

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Information Requirements for Available)	
Transfer Capability)	Docket No. RM05-17-000
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)	

**COMMENTS OF THE EDISON ELECTRIC INSTITUTE
ON NOTICE OF INQUIRY**

The Edison Electric Institute (“EEI”), on behalf of its member companies, hereby submits these Comments pursuant to the Notice of Inquiry (“NOI”), issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”) on May 27, 2005 in the above-captioned proceeding, wherein the Commission raises a broad range of questions pertaining to the definitions and practical applications of available flowgate capacity (“AFC”), available transfer capability (“ATC,”), total transfer capability (“TTC”), capacity benefit margin (“CBM”), and transmission reliability margins (“TRM”) a report produced by the Long-Term AFC/ATC Task Force of the North American Electric Reliability Council (“NERC”).

EEI is the trade association of the United States shareholder-owned electric companies, and serves international affiliates and industry associates worldwide. Our American member companies serve 97 percent of the ultimate customers in the shareholder-owned segment of the industry and 71 percent of all electric utility ultimate customers in the nation, and generate 60 percent of the electricity produced in the United States.

EEI welcomes the Commission's interest in issues raised by the NERC Long-Term AFC/ATC Task Force report. The Task Force, which includes representatives of all sectors of the electric industry, has conducted a thorough analysis and identified several key improvements that could be made to existing standards for calculating ATC, AFC, TRM, and CBM, and improving the coordination and communication processes for both the methods and calculations. The report recommends various improvements to these standards that can contribute significantly to maintaining reliability and reducing transactions curtailments. We share the Task Force view that, if adopted, these modifications will strengthen a critical set of the tools needed for maintaining the reliable use of the transmission system without needlessly limiting commercial activity.¹ The industry's paramount goal for maintaining system safety and reliability cannot be compromised. In addition, we believe that improved standards would significantly increase the calculations' transparency, an important issue for both the Commission and wholesale market participants. We also believe that better data exchange and coordination among Interchange Authorities and Balancing Authorities will improve the consistency of ATC calculations, another goal that the Commission seeks to achieve.

Therefore, EEI encourages the Commission to allow the NERC standards process to run its course and not initiate any new formal proceeding on the issues. On these issues, the Commission should continue its long-standing support of formal industry bodies for developing appropriate reliability standards for maintaining system safety and reliability, and corresponding wholesale electric sector business practices. We

¹ NERC Long-Term AFC/ATC Task Force Report, April 14, 2005, Attachment A.

strongly support the recommendations made by the Task Force report and urge the Commission to likewise express its support. In light of the current NERC standards activity and our recommendation, we have no formal response to the series of questions posed in the NOI,² since we expect that industry experts engaged in the NERC process will appropriately address the Commission's questions. EEI also respectfully recommends that the Commission formally express its support for the NERC standards process in a timely way. Such support will send a clear message that allows the industry to focus its attention on the NERC forum with confidence. We note that the two draft Standards Authorizations Requests ("SARs") contained in the report already have been approved for posting by the NERC Standards Authorization Committee, the first step in the standards setting process,³ and SAR drafting teams are being formed.

Specifically, the first draft SAR contains three new requirements for coordinating ATC and TTC calculations, incorporating specific reliability practices into both calculation and coordination processes, and documentation of ATC and TTC coordination methods.⁴ The second draft SAR requires each regional reliability organization to develop and document CBM methods, and to make available the related documentation. The SARs and related appendices lay out a broad range of implementation requirements and guidance, and identify issues for consideration by the SAR drafting teams. In addition, the Task Force report recommends that NERC and the North American Energy Standards Board ("NAESB") develop or revise respective standards in order to ensure that ATC and AFC calculations mirror the anticipated use of

² The Commission lists a series of questions in its NOI at p. 13.

³ Draft NERC SARs are available at <http://www.nerc.com/~filez/standards/MOD-V0-Revision.html>.

transmission service reservations. The report also highlights that such improved standards would address the need for transmission providers to have business practices in place describing circumstances where transmission reservations would be used in a way other than how the request for service was evaluated.

In summary, EEI requests that the Commission accept these comments by expressing its support of formal industry organizations for the timely development of reliability standards. Goals specified in the NOI – maintaining system safety and reliability, improving consistency and coordination for evaluating critically important transmission availability variables, increasing the transparency of the methods and calculations for making such evaluations, and reducing exposures to unnecessary transactions curtailments --- will be achieved by the continued development of formal reliability and business practice standards at NERC and NAESB as contained in the NERC Task Force report.

Respectfully submitted

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⁴NERC Task Force Report, Attachment A.

Submission Contents

Comments of the Edison Electric Institute on Notice of Inquiry. RM05-17EEIcomments08-15-05.pdf.....	1-4
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