

August 8, 2005

BY HAND DELIVERY

Hon. Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: North American Electric Reliability Council
Docket No. ER05-_____
Revisions to Transmission Loading Relief Procedures

Dear Secretary Salas:

Enclosed for filing, pursuant to Section 205 of the Federal Power Act ("FPA") and Part 35 of the Commission's regulations, are an original and six copies of a revision to the Transmission Loading Relief ("TLR") procedures adopted by the North American Electric Reliability Council ("NERC") for use in the Eastern Interconnection.¹ Specifically, NERC is filing a revision to paragraph 1.6.6 of Attachment 1 to Reliability Standard IRO-006-0. NERC's Board of Trustees adopted this revision to R.S. IRO-006-0 on June 15, 2005, to be effective as soon as it could be implemented. NERC completed the software testing on the change and implemented it on August 8, 2005. As a result, NERC hereby requests that the Commission waive its prior notice requirements to the limited extent necessary to permit this revision to the TLR procedures on file with the Commission to take effect August 8, 2005 as well.

¹ NERC's TLR Procedures are on file with the Commission as NERC's FERC Electric Tariff, Second Revised Volume No. 1. The Commission directed that NERC file its TLR Procedures with the Commission in North American Electric Reliability Council, 85 FERC ¶ 61,353 (1998). The Commission accepted the most recent revisions to the TLR Procedures in North American Electric Reliability Council, 110 FERC ¶ 61,388 (2005).



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A. Notices and Communications

Notices and communications with respect to this matter may be addressed to the undersigned, all of whom should be included on the official service list compiled by the Secretary:

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B. Statement of Nature, Reasons, and Basis

On March 30, 2005, FERC approved NERC's tariff filing of its Version 0 TLR procedures. *North American Electric Reliability Council*, 110 FERC ¶ 61,388 (2005). Since the adoption of the Version 0 procedures, NERC received a request to modify the procedures with respect to dynamic schedules. Specifically, under the currently effective TLR procedures, a dynamic schedule flowing pursuant to a firm transmission arrangement must be retagged if the parties to the transaction wish to change the amount of energy flowing by more than a threshold amount. When a TLR has been declared, the Interchange Distribution Calculator would "hold" the dynamic schedule, because it would appear to be a new transaction. The proposed revision to the TLR procedures would allow dynamic schedules to be updated without being held. This change was made at the request of market participants, who benefit from the additional flexibility.

The revised procedures were approved by a unanimous vote of NERC stakeholders and by NERC's Board of Directors. They were approved as an "urgent action revision."

In *North American Electric Reliability Council*, 85 FERC ¶ 61,353 at 62,363 (1998), the Commission granted NERC's request to accept a generic amendment to the pro forma tariff and deem each transmission provider's own tariff to be so modified upon that utility so notifying the Commission. The Commission directed all public utilities providing transmission service in the Eastern Interconnection to file a notice informing the Commission that they would use the NERC TLR procedures and that their tariffs should be considered to be so modified. NERC makes that same request with respect to this revision to the TLR procedures. The Commission should, therefore, require all public utilities providing transmission service in the Eastern Interconnection to submit a notice stating that their tariffs will be modified to reflect the revised TLR procedures.

C. Waivers

NERC requests any waivers of Commission's rules and regulations as may be necessary for this filing to become effective on August 8, 2005, the same date that the change to NERC's Reliability Standard IRO-006-0 became effective. In particular, good cause exists for a limited waiver of the 60-day notice requirement. As noted above, affected entities have been on notice, through NERC's open process for modifying its reliability standards, of the change proposed in this filing. The stakeholders voted unanimously in favor of the proposed revision.

As NERC has no customers and is not regulated by any state commission, NERC is not serving this filing upon anyone. NERC is posting this filing on its public website and will notify its entire roster and list of interested regulators of this filing.

D. Materials Enclosed

Enclosed with this filing are the following:

1. An original and six copies of this transmittal letter;
2. Seven copies of the tariff sheets proposed to become effective August 8, 2005;
3. Seven copies of red-lined versions of the affected tariff sheets;
4. Seven copies of a form of notice suitable for publication in the *Federal Register* and an electronic version of such notice.



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E. Conclusion

For the foregoing reasons, the Commission should approve the amended TLR standards filed herewith and permit them to become effective as of August 8, 2005.

Respectfully submitted,

/s/ Debra Ann Palmer
Debra Ann Palmer
*On Behalf of the North American
Electric Reliability Council*

Enclosures

Standard IRO-006-0 — Reliability Coordination — Transmission Loading Relief

from the IDC for a particular TLR event is incorrect shall use its best efforts to communicate those adjustments necessary to bring the curtailment list into conformance with the principles of this Procedure to the initiating Reliability Coordinator. Causes of questionable IDC results may include:

- Missing Interchange Transactions that are known to contribute to the Constraint.
- Significant change in transmission system topology.
- TDF matrix error.

Impacts of questionable IDC results may include:

- Curtailment that would have no effect on, or aggravate the constraint.
- Curtailment that would initiate a constraint elsewhere.

If other Reliability Coordinators are involved in the TLR event, all impacted Reliability Coordinators shall be in agreement before any adjustments to the Curtailment list are made.

- 1.6.4. Curtailment that would cause a constraint elsewhere.** A Reliability Coordinator shall be allowed to exempt an Interchange Transaction from Curtailment if that Reliability Coordinator is aware that the Interchange Transaction Curtailment directed by the IDC would cause a constraint to occur elsewhere. This exemption shall only be allowed after the Reliability Coordinator has consulted with the Reliability Coordinator who initiated the Curtailment.
 - 1.6.5. Redispatch options.** The Reliability Coordinator shall ensure that Interchange Transactions that are linked to redispatch options are protected from Curtailment in accordance with the redispatch provisions.
 - 1.6.6. Reallocation.** The Reliability Coordinator shall consider for Reallocation any Transactions of higher priority that meet the approved tag submission deadline during a TLR Level 3A. The Reliability Coordinator shall consider for Reallocation any Transaction using Firm Transmission Service that has met the approved tag submission deadline during a TLR Level 5A. Note Reallocations for Dynamic Schedules are as follows: If an Interchange Transaction is identified as a Dynamic Schedule and the transmission service is considered firm according to the constrained path method, then it will not be held by the IDC during TLR level 4 or lower. Adjustments to Dynamic Schedules in accordance with INT-004 R5 will not be held under TLR level 4 or lower.
- 1.7 IDC updates.** Any Interchange Transaction adjustments or curtailments that result from using this Procedure must be entered into the IDC.
 - 1.8 Logging.** The Reliability Coordinator shall complete the NERC Transmission Loading Relief Procedure Log whenever it invokes TLR Level 2 or above, and send a copy of the log via email to NERC within two business days of the TLR event for posting on the NERC website.

Standard IRO-006-0 — Reliability Coordination — Transmission Loading Relief

- 1.9 TLR Event Review.** The Reliability Coordinator shall report the TLR event to the NERC Market Committee and Operating Reliability Subcommittee in accordance with TLR review processes established by NERC as required.
- 1.9.1. Providing information.** Transmission Operators and Balancing Authorities within the Reliability Coordinator's Area, and all other Reliability Coordinators, including Transmission Operators and Balancing Authorities within their respective Reliability Areas, shall provide information, as requested by the initiating Reliability Coordinator, in accordance with TLR review processes established by NERC.
- 1.9.2. Market Committee reviews.** The Market Committee may conduct reviews of certain TLR events based on the size and number of Interchange Transactions that are affected, the frequency that the TLR Procedure is called for a particular Constrained Facility, or other factors.
- 1.9.3. Operating Reliability Subcommittee reviews.** The Operating Reliability Subcommittee shall conduct reviews to ensure proper implementation and for "lessons learned."

Standard IRO-006-0 — Reliability Coordination — Transmission Loading Relief

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UNITED STATES OF AMERICA
Before the
FEDERAL ENERGY REGULATORY COMMISSION

NORTH AMERICAN ELECTRIC)
RELIABILITY COUNCIL) **Docket No. ER05-_____**

NOTICE OF FILING

Take notice that on August 8, 2005, the North American Electric Reliability Council (“NERC”) tendered a filing revising paragraph 1.6.6 of Attachment 1 to Reliability Standard IRO-006-0 found in its FERC Electric Tariff. The proposed revision will permit dynamic schedules flowing under firm transmission arrangements to be updated without being held pursuant to NERC’s TLR procedures.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: _____

Magalie R. Salas
Secretary