdictional bounds. No longer would those registered with NERC as Planning Authorities or Transmission Planners plan to interrupt Load under a Category B (N-1)

² *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶31,242 (2007).

³ *Id.* at P 1794.

⁴ *Mandatory Reliability Standards for the Bulk Power System*, 131 FERC ¶61,231, at P 21 (2010).

Contingency event unless the registered functions meets the specified conditions detailed in the footnote.⁵

IV. FERC ORDER DIRECTING REMAND OF PROPOSED RELIABILITY STANDARD

On April 19, 2012, FERC issued Order No. 762, which remanded TPL-002-0b.⁶ In the order, FERC concluded that the proposed TPL-002-0b does not meet FERC's directives, nor is it an equally effective and efficient alternative.⁷ FERC found that the proposal is vague, potentially unenforceable and may lack safeguards to produce consistent results.⁸ FERC found that the footnote 'b' process lacks meaningful substantive parameters, since NERC and Regional Entities' review of Firm Demand interruption is limited to whether the decision by an entity to rely on planned interruption of Firm Demand was vetted through the stakeholder process and qualified as one of the situations identified in footnote 'b.'⁹ FERC also found that the proposal leaves undefined the circumstances in which it is allowable to plan for Firm Demand to be interrupted in response to a Category B contingency.¹⁰ Further, FERC found that NERC had not provided technically sound means of determining situations in which planning to

⁵ On February 2, 2012, NERC submitted *Petition of the North American Electric Reliability Corporation for Approval of a Revised Transmission Planning System Performance Requirements Reliability Standard and Five New Glossary Terms and for Retirement of Four Existing Reliability Standards*. In that filing, NERC seeks approval of TPL-001-2 and retirement of four existing standards, including TPL-002-1b. The proposed standard incorporates and expands upon the revised footnote 'b' to Table 1. On the same day FERC issued Order No. 762 remanding TPL-002-0b, FERC also issued a notice of proposed rulemaking proposing to remand TPL-002-1b.

⁶ FERC had issued a Notice of Proposed Rulemaking on October 20, 2011, proposing to remand NERC's proposal to modify footnote 'b.'

⁷ Order No. 762, 139 FERC ¶61,060, P 12 (2012).

⁸ *Id.*

⁹ *Id. at P 13.*

¹⁰ *Id. at P 14.*

interrupt Firm Demand would be allowable, and the proposal lacks safeguards to ensure against inconsistent results and arbitrary determinations to allow for the planned interruption of Firm Demand.¹¹

In the Remand Order, FERC directed NERC “to identify the specific instances of any planned interruptions of Firm Demand under footnote ‘b’ and how frequently the provision has been used.”¹² Moreover, FERC directed NERC “to use section 1600 of its Rules of Procedure to obtain information from users, owners and operators of the bulk-power system to provide this requested data.” *Id.* FERC directed NERC to submit this information with its footnote ‘b’ filing. *Id.* Further, FERC directed NERC to deploy its Expedited Reliability Standards Development Process to quickly respond to the remand.¹³

NERC will provide information on how it proposed to address the remand in a later filing.

¹¹ *Id.* at PP 17-18.

¹² *Id.* at 20.

¹³ *Id.* at 21.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326-1001

David N. Cook
Senior Vice President and General Counsel
North American Electric Reliability
Corporation
1325 G Street N.W., Suite 600
Washington, D.C. 20005
david.cook@nerc.net

/s/ Holly A. Hawkins
Holly A. Hawkins
Assistant General Counsel for Standards and
Critical Infrastructure Protection
Andrew M. Dressel
Attorney
North American Electric Reliability
Corporation
1325 G Street, N.W., Suite 600
Washington, D.C. 20005
(202) 644-8055
(202) 644-8099 – facsimile
holly.hawkins@nerc.net
andrew.dressel@nerc.net