NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

NERC TLR Standards Drafting Team
NAESB Business Practices Subcommittee
JOINT MEETING, CONFERENCE CALL, AND WEBEX

TVA Offices
1101 Market Street
Chattanooga, TN

May 23, 2007 — 9 a.m.–5 p.m. EASTERN
May 24, 2007 — 9 a.m.–3:00 p.m. EASTERN

Agenda

May 24, 2007

1. Administration

- Introduction of Attendees
- Antitrust Guidelines
- Adoption of Agenda
- Roster Updates
- Approval of Minutes

2. Review of Work Status

- Current posting and comments received
- Non-compliant criteria — number of requirements violated (Tom Mallinger)

3. Field Test Report

4. FERC and Stakeholders' comments

- Review relevant portions of Order 693
- Review comments from prior versions of the standard

5. Review of Phase III Scope and Deliverables

- What
- When
- Key Considerations

Excerpt from TLRDT Posting Whitepaper
***Phase 3** - A third set of modifications includes the changes needed to elevate the overall quality of the standard and to address the additional technical issues that have been posed with this standard by stakeholders and FERC (see Standard Review Form and Reliability Standard Review Guidelines). In addition to revising the IDC Reference Document, the development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.*

6. Begin Phase III Edits

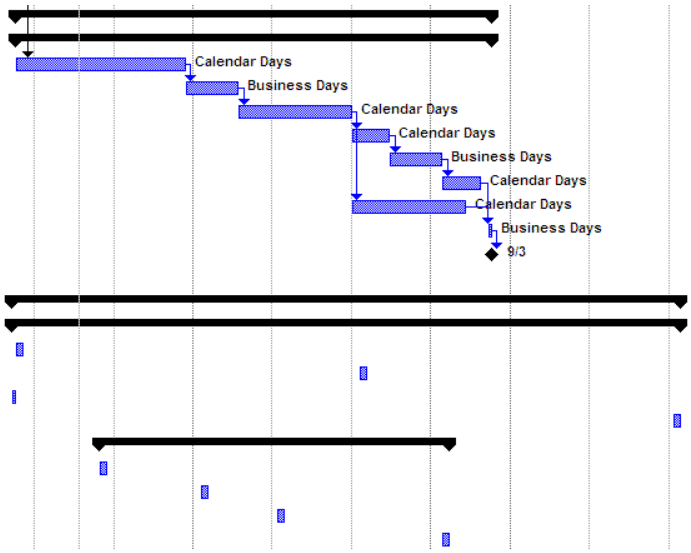
- Walk through the standard and identify areas to be changed.

7. Phase III Assignments and Action Items

- Break the standard work into components and assign to various members of the group

8. Future Meetings and Schedule Review

Standard Setting Process	90 days	Tue 5/1/07	Mon 9/3/07
Standards process	90 days	Tue 5/1/07	Mon 9/3/07
Posting for Industry Comment	45 days	Tue 5/1/07	Thu 6/14/07
Comment Response Writing	10 days	Fri 6/15/07	Thu 6/28/07
Pre-First Ballot Posting	30 days	Fri 6/29/07	Sat 7/28/07
First Ballot Window	10 days	Sun 7/29/07	Tue 8/7/07
First Ballot Response Writing	10 days	Wed 8/8/07	Tue 8/21/07
Recirculation Ballot	10 days	Wed 8/22/07	Fri 8/31/07
Board Notice	30 days	Sun 7/29/07	Mon 8/27/07
Board Review	1 day	Mon 9/3/07	Mon 9/3/07
Board Approval	0 days	Mon 9/3/07	Mon 9/3/07
Meeting Coordination	########	Mon 4/30/07	Tue 10/23/07
Board Meetings	########	Mon 4/30/07	Tue 10/23/07
Meeting	2 days	Tue 5/1/07	Wed 5/2/07
Meeting	2 days	Tue 7/31/07	Wed 8/1/07
SPECIAL MEETING IN AUGUST?	1 day?	Mon 4/30/07	Mon 4/30/07
Meeting	2 days	Mon 10/22/07	Tue 10/23/07
TLRDT	67 days?	Wed 5/23/07	Thu 8/23/07
Meeting	2 days?	Wed 5/23/07	Thu 5/24/07
Meeting	2 days?	Tue 6/19/07	Wed 6/20/07
Meeting	2 days?	Mon 7/9/07	Tue 7/10/07
Meeting	2 days?	Wed 8/22/07	Thu 8/23/07



- June 19–20: 9 a.m.–5 p.m., 9 a.m.–5 p.m. Houston – NAESB to host, reply to comments
- July 9–10 or 11–12: 9 a .m.–5 p.m. both days Toronto (Tentative) – NERC to host
- August 22–23: 9 a.m.–5 p.m. both days (location t.b.d.) Carmel or Houston?

9. Other businesses

10. Adjourn

Conference Call and WebEx Information

Conference Call Information
Day 1
Dial-in: 1 (732) 694-2061.
Passcode: 113405232407

Day 2
Dial-in: 1 (732) 694-2061.
Passcode: 113405232407

WebEx Information
Topic: TLR DT Meeting Day 1
Date: Wednesday, May 23, 2007
Time: 8:45 am, Eastern Daylight Time (GMT -04:00, New York)
Meeting Number: 716 500 668
Meeting Password: standards

Please click the link below to see more information, or to join the meeting.

To join the online meeting
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1. Go to https://nerc.webex.com/nerc/j.php?ED=97819502&UID=0
2. Enter your name and email address.
3. Enter the meeting password: standards
4. Click "Join".

Topic: TLR DT Meeting Day 2
Date: Thursday, May 24, 2007
Time: 8:45 am, Eastern Daylight Time (GMT -04:00, New York)
Meeting Number: 718 854 601
Meeting Password: standards

Please click the link below to see more information about the meeting, including its agenda, or to join the meeting.

To join the online meeting
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1. Go to https://nerc.webex.com/nerc/j.php?ED=97819507&UID=0
2. Enter your name and email address.
3. Enter the meeting password: standards
4. Click "Join".
5. Follow the instructions that appear on your screen

Background:

The TLR – General Update SAR drafting team thanks all commenters who submitted comments on the first draft of the SAR and associated proposed revisions to IRO-006. The SAR was posted from August 4 through September 2, 2005. The drafting team asked stakeholders to provide feedback on the SAR and standard through a special SAR Comment Form. There were 12 sets of comments, including comments representing the views of 65 different people from 36 different entities in seven of the eight NERC Regions.

When the first SAR was posted for comment, the requestor had envisioned publishing a NERC standard and an associated NAESB business practice. Many stakeholders indicated that this would be very challenging for use in real-time operations. In response to stakeholder concerns, NAESB and NERC developed and approved the NERC-NAESB Procedure for Joint Development and Coordination. This procedure guides joint development of standards and business practices when the reliability and business practice components are intricately entwined within a proposed standard. This procedure was approved for implementation by the Standards Committee, NERC Board of Trustees and the NAESB Board and is being used to make modifications to IRO-006.

Based on stakeholder comments and changes that have taken place in the industry since the initial posting of the SAR, the drafting team made the following significant changes to the SAR:

- Modified the desired product so that instead of publishing the NERC Reliability Standard as a separate product, will produce a single document with NAESB that includes both the NERC reliability requirements and the NAESB business practices relative to the TLR Procedure. This should satisfy commenters who indicated that having two different documents would be a detriment to reliability. (As envisioned, the NERC/NAESB split would be balloted as soon as possible.)
- Expanded the scope of the SAR to include consideration of **all** the modifications to the standard proposed by FERC and stakeholders as identified on the 'Standard Review Form' attached to the revised SAR. This expansion in scope should satisfy the need to improve the overall quality of this standard. The existing standard includes some material that is more appropriate in a technical reference, and some parts of the standard don't meet the quality criteria established for ERO standards. The expansion in scope brings this SAR into conformance with the *Reliability Standards Development Plan: 2007–2009.*
- Expanded the scope of the SAR to include consideration of modifications previously addressed in the SAR to Modify IRO-006 for Market Information. This should satisfy stakeholders who suggested that having multiple SARs for the same project is not desirable.

With the above conforming changes, the drafting team is recommending that the SAR move forward to standard drafting.

In this 'Consideration of Comments' document, stakeholder comments have been organized so that it is easier to see the summary of changes in response to each question posed by the requestor. All comments received on the can be viewed in their original format at:

http://www.nerc.com/~filez/standards/Reliability-Coordination-Transmission-Loading-Relief.html

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you

can contact the Vice President and Director of Standards, Gerry Cauley at 609-452-8060 or at gerry.cauley@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.[1]

[1] The appeals process is in the Reliability Standards Development Procedure Manual: http://www.nerc.com/standards/newstandardsprocess.html

Commenter	Organization	Industry Segment								
		1	2	3	4	5	6	7	8	9
Dan Boezio (G1)	AEP	x								
Raj Rana	AEP	x		x		x				
Ken Goldsmith (G5)	ALT									
Serhly Kotsan (G1)	Boston Pacific									
Bonita Smulski (G6)	BPA	x								
Salah Kitali (G6)	BPA	x								
Taryn McPherson (G6)	BPA	x								
Troy Simpson (G6)	BPA	x								
Vinod Kotecha (G3)	ConEd	x								
Bill Aycock (G7)	Entergy	x								
Ed Davis (G7)	Entergy	x								
George Bartlett (G7)	Entergy	x								
James Case (G7)	Entergy	x								
Jay Zimmerman (G7)	Entergy	x								
Maurice Casadaban (G7)	Entergy	x								
Melinda Montgomery (G7)	Entergy	x								
Narinder Saini (G7)	Entergy	x								
Rick Riley (G7)	Entergy	x								
Joel Mickey (G6)	ERCOT		x							
Bert Gumm (G6)	Idaho Power	x								
Dan Rochester	IESO		x							
Khaqan Khan (G3)	IESO		x							
Cheryl Mendrala	ISO New England		x							
Kathleen Goodman (G3)	ISO New England		x							
Mike Gammon (G1)	KCP&L	x								
Todd Fridley (G1)	KCP&L	x								
Dennis Florom (G5)	LES	x								

Tom Mielnik (G5)	MEC									
Robert Coish (G5)	MHEB	x		x	x	x				
Terry Bilke (G5)	MISO		x							
Joe Knight (G5)	MRO		x							
Guy Zito (G3)	NPCC		x							
Alan Boesch (G5)	NPPD									
Paul Sorenson (G6)	OATI									
Scott Cunningham	Ohio Valley Electric Corp		x	x	x	x	x	x	x	
Todd Gosnell (G5)	OPPD									
Andrew Burke (G6)	PacifiCorp	x								
Kathee Downing (G6)	PacifiCorp	x								
Jim Eckelcamp (G6)	Progress Energy						x			
C. Robert Moseley (G4)	PSC of South Carolina									**x**
David Wright (G4)	PSC of South Carolina									**x**
Elizabeth Fleming (G4)	PSC of South Carolina									**x**
G. O'Neal Hamilton (G4)	PSC of South Carolina									**x**
John Howard (G4)	PSC of South Carolina									**x**
Mignon Clyburn (G4)	PSC of South Carolina									**x**
Phil Riley (G4)	PSC of South Carolina									**x**
Randy Mitchell (G4)	PSC of South Carolina									**x**
Bob Harshbarger (G6)	Puget Sound Energy	x								
Jim Hansen (G6)	Seattle City Light	x								
Marilyn Franz (G6)	Sierra Pacific Power Co	x								
Bob Schwermann (G6)	SMUD	x								
Clifford Shephard (G2)	Southern Company Generation						x			
Joel Dison (G2)	Southern Company Generation						x			
Lucius Burris (G2)	Southern Company Generation						x			
Roman Carter (G2)	Southern Company Generation						x			
Steve Lowe (G2)	Southern Company Generation						x			

Jim Busbin (G8)	Southern Company Services	x								
Jim Viikinsalo (G8)	Southern Company Services	x								
Marc Butts (G8)	Southern Company Services	x								
Wayne Guttormson (G5)	SPC									
Robert Rhodes (G1)	SPP		x							
Bob Cochran (G1)	SPS	x								
Darrick Moe (G5)	WAPA									
Mike Crouch (G1)	WFEC	x								
Jim Maenner (G5)	WPS									

G1 – SPP Operating Reliability Working Group
G2 – Southern Company Generation
G3 – NPCC CP9 Reliability Standards Working Group
G4 – Public Service Commission of South Carolina
G5 – Midwest Reliability Organization
G6 – Joint Interchange Scheduling Working Group NERC/NAESB
G7 – Entergy
G8 – Southern Company Services

Index to questions, comments and responses:

1. **Do you believe there is a reliability need for this proposed standard change? If not, please explain in the comment area.**

Summary Consideration: While there was no overwhelming consensus on this issue, most commenters indicated there is a reliability-related need for the proposed standard change. Of the commenters who disagreed with the change, some felt that the change was not 'initiated' due to a reliability need and some felt that splitting the standard between NERC and NAESB would lead to confusion.
The original intent of the SAR was to publish both a NERC version of the standard and a NAESB version of the associated business practice. The SAR was revised to indicate that there will be one document published jointly by NERC and NAESB. This should satisfy commenters who indicated that having two documents would be confusing and a detriment to reliability.

Commenter	Yes	No	Comment
CP9 Reliability Standards Working Group Guy Zito Kathleen Goodman Khaqan Khan Vinod (Bob) Kotecha		X	This proposed standard change was not initiated due to reliability needs. NPCC Participating members believe that the change is in conflict to very important reliability rules. In order to understand the process the standard and the business practice are necessary.
Response: The proposed change was initiated to clearly distinguish reliability-related requirements from business practice requirements. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practice requirements and the reliability requirements without need for separate documents.			
ISO NE Cheryl Mendrala		X	This proposed standard change was not initiated due to reliability needs
Response: The proposed change was initiated to clearly distinguish reliability-related requirements from business practice requirements. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practice requirements and the reliability requirements without need for separate documents.			
Entergy Services, Transmission Ed Davis Rick Riley Jay Zimmerman George Bartlett James Case Bill Aycock Melinda Montgomery Narinder Saini Maurice Casadaban		X	The interplay between the business practices and reliability practices associated with TLR is so intimate that the two should not be divided into two standards practices. It would be best for the industry that one TLR standard be developed by the two organizations.
Response: Agreed. Since the first draft of this SAR was posted, the NERC NAESB Template Procedure for Joint Standards Development and Coordination was developed to ensure proper coordination for standards where there is no easy separation of business and reliability. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practice requirements and the reliability requirements without need for separate documents.			
AEP Raj Rana		X	We support the NERC/NAESB initiative to split the TLR document in order extract the business practice aspects. However, there is no reliability need for this proposed standard change. The reliability need in terms by managing power flow relief in a pre-defined time period in order to maintain security of the system did not change. However, this draft does not provide

			reliability performance specifications, such as X MW or % of relief in Y minutes. The NERC portion of this standard should specify what is needed to maintain the system security in the interconnected environment, while the NAESB portion should specify the road map as to how to do it.
Response: The proposed change was initially initiated to clearly distinguish reliability-related requirements from business practice requirements. Since then, other stakeholders and FERC have identified the need for several additional changes to the standard beyond the NERC/NAESB coordinated split of the requirements. The revised SAR has an expanded scope to address all of these proposed changes. Please see the revised SAR.			
Midwest Reliability Organization Alan Boesch Terry Bilke Robert Coish Dennis Florom Todd Gosnell Wayne Guttormson Jim Maenner Tom Mielnik Darrick Moe Ken Goldsmith Joe Knight		X	The MRO does not believe there is a reliability need for the proposed standard change. We would contend that the change provides confusion to a very important reliability process. In order to understand the process the standard and the business practice are necessary.
Response: The proposed change was initiated to clearly distinguish reliability-related requirements from business practice requirements. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
IESO, Ontario Dan Rochester		X	We do not feel there is a reliability need for the proposed standard "change". We would contend that the change provides confusion to a very important reliability process. In order to understand the process the standard and the business practice are necessary.
Response: The proposed change was initiated to clearly distinguish reliability-related requirements from business practice requirements. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
Public Service Commission of South Carolina Phil Riley John E. Howard David A. Wright Randy Mitchell Elizabeth B. Fleming G. O'Neal Hamilton Mignon L. Clyburn C. Robert Moseley	X		
Ohio Valley Electric Corp. Scott R. Cunningham	X		
Joint Interchange Scheduling Working Group Bert Gumm Troy Simpson Marilyn Franz Jim Hansen Kathee Downing Jim Eckelcamp	X		

Bob Harshbarger Paul Sorenson Bob Schwermann Bonita Smulski Taryn McPherson Salah Kitali Joel Mickey Andrew Burke			
Southern Company – Transmission Jim Busbin Marc Butts Jim Viikinsalo	X		N/A
Operating Reliability Working Group (ORWG) Robert Rhodes Dan Boezio Bob Cochran Mike Crouch Todd Fridley Mike Gammon Serhly Kotsan Robert Rhodes	X		
Southern Company Generation Roman Carter Joel Dison Clifford Shepard Lucius Burris Steve Lowe	X		

2. Do you believe the TLR Subcommittee appropriately divided the elements of TLR business practices vs. TLR reliability requirements? If not, please explain in the comment area.

Summary Consideration: The comments do indicate some support, but not a clear consensus in support of the proposed division of TLR business practices versus TLR reliability requirements. In reviewing the comments, the drafting team notes that several of the comments imply that certain steps in Attachment 1 were proposed to be assigned as business practices, but those steps were not proposed as business practices in the first draft of the SAR.
The modifications made to the SAR should improve this consensus as many of the negative comments indicated that subdividing the requirements into two separate documents would be confusing and under the revised SAR NERC and NAESB will jointly publish a document that includes both the Business Practice requirements and the reliability requirements in a single document.

Commenter	Yes	No	Comment
IESO, Ontario Dan Rochester		X	The reliability and business practices within the TLR process are integrated to such an extent that the details need to remain contained within a single document for clarity. Concerns regarding the ability to effectively manage the model and the process with the current proposed split need to be addressed. The ability to follow developing market issues must also be retained. Steps 1.4.1, 1.4.1.1, 1.5, 1.5.1, 1.6, 1.7, 2.1.2, 2.2.2, 2.4.2, 2.5.2, 3.2.1.2, 3.3.1.2, 7.1, are reliability related and should remain in the standard. The dynamic schedule part of 1.6.6 was added to the Standard in June of this year with approval of 100% of the ballot body. It should remain as part of this standard.
Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. In support of this approach, the drafting team believes that the following steps in the TLR Procedure should be assigned to a NAESB Business practice: 1.5.1, 2.2.2, 2.4.2, and 2.5.2. Note that the other steps in the process that you've identified, 1.4.1, 1.4.1.1, 1.5, 1.6, 1.7, 2.1.2, 3.2.1.2, 3.3.1.2, and 7.1 are retained as reliability-steps in the revised SAR. There were no changes to 1.6.6 as part of the approval of IRO-006-02.			
CP9 Reliability Standards Working Group Guy Zito Kathleen Goodman Khaqan Khan Vinod (Bob) Kotecha		X	- Section 2.6 and 2.7 in the original standard defined step-by-step actions the Operator is to take under TLR Levels 5a and 5b. These actions have been removed and currently reside in the proposed NAESB standard. It is not appropriate for a business practice standard to define actions to be taken by a Reliability Coordinator in real-time operations to resolve a reliability issue. The need for a TLR is in response to a problem with reliability on the system. The Operator must be presented with all the information that is contained in both the proposed NERC and NAESB standards in order to issue that TLR. If the operator does not know what transactions are available in any given category, they do not know what TLR level is needed to resolve the situation. NPCC participating members do not agree with the assertion that the information contained in the NAESB standard does not impact reliability. Some aspects of the original IRO-006 are 'business practices,' and that the completed effort generally meets the original intent of splitting the business practice and reliability components. However, seeing the resulting split, it is clear that these business practices have a direct impact on reliability and they should be maintained within one single standard to prevent confusion and conflicts. Also, since the fundamental practice for defining the priorities and treatment of transactions under each TLR level is consistent with the FERC pro-forma tariff, there is minimal subjectivity involved in the business practices that are included in the original NERC standard. Steps 1.4.1, 1.4.1.1, 1.5, 1.5.1, 1.6, 1.7, 2.1.2, 2.2.2, 2.4.2, 2.5.2, 3.2.1.2,

			3.3.1.2, 7.1, are reliability related and should remain in the standard. The dynamic schedule part of 1.6.6 was added to the Standard in June of this year with 100% of the ballot body approval, it should remain as part of this standard.
/Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. In support of this approach, the drafting team believes that the following steps in the TLR Procedure should be assigned to a NAESB Business practice: 1.5.1, 2.2.2, 2.4.2, and 2.5.2. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
Operating Reliability Working Group (ORWG) Robert Rhodes Dan Boezio Bob Cochran Mike Crouch Todd Fridley Mike Gammon Serhly Kotsan Robert Rhodes		X	We feel that the division between business practices and reliability standards may not have gone far enough. The reliability standards should focus on establishing the criteria for initiation of different TLR levels and the required timeframes for relief. Business practices should focus on how the curtailments are executed to achieve the relief levels in the timeframes required by the reliability standard.
Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
ISO NE Cheryl Mendrala		X	- Section 2.6 and 2.7 in the original standard defined step-by-step actions the Operator is to take under TLR Levels 5a and 5b. These actions have been removed and currently reside in the proposed NAESB standard. It is not appropriate for a business practice standard to define actions to be taken by a Reliability Coordinator in real-time operations to resolve a reliability issue. The need for a TLR is in response to a problem with reliability on the system. There is no doubt that the Operator must be presented with all the information that is contained in both the proposed NERC and NAESB standards in order to issue that TLR. If the operator does not know what transactions are available in any given category, they do not know what TLR level is needed to resolve the situation. Therefore, we cannot agree with the assertion that the information contained in the NAESB standard does not impact reliability. We agree that some aspects of the original IRO-006 are 'business practices,' and agree that the completed effort generally meets the original intent of splitting the business practice and reliability components. However, seeing the resulting split, it is clear that these business practices have a direct impact on reliability and we believe they should be maintained within one single standard to prevent confusion and conflicts. Also, since the fundamental practice for defining the priorities and treatment of transactions under each TLR level is consistent with the FERC pro-forma tariff, there is minimal subjectivity involved in the business practices that are included in the original NERC standard.
Response:			

The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents. Note that in the revised SAR, all of the 'step-by-step' actions identified for TLR Levels 5a and 5b appear in the combined document. In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice.			
Entergy Services, Transmission Ed Davis Rick Riley Jay Zimmerman George Bartlett James Case Bill Aycock Melinda Montgomery Narinder Saini Maurice Casadaban		X	A complete response to this question is inappropriate at this time. It appears that IRO-006 will be divided into 3 major documents: NERC TLR reliability standards, NAESB business practices, and the IDC Reference Documentation. The answer to this question will require a detailed comparison of all three documents with respect to the existing IRO-006. We do not have the NAESB document in front of us in order to make that detailed comparison. In addition, it does not appear that a detailed comparison of the three documents has been requested since the SAR request states in the last paragraph that the development effort will begin by assessing for completeness and accuracy the revised Attachment 1.
Response: In the future, the drafting team will make sure all documents needed for review are posted. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
AEP Raj Rana		X	The two documents are overlapping. Same statements in both documents.
Response: Agreed – this duplication will be eliminated as indicated in the revised SAR. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
Midwest Reliability Organization Alan Boesch Terry Bilke Robert Coish Dennis Florom Todd Gosnell Wayne Guttormson Jim Maenner Tom Mielnik Darrick Moe Ken Goldsmith Joe Knight The 31 Additional MRO Members		X	Steps 1.4.1, 1.4.1.1, 1.5, 1.5.1, 1.6, 1.7, 2.1.2, 2.2.2, 2.4.2, 2.5.2, 3.2.1.2, 3.3.1.2, 7.1, are reliability related and should remain in the standard. The dynamic schedule part of 1.6.6 was added to the Standard in June of this year with 100% of the ballot body approval, it should remain as part of this standard.
Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. In support of this approach, the drafting team believes that the following steps in the TLR Procedure should be assigned to a NAESB Business practice: 1.5.1, 2.2.2, 2.4.2, and 2.5.2. Note that the other steps in the process that you've identified, 1.4.1, 1.4.1.1, 1.5, 1.6, 1.7, 2.1.2, 3.2.1.2, 3.3.1.2, and			

7.1 are retained as reliability-steps in the revised SAR. There were no changes to 1.6.6 as part of the approval of IRO-006-02.			
Southern Company – Transmission Jim Busbin Marc Butts Jim Viikinsalo	X		N/A
Joint Interchange Scheduling Working Group Bert Gumm Troy Simpson Marilyn Franz Jim Hansen Kathee Downing Jim Eckelcamp Bob Harshbarger Paul Sorenson Bob Schwermann Bonita Smulski Taryn McPherson Salah Kitali Joel Mickey Andrew Burke	X		
Public Service Commission of South Carolina Phil Riley John E. Howard David A. Wright Randy Mitchell Elizabeth B. Fleming G. O'Neal Hamilton Mignon L. Clyburn C. Robert Moseley	X		
Ohio Valley Electric Corp. Scott R. Cunningham	X		
Southern Company Generation Roman Carter Joel Dison Clifford Shepard Lucius Burris Steve Lowe	X		

3. Do you believe there are still elements of TLR business practices that remain in the proposed TLR reliability requirements? If not, please explain in the comment area.

Summary Consideration: Most commenters indicated that the TLR business practices have been removed from the TLR reliability requirements. Some commenters were not able to locate the NAESB Business Practice and could not easily answer this question. In the future, the drafting team will ensure that all documents needed to answer the questions on the comment forms are posted with the comment form.

Commenter	Yes	No	Comment
Ohio Valley Electric Corp. Scott R. Cunningham	X		At times, RTO ramp limitations are invoked when TLR curtailments occur. This issue is not covered in the standard, but seems to be related to a business practice, rather than a reliability issue. Perhaps the ramp limitation should be waived or adjusted if the limitation is caused by the curtailments that occur with the TLR.
Response: This is a change that could be addressed with the technical revisions to improve the standard in phase 2 of the proposed revisions.			
Operating Reliability Working Group (ORWG) Robert Rhodes Dan Boezio Bob Cochran Mike Crouch Todd Fridley Mike Gammon Serhly Kotsan Robert Rhodes	X		Everything in the proposed Attachment 1 - IRO-006-0 from Section 3 to the end of Attachment 1, including Appendices A and B, should be removed from the reliability standard and incorporated into the TLR Business Practices document. This material gets into the internal workings of the tool itself rather than dealing with the overall guiding principle of providing, and maintaining, relief within a specific timeframe.
Response: The drafting team agrees that many parts of Attachment 1 should be placed into either the Business Practices document or in a Technical Reference. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents. Appendix A may be a reference document for both the reliability standard and the business practice – Appendix B is expected to be included in the NAESB business practices.			
Entergy Services, Transmission Ed Davis Rick Riley Jay Zimmerman George Bartlett James Case Bill Aycock Melinda Montgomery Narinder Saini Maurice Casadaban	X		The NERC TLR reliability standard part of this documentation appears to be all reliability related. However, the IDC Reference Document appears to have significant business practice elements contained in it.
Response: Agreed. The revised SAR indicates that most of the content in the IDC Reference Document (Appendix E) should be translated into a reference document.			
AEP Raj Rana	X		We believe that items like firm/non-firm transactions types, TLR levels etc. should be taken out of the reliability portion of this standard. These items should be included in the NAESB portion. The reliability portion should only address the needed relief amount on constrained facilities and the time under which the relief should be provided in order to maintain security of the interconnected network.
Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those			

results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. The Attachment 1 steps of the procedure have been identified by the TLR Taskforce as having both Reliability and business practices within them. As the resulting standard will be published jointly all items are expected to be retained and the distinction of the items as reliability or as business practices will be identified.			
ISO NE Cheryl Mendrala		X	See response to question 2.
Response: See response to comments on question 2.			
CP9 Reliability Standards Working Group Guy Zito Kathleen Goodman Khaqan Khan Vinod (Bob) Kotecha		X	See response to question 2.
Response: See response to comments on question 2.			
Southern Company – Transmission Jim Busbin Marc Butts Jim Viikinsalo		X	N/A
Joint Interchange Scheduling Working Group Bert Gumm Troy Simpson Marilyn Franz Jim Hansen Kathee Downing Jim Eckelcamp Bob Harshbarger Paul Sorenson Bob Schwermann Bonita Smulski Taryn McPherson Salah Kitali Joel Mickey Andrew Burke		X	
Midwest Reliability Organization Alan Boesch Terry Bilke Robert Coish Dennis Florom Todd Gosnell Wayne Guttormson Jim Maenner Tom Mielnik Darrick Moe Ken Goldsmith Joe Knight The 31 Additional MRO Members		X	
Public Service Commission of South Carolina Phil Riley John E. Howard David A. Wright Randy Mitchell Elizabeth B. Fleming G. O'Neal Hamilton		X	

Mignon L. Clyburn C. Robert Moseley			
IESO, Ontario Dan Rochester		X	
Southern Company Generation Roman Carter Joel Dison Clifford Shepard Lucius Burris Steve Lowe		X	

4. Do you believe there are still elements of TLR reliability requirements that remain in the proposed TLR business practices? If not, please explain in the comment area.

Summary Consideration: Most commenters indicated that there aren't TLR reliability requirements in the proposed TLR business practices. Some commenters were not able to locate the NAESB Business Practice and could not easily answer this question. In the future, the drafting team will ensure that all documents needed to answer the questions on the comment forms are posted with the comment form.

Commenter	Yes	No	Comment
AEP Raj Rana			No comments. The TLR business practices document is not available.
Response: In the future, the drafting team will make sure all relevant documents are posted.			
Operating Reliability Working Group (ORWG) Robert Rhodes Dan Boezio Bob Cochran Mike Crouch Todd Fridley Mike Gammon Serhly Kotsan Robert Rhodes	X		Sections 3.2.1, 3.2.1.1 and 3.2.1.2 should be moved to the reliability standard since they deal more with how and why a Level 2 TLR is initiated than with the internal workings of the IDC.
Response: In determining how to subdivide the requirements, this is the approach taken by the TLR Task Force: A procedure includes steps that are performed to achieve expected results. It is only one method to achieve those results. If a Reliability Coordinator has options to address congestion and those options are prioritized in order of economic preference then the RC is making choices that would be appropriate under a business practice. Note that in the revised SAR, 3.2.1.2 is included in the reliability related steps of the procedure.			
ISO NE Cheryl Mendrala	X		See response to question 2.
Response: See response to comments on question 2.			
CP9 Reliability Standards Working Group Guy Zito Kathleen Goodman Khaqan Khan Vinod (Bob) Kotecha	X		See response to question 2.
Response: See response to comments on question 2.			
Midwest Reliability Organization Alan Boesch Terry Bilke Robert Coish Dennis Florom Todd Gosnell Wayne Guttormson Jim Maenner Tom Mielnik Darrick Moe Ken Goldsmith Joe Knight The 31 Additional MRO Members	X		See comments in question 2.
Response: See respone to comments on question 2			
IESO, Ontario		X	See comments in question 2.

Dan Rochester			
Response: See response to comments on question 2.			
Entergy Services, Transmission Ed Davis Rick Riley Jay Zimmerman George Bartlett James Case Bill Aycock Melinda Montgomery Narinder Saini Maurice Casadaban		X	We can not answer this question since we do not have the NAESB proposal TLR business practices in this package.
Response: In the future, the drafting team will make sure all relevant documents are posted.			
Southern Company – Transmission Jim Busbin Marc Butts Jim Viikinsalo		X	N/A
Joint Interchange Scheduling Working Group Bert Gumm Troy Simpson Marilyn Franz Jim Hansen Kathee Downing Jim Eckelcamp Bob Harshbarger Paul Sorenson Bob Schwermann Bonita Smulski Taryn McPherson Salah Kitali Joel Mickey Andrew Burke		X	
Public Service Commission of South Carolina Phil Riley John E. Howard David A. Wright Randy Mitchell Elizabeth B. Fleming G. O'Neal Hamilton Mignon L. Clyburn C. Robert Moseley		X	
Ohio Valley Electric Corp. Scott R. Cunningham		X	
Southern Company Generation Roman Carter Joel Dison Clifford Shepard Lucius Burris Steve Lowe		X	

5. Do you have any other comments on these proposed changes?

Summary Consideration:
The NERC-NAESB Procedure for Joint Development and Coordination was established after the first posting of this SAR, to guide joint development of standards and business practices when the reliability and business practice components are intricately entwined within a proposed standard. This procedure has been approved for implementation by the Standards Committee, NERC Board of Trustees and the NAESB Board and is applicable to the revisions of IRO-006. The revisions made to IRO-006 will be jointly published by NERC and NAESB in a single document, thus eliminating the need for a real-time system operator to have two documents that must be merged together to provide the needed information.

Several commenters suggested modifications to some of the requirement in the standard and/or to some of the steps in the TLR process. The drafting team modified its SAR to clearly indicate that the revisions to IRO-006 will be addressed in phases – with assigning the steps in Attachment 1 of IRO-006 between NERC/NAESB as the first phase – and addressing technical revisions that require field testing, changes to the IDC, and other modifications already identified as needed to improve the overall quality of the standard being addressed following the NERC/NAESB split. Stakeholder suggestions for technical modifications that were made in response to this question have been added to the laundry list of items under the IRO-006 'To Do List'.

Commenter	Yes	No	Comment
Southern Company – Transmission Jim Busbin Marc Butts Jim Viikinsalo	X		My only concern with the splitting of reliability requirements and business practices is how they will be managed and/or coordinated in the future. I'm not sure what value is added to the reliability of the grid by now having our grid operators manage their respective systems with a NERC manual in one hand and a NAESB manual in the other. Right now the two documents are in synch with one another; however, as we move forward in time, what will be the process for conflict resolution between the two?
Response: Note that following the first posting of this SAR, NERC and NAESB jointly developed and adopted a procedure to ensure that when a reliability standard and business practice are 'entwined', the development (and revision) would be coordinated between the two organizations. The revised SAR indicates that there will be joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard will include the business practices and the reliability standards without need for separate documents.			
Operating Reliability Working Group (ORWG) Robert Rhodes Dan Boezio Bob Cochran Mike Crouch Todd Fridley Mike Gammon Serhly Kotsan Robert Rhodes	X		Section 1.5.1 of Attachment 1 refers to treatment of Interchange Transactions not in the IDC in accordance with NAESB business practices, but we could not find any reference to this treatment in the TLR business practices.
Response: This is in Sections 1.1, 1.2, 1.2.11 of NAESB Transmission Loading Relief Business Practice and is shown in the proposed revisions to Attachment 1.			

ISO NE Cheryl Mendrala	X		Recommend restoring the reference to RCIS tool in 1.4. That reference was eliminated when the old 1.4.1 was removed. - The old 1.5.1 was removed. There's a general statement added to 1.2 that says "In addition, a Reliability Coordinator may implement other NERC-approved procedures to request relief to mitigate any other transmission constraints as necessary to preserve the reliability of the system." But, that phrase does not seem to capture the same intent as the previous 1.5.1 wording. - Section 1.5.3 the numbering on this section is very confusing. Suggest the following: 1.5.3.1. Causes of questionable IDC results may include: (1) Missing Interchange transactions that are known to contribute to the Constraint, (2) Significant change in transmission system topology, or (3) TDF matrix error. 1.5.3.2 Impacts of questionable IDC results may include: (1) relief that would have no effect on, or aggravate the constraint or (2) that would initiate a constraint elsewhere. 1.5.3.3. If other Reliability Coordinators are involved in the TLR event, all impacted Reliability Coordinators shall be in agreement before any adjustments to the relief request list are made. - Title of Section 2 should be changed to be only "Transmission Loading Relief (TLR) Levels." - Section 3 is missing section 3.1. - Suggest that Section 3.2 include a reference to the fact that transactions submitted after the XX:25 deadline will put on HOLD. - Are Section 3.3.3 and Section 3.4.3 referring back to the deadline defined in 3.2? If so, that section should be referenced. - Text in 3.3.1.1 and 3.3.2 are referring to the same process for reallocation and should use the same terminology. Suggest 3.3.1.1 text be changed to "At XX:25 a reallocation will be performed for the following hour to maintain the target flow identified for the current hour". - Text in 3.4.1.1 and 3.4.2 are referring to the same process for reallocation and should use the same terminology. Suggest 3.4.1.1 text be changed to "At XX:25 a reallocation will be performed for the following hour to maintain the target flow identified for the current hour". - The section notation of Appendix B should be modified. The Section numbering shown in the index is not how the headings are titled in the Sections. Also, Section F and Section G should not be 5.1 and 5.2; they should be at the highest index level. General Comment: There have been changes to the congestion management process over the last few years that involve the use of Market information by the IDC. Any new standards addressing the TLR process and the IDC, whether in NERC or NAESB, should consider addressing the current information available to the IDC and include some mention of that information in that standard development. General Comment: One other practical concern that has not been addressed is the ownership, impact and funding of the IDC tool that automates the 'business practices' of implementing a TLR for the Operator. The split of the original NERC IRO-006 should not be adopted until this issue is addressed and resolved.
As noted in the revised SAR, the standard will be revised in phases – the first phase will be limited to the 'NERC/NAESB/ split' – but following that split, the standard drafting team will be focusing on the laundry list of technical improvements to the standard that have already been identified in the SAR – and will add your list to those that will be considered. The reference was moved to NAESB BP 1.4 and changed to refer to generic tool instead of RCIS specifically. This approach limits the number of changes that need to be made to standards when the tool or committee name changes.			

Section 3.1 does appear in the revised proposed changes to Attachment 1. Going forward the changes will be managed from the joint standards development process and there is no anticipated change in the funding or contract agreements to modify the software. The standard drafting team will determine the best way to format and number the steps in the procedure jointly.			
Entergy Services, Transmission Ed Davis Rick Riley Jay Zimmerman George Bartlett James Case Bill Aycock Melinda Montgomery Narinder Saini Maurice Casadaban	X		The SAR contains the statement that the urgent action revision to Attachment 1 addressing dynamic schedules will be incorporated into the NAESB business practices. We suggest starting with IRO-006-1, rather than with IRO-006-0. Please delete all references to IRO-006-0 (and IRO-006-1) in headers, footers, titles, etc. This new document will result in a new version of IRO--006. This current draft is not version 0 or 1. Please delete all references to adoption by the NERC Board of Trustees, Effective Date, and all dates because the document we are viewing has not been adopted by the BOT and does not have an Effective Date. Please provide a redline version showing the draft changes to IRO-006-1. This redline would make review and comment much easier for commenters. We appreciate the development of the matrix and would probably find it useful for keeping track of the disposition of each requirement in the original IRO-006. However, in its current form we do not understand which columns relate to which documents and the row designations are not clearly understood.
Response: The standard drafting team will make its revisions to the latest approved version of the standard – which is now IRO-006-03. Headers, footers, etc will be corrected when the draft standard is posted for review and comment. The SAR was revised to identify the scope of changes that will be made, without trying to make all those changes since that is really the work of the standard drafting team – there is no red line to the standard as the proposed changes to the standard will be refined by the standard drafting team. The matrix was confusing and will not be carried forward.			
Joint Interchange Scheduling Working Group Bert Gumm Troy Simpson Marilyn Franz Jim Hansen Kathee Downing Jim Eckelcamp Bob Harshbarger Paul Sorenson Bob Schwermann Bonita Smulski Taryn McPherson Salah Kitali Joel Mickey Andrew Burke	X		1. We request that the scope of this SAR be expanded to include resolving the reloading of curtailed transactions above their reliability limit by an entity other than the initiating entity or above any pre-existing reliability or market profiles. 2. We also request that the scope of the SAR be expanded to include standards for when curtailments may be denied and when curtailments may be issued. 1 - There have been several instances where a curtailment has been issued and then been automatically or manually reloaded above the reliability limit. The automatic reload problem created by the IDC has been resolved by CO-148, automatic reload by other back office applications has not been corrected, nor have manual adjustments. There are several options available for correcting this problem. This should be addressed by specifying requirements and performance measures in the TLR standard and may also be addressed through NAESB business practices and modifications to the e-Tag specification. Also, any pre-existing curtailment levels are lost. JISWG recommends that the entity who has issued the curtailment be the only entity able to authorize the reload. When the reload occurs the energy profile should be limited to the next lowest reliability limit or market adjustment profile. 2- Under normal circumstances, a curtailment (issued for reliability reasons) should not be denied. However, there are some limited circumstances where a curtailment should be denied. For example, if a curtailment comes in and the generator cannot meet the ramp requirements, then the curtailment could be denied and would be reissued for the next scheduling interval. This ensures that the tags reflect actual conditions. In other cases, curtailments are sometimes issued when PSE's cannot make their market level adjustments prior to cutoff. The TLR standard should address those specific reasons for denying a curtailment. Reliability is compromised when curtailments are denied for non-reliability reasons. Reliability may also be compromised when curtailments are issued for non-reliability reasons. If scope of the SAR is adjusted, JISWG volunteers to assist the drafting team with providing specific language for the TLR standard addressing these issues.
Response: As noted in the revised SAR, the standard will be revised in phases – the first phase will be limited to the 'NERC/NAESB/ split' – but following that split, the standard drafting team will be focusing on the laundry list of			

technical improvements to the standard that have already been identified in the SAR – and will add your list to those that will be considered.			
AEP Raj Rana	X		Use of proxy flowgates by the reliability coordinators must be prohibited. This practice must be explicitly addressed in this standard because, the use of proxy flowgates not only will result in mis-allocation of corrective actions, but at worst could even result in actions being taken that actually increase flows on the limiting element, instead of decreasing them.
Response: As noted in the revised SAR, the standard will be revised in phases – the first phase will be limited to the 'NERC/NAESB/ split' – but following that split, the standard drafting team will be focusing on the laundry list of technical improvements to the standard that have already been identified in the SAR – and will add your list to those that will be considered.			
Midwest Reliability Organization Alan Boesch Terry Bilke Robert Coish Dennis Florom Todd Gosnell Wayne Guttormson Jim Maenner Tom Mielnik Darrick Moe Ken Goldsmith Joe Knight The 31 Additional MRO Members	X		It was very difficult to review the changes to the standard without a redline copy. In order to perform our review we made a redline of the original standard. The MRO does not support this modification. The proposed change provides confusion to a very important reliability process. Also the proposed standard references a NAESB standard which is inconsistent with the NERC Standards Process Manual which says "All mandatory requirements of a reliability standard shall be within an element of the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself." There are mandatory parts of the proposed standard in the NAESB business practice and are necessary for the successful implementation of this reliability standard. With the two documents being modified by separate entities there is a good chance that the documents will not be coordinated and kept in synchronization when changes are made.
Response: The NERC NAESB Template Procedure for Joint Standards Development and Coordination was developed to ensure proper coordination for standards where there is no easy separation of business and reliability. The approach includes joint collaboration and joint publication of the resulting standard. There will be one jointly published document which covers both the business practice steps and the reliability steps of the Attachment in IRO-006.			
Ohio Valley Electric Corp. Scott R. Cunningham	X		The use of proxy flowgates is not mentioned at all in the proposed standard. The use of proxy flowgates should not be allowed, except in very unusual circumstances. If use of a proxy flowgate is necessary, such use should be justified and approval from all affected parties should be obtained.
Response: As noted in the revised SAR, the standard will be revised in phases – the first phase will be limited to the 'NERC/NAESB/ split' – but following that split, the standard drafting team will be focusing on the laundry list of technical improvements to the standard that have already been identified in the SAR – and will add your list to those that will be considered.			
IESO, Ontario Dan Rochester	X		The IESO does not fully support the modifications proposed in this SAR. The proposed change provides confusion to a very important reliability process. Also the proposed standard references a NAESB standard which is inconsistent with the NERC Standards Process Manual which says "All mandatory requirements of a reliability standard shall be within an element of the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself." There are mandatory parts of the proposed standard in the NAESB business practice that are necessary for the successful implementation of this reliability standard. With the two documents being modified by separate entities there is a good chance that the documents will not be coordinated and kept in synchronization when changes are made. As acknowledged by the TLR Subcommittee that worked to create this proposed split, the business practices and reliability aspects of TLR are very intertwined. In effect, the information in both the proposed NERC and NAESB standard must be simultaneously available to the Operators in the Control Room, in order for them to operate the system reliably. While the effort to create this initial split in the TLR standards has been completed,

			consideration should be given as to how this split will be maintained, if going forward, before it is adopted by the industry. Operator training issues, as well as the ownership and funding of the IDC tool should be considered in this evaluation before such a significant step is taken on a standard that is fundamental to the reliability of the Eastern Interconnection. This is an important process that requires a complete understanding of the impact of separating the business practice from the reliability concepts. It is not clear that the current proposed document split will retain the integrity of the TLR process. The potential negative impact of degrading the RC's ability to manage loop flow dictates that any change in documentation and responsibility must proceed carefully.
Response: The NERC NAESB Template Procedure for Joint Standards Development and Coordination was developed to ensure proper coordination for standards where there is no easy separation of business practices and reliability requirements. The approach includes joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard includes the business practices and the reliability standards without need for separate documents. The IDC is the tool that specifies how the Business Practice and the Reliability adjustments are made. The RC specifies how much relief is required and the tool combines the logic based on business practice rules to identify how much relief in each transaction should be distributed. NERC will work jointly to provide training when needed by using the committees and then by providing the necessary materials so the industry can train their staff on			
Southern Company Generation Roman Carter Joel Dison Clifford Shepard Lucius Burris Steve Lowe	X		As NAESB and NERC standards are approved and implemented which require close coordination between the two organizations, the need for a common "Operations Manual" may become necessary for System Operators.
Response: The NERC NAESB Template Procedure for Joint Standards Development and Coordination was developed to ensure proper coordination for standards where there is no easy separation of business practices and reliability requirements. The approach includes joint collaboration and joint publication of the resulting standard. The joint collaboration ensures during development issues can be addressed jointly so that the resulting business practice and reliability standards work together. Using this process the result is that the jointly published standard includes the business practices and the reliability standards without need for separate documents.			
CP9 Reliability Standards Working Group Guy Zito Kathleen Goodman Khaqan Khan Vinod (Bob) Kotecha	X		This is an important process that requires a complete understanding of the impact of separating the business practice from the reliability concepts. It is not clear that the current proposed document split will retain the integrity of the TLR process. The potential negative impact of degrading the RC's ability to manage loop flow dictates that any change in documentation and responsibility must proceed carefully. NPCC participating Members believe the proposed change provides confusion to a very important reliability process. There are mandatory parts of the proposed standard in the NAESB business practice that are necessary for the successful implementation of this reliability standard. With the two documents being modified by separate entities there is a good chance that the documents will not be coordinated and kept in synchronization when changes are made. Recommend restoring the reference to RCIS tool in 1.4. That reference was eliminated when the old 1.4.1 was removed. - The old 1.5.1 was removed. There's a general statement added to 1.2 that says "In addition, a Reliability Coordinator may implement other NERC-approved procedures to request relief to mitigate any other transmission constraints as necessary to preserve the reliability of the system." But, that phrase does not seem to capture the same intent as the previous 1.5.1 wording.

			- Section 1.5.3 the numbering on this section is very confusing. Suggest the following: 1.5.3.1. Causes of questionable IDC results may include: (1) Missing Interchange transactions that are known to contribute to the Constraint, (2) Significant change in transmission system topology, or (3) TDF matrix error. 1.5.3.2 Impacts of questionable IDC results may include: (1) relief that would have no effect on, or aggravate the constraint or (2) that would initiate a constraint elsewhere. 1.5.3.3. If other Reliability Coordinators are involved in the TLR event, all impacted Reliability Coordinators shall be in agreement before any adjustments to the relief request list are made. - Title of Section 2 should be changed to be only "Transmission Loading Relief (TLR) Levels." - Section 3 is missing section 3.1. - Suggest that Section 3.2 include a reference to the fact that transactions submitted after the XX:25 deadline will put on HOLD. - Are Section 3.3.3 and Section 3.4.3 referring back to the deadline defined in 3.2? If so, that section should be referenced. - Text in 3.3.1.1 and 3.3.2 are referring to the same process for reallocation and should use the same terminology. Suggest 3.3.1.1 text be changed to "At XX:25 a reallocation will be performed for the following hour to maintain the target flow identified for the current hour". - Text in 3.4.1.1 and 3.4.2 are referring to the same process for reallocation and should use the same terminology. Suggest 3.4.1.1 text be changed to "At XX:25 a reallocation will be performed for the following hour to maintain the target flow identified for the current hour". - The section notation of Appendix B should be modified. The Section numbering shown in the index is not how the headings are titled in the Sections. Also, Section F and Section G should not be 5.1 and 5.2; they should be at the highest index level. General Comment: There have been changes to the congestion management process over the last few years that involve the use of Market information by the IDC. Any new standards addressing the TLR process and the IDC, whether in NERC or NAESB, should consider addressing the current information available to the IDC and include some mention of that information in that standard development. In addition, Operator training issues, as well as the ownership and funding of the IDC tool should be considered in this evaluation before such a significant step is taken on a standard that is fundamental to the reliability of the Eastern Interconnection. General Comment: One other practical concern that has not been addressed is the ownership, impact and funding of the IDC tool that automates the 'business practices' of implementing a TLR for the Operator. The split of the original NERC IRO-006 should not be adopted until this issue is addressed and resolved.

Response: As noted in the revised SAR, the standard will be revised in phases – the first phase will be limited to the 'NERC/NAESB/ split' – but following that split, the standard drafting team will be focusing on the laundry list of technical improvements to the standard that have already been identified in the SAR – and will add your list to those that will be considered.

The reference was moved to NAESB BP 1.4 and changed to refer to generic tool instead of RCIS specifically. This approach limits the number of changes that need to be made to standards when the tool or committee name changes.

Section 3.1 does appear in the revised proposed changes to Attachment 1.

Going forward the changes will be managed from the joint standards development process and there is no anticipated change in the funding or contract agreements to modify the software.
The standard drafting team will determine the best way to format and number the steps in the procedure jointly.

Public Service Commission of South Carolina Phil Riley John E. Howard David A. Wright Randy Mitchell Elizabeth B. Fleming G. O'Neal Hamilton Mignon L. Clyburn C. Robert Moseley		X	

950. We do not share TAPS' concern regarding LSEs initiating load shedding as their own control action to respect IROLs or SOLs. The appropriate control actions to respect IROLs and SOLs are the responsibilities of a reliability coordinator and transmission operator. If load shedding is required, it is the responsibility of a reliability coordinator or a transmission operator to direct the appropriate entities including LSEs to carry it out. However, we urge the ERO to provide further clarification in this regard and include TAPS' concern in developing the modification of this Reliability Standard.

951. Accordingly, the Commission approves Reliability Standard IRO-005-1 as mandatory and enforceable. Further, because IRO-005-1 has no Measures or Levels of Non-Compliance, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to IRO-005-1 through the Reliability Standards development process that includes Measures and Levels of Non-Compliance. The Commission further directs that the Measures and Levels of Non-Compliance specific to IROL violations must be commensurate with the magnitude, duration, frequency and causes of the violations and whether these occur during normal or contingency conditions. Finally, the Commission directs the ERO to conduct a survey on IROL practices and actual operating experiences by requiring reliability coordinators to report any violations of IROL, their causes, the date and time, the durations and magnitudes in which actual operations exceeds IROLs to the ERO on a monthly basis for one year beginning two months after the effective date of the Final Rule. We may propose further modifications to IRO-005-1 based on the survey results.

f. Reliability Coordination – Transmission Loading Relief (IRO-006-3)

952. IRO-006-3 ensures that a reliability coordinator has a coordinated method to alleviate loadings on the transmission system if it becomes congested to avoid limit violations. IRO-006-3 establishes a detailed Transmission Loading Relief (TLR) process for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions based on their priorities and according to different levels of TLR procedures.[305] The proposed Reliability Standard includes a regional difference for reporting market flow information to the Interchange Distribution Calculator rather than tagged transaction information for the MISO and PJM areas. It also includes by reference the equivalent Interconnection-wide congestion management methods used in the WECC and ERCOT regions.

[305] The equivalent Interconnection-wide transmission loading relief procedures for use in WECC and ERCOT are known as "WSCC Unscheduled Flow Mitigation Plan" and Section 7 of the "ERCOT Protocols," respectively.

953. In the NOPR, the Commission proposed to approve Reliability Standard IRO-006-3 as mandatory and enforceable. In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission proposed to direct NERC to submit a modification to IRO-006-3 that: (1) includes a clear warning that a TLR procedure is an inappropriate and ineffective tool to mitigate IROL violations; (2) identifies in a Requirement the available alternatives to use of the TLR procedure to mitigate an IROL violation and (3) includes Measures and Levels of Non-Compliance that address each Requirement. In addition, the Commission proposed to approve the WECC and ERCOT load relief procedures as superior to the national standard.

i. Comments

954. APPA agrees that IRO-006-3 is sufficient for approval as a mandatory Reliability Standard. It suggests that the ERO should consider development of detailed Measures and Levels of Non-Compliance that address each Requirement in IRO-006-3. Until then, penalties should not be imposed except for egregious violations and the associated penalties should be imposed by the Commission.

955. APPA, Entergy and MidAmerican agree that the TLR procedure is an inappropriate and ineffective tool to mitigate actual IROL violations and that a clear warning to that effect should be included. MidAmerican specifically suggests that the warning must also apply to actual emergency situations in addition to actual IROL violations.

956. Similarly, ISO-NE supports the Commission's conclusions with regard to reliance on TLRs to address actual IROL violations. Further, it supports the Commission's proposal that the ERO should modify the Reliability Standard to provide flexibility for ISOs and RTOs to rely on redispatch as a means to mitigate an IROL violation.

957. Xcel suggests that instead of the proposed modification of a clear warning, it should include a requirement that TLR procedures should not be used for alleviating actual IROL violations. It asserts that the latter approach would be more measurable than the Commission's proposed modification.

958. Entergy and MidAmerican believe that TLR procedures can be an effective mechanism to avoid potential SOL and IROL violations or potential emergency situations.

959. In contrast, Progress Energy disagrees with the Commission's reasoning on the ineffectiveness of using TLR procedures to alleviate actual IROL violations.

ii. Commission Determination

960. The Commission approves IRO-006-3 as mandatory and enforceable. In addition, we direct the ERO to develop modifications to the Reliability Standard as discussed below.

961. The Commission remains convinced, based on Blackout Recommendation No. 31,[306] the submissions from APPA, Entergy, MidAmerican, ISO-NE and Xcel, and NERC's comments on the Staff Preliminary Assessment,[307] that proposed directives to include a clear warning that a TLR procedure is an inappropriate and ineffective tool to mitigate IROL violations and to identify the available alternatives to use of the TLR procedure to mitigate an IROL violation are the appropriate improvements to address the deficiencies in using TLR procedures to mitigate actual IROL violations or actual emergency situations. The Commission endorses Blackout Recommendation No. 31.

962. The Commission agrees with Entergy and MidAmerican that TLR procedures can be an effective mechanism to avoid potential IROL violations and potential emergencies. Regarding this, we reiterate that our concerns have always been on the use of TLR to mitigate actual IROLs or actual emergencies, and not on potential IROLs or emergencies, as indicated in the Blackout Report, Staff Assessment and the NOPR.

963. We do not understand Progress Energy's disagreement because no reason is provided.

964. Accordingly, in addition to approving the Reliability Standard, the Commission directs the ERO to develop a modification to IRO-006-3 through the Reliability Standards development process that (1) includes a clear warning that the TLR procedure is an inappropriate and ineffective tool to mitigate actual IROL violations and (2) identifies in a Requirement the available alternatives to mitigate an IROL violation other than use of the TLR procedure. In developing the required modification, the ERO should consider the suggestions of MidAmerican and Xcel. In addition, the Commission

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[306] Blackout Recommendation No. 31, at 163 is to "Clarify that the transmission loading relief (TLR) process should not be used in situations involving an actual violation of an Operating Security Limit."

[307] The NERC comments to Staff Assessment at 49 state that "NERC agrees that the TLR procedure alone is usually not effective as a control measure to mitigate an IROL violation and explains that the TLR procedure was not intended to be effective in this manner."

approves the WECC and ERCOT load relief procedures as superior to the national Reliability Standard. As identified in the NOPR, the Commission directs the ERO to modify the WECC and ERCOT procedures to ensure consistency with the standard form of the Reliability Standards including Requirements, Measures and Levels of Non-Compliance.[308]

g. Regional Difference to IRO-006-3: PJM/MISO/SPP Enhanced Congestion Management (Curtailment/Reload/Reallocation)

i. Background

965. As explained in the NOPR, IRO-006-003 provides for a regional difference for MISO, PJM and SPP.[309] According to NERC, the regional difference is needed to allow RTO market practices, simplify transaction information requirements for market participants, and provide reliability coordinators with appropriate information for security analysis and curtailments, reloads, reallocations and redispatch requirements.

966. The regional difference to IRO-006-3 applies the congestion management process included in Joint Operating Agreements filed by MISO, PJM and SPP and specified in seams agreements reached among MISO, PJM, and their neighboring non-market areas during the RTOs' market formation and expansions. Under the congestion management process in the waiver, each RTO calculates an amount of energy (market flow) flowing across coordinated flowgates. These market flows are separated into their appropriate priorities based on the RTO's schedules and reservations and are available for curtailment under the appropriate TLR Levels in the NERC interchange distribution calculator. Under the TLR method for curtailing interchange transactions and in the per generator method for generation-to-load impacts, NERC uses a five percent curtailment threshold, but in the waiver, the RTO's market flows with an impact of greater than zero percent on a coordinated flowgate are represented and made available for curtailment under the appropriate TLR priorities.

967. In their comments on the Staff Preliminary Assessment, MISO-PJM contended that there is unduly discriminatory treatment of the market flows of MISO and PJM versus the generation-to-load impacts of non-market entities because the waiver subjects

[308] See NOPR at P 564-65.

[309] NOPR at P 568.

the RTOs to curtailment (and the corresponding redispatch costs) in circumstances where the non-market entities would not be subject to curtailment.

968. In the NOPR, the Commission did not propose to approve or remand this regional difference.

ii. Comments

(a) Application of the Regional Difference

969. MISO-PJM contends that there is unduly discriminatory treatment against market flows of MISO and PJM during the application of the TLR Standard. The RTOs argue that NERC should modify IRO-006-3 and the MISO and PJM regional difference to require modifying the market flow threshold used by the interchange distribution calculator to assign relief obligations to MISO, PJM, and SPP from zero to a standard percentage that is technically feasible to implement on a non-discriminatory basis, netting of market flow impacts, tag impacts, and generation-to-load impacts, and reporting to the interchange distribution calculator all net generation-to-load impacts for both market and non-market transmission providers. Constellation supports MISO-PJM's argument that there is unduly discriminatory treatment of the MISO and PJM market flows compared to the generation-to-load impacts of non-market entities in the application of the TLR standard.

970. MISO-PJM indicates that they have raised the equity issue with the NERC Operating Reliability Subcommittee (Operating Subcommittee), that their markets currently are being asked to curtail market flow impacts down to zero percent while tagged transactions and generation-to-load impacts during TLR 5 are being asked to curtail impacts that are five percent or greater. MISO-PJM states that the NERC Operating Subcommittee has indicated that they will address reliability issues only and that they are not the appropriate group to address equity issues.

(b) Seams Agreements

971. Several entities argue that the Commission should not overturn the existing IRO-006-3 regional difference. MidAmerican states that MISO and PJM should continue to pursue a negotiated solution to the issues outlined in MISO-PJM's filings. Mid-Continent states that the Commission should reject the MISO-PJM proposal to require NERC to allow them to report only the transactions with five percent or greater impacts on flowgates rather than report all transactions for curtailments, since MISO and PJM offered to report all transactions to avoid negative impacts on the reliability of the transmission system. Mid-Continent argues that not doing so would impact the reliability of the transmission system.

972. Mid-Continent asks the Commission to not implement MISO and PJM's proposal to modify NERC's proceduresand to not override seams agreements. MidAmerican claims that MISO-PJM comments amount to an abrogation of existing seams agreements. MidAmerican states that the seams agreements were negotiated in a give-and-take process between the parties resulting in the existing waiver which was proposed by PJM and MISO in response to Commission orders. MidAmerican states that if any changes are sought to these waivers, they should be addressed in negotiation with the appropriate parties. MidAmerican suggests that any changes should be requested by way of the NERC process for developing Reliability Standards and that any negotiated agreements should be presented to the Commission for approval. Mid-Continent claims that MISO-PJM have not provided valid reasons to replace the current Reliability Standards or to take actions that would modify existing seams agreements signed by MISO and PJM. Mid-Continent asks the Commission not to short-circuit the NERC Reliability Standards process which will give full consideration to the reliability implications of MISO's and PJM's proposal.

973. APPA agrees with the Commission's proposed approach in allowing MISO, PJM, NERC and other "relevant entities" to continue their negotiations regarding this regional difference. APPA cautions that any agreement reached by NERC and approved by the Commission regarding a regional difference for this Reliability Standard should be governed by reliability considerations and should not permit market design considerations to override NERC's Reliability Standards. MidAmerican suggests a process where the RTOs invite parties to reconsider the seams agreements, the parties negotiate changes, the Commission approves new agreements and waivers are then sought from NERC to the extent necessary. MidAmerican argues that since the RTOs do not allege any reliability problem there is no need to reject or upend the existing NERC waiver.

(c) Modifying the Congestion Management Process and Alternatives for Temporary Application of the Waiver

974. Mid-Continent states that it agrees with the Commission's proposal to not adopt MISO and PJM's request to instruct NERC to modify the current waiver to the TLR in the RTOs and believes that instead the Commission should direct NERC to address these issues through the Reliability Standards development process with input from neighboring systems. Mid-Continent states that changes to the waiver must not discriminate against non-market regions; must not negatively impact the reliability of neighboring systems and must be consistent with seams agreements signed by the RTOs.

975. NRECA claims that issues associated with market flows and generation-to-load impacts have not been resolved and is concerned that MISO-PJM's suggestion that

"consensus" has been reached on the issues is premature. NRECA is also concerned that implementation of the MISO and PJM proposal could increase reliance on TLRs. NRECA urges the Commission to not short circuit or circumvent the Reliability Standards development process or the RTO stakeholders process and states that the Commission should permit the stakeholders to reach full consensus.

976. MISO-PJM indicates that they have been working with both the NERC Operating Subcommittee and the Congestion Management Process Working Group (Congestion Working Group) to achieve a consensus on these changes, and that based on this, the Commission stated in the NOPR that it prefers that MISO, PJM and others continue negotiations to resolve these issues rather than imposing a solution on market participants. MISO-PJM state that they have held extensive discussions with a group composed of NERC Operating Subcommittee and Congestion Working Group participants. MISO-PJM indicates that detailed analyses has been performed to evaluate the effect of changing the market flow threshold from zero percent to five percent in one percent increments and that the NERC Operating Subcommittee has recommended that the market flow threshold used by the interchange distribution calculator to assign relief obligations to the MISO, PJM, and SPP be changed from zero percent to three percent for a 12 month interim period. MISO-PJM assert that at the end of the 12 months, a decision will be made whether to recommend a permanent change to the market flow threshold from zero percent to three percent or a change to some other value. MISO-PJM state that according to the NERC Operating Subcommittee, this recommendation is to only address the reliability issue raised by MISO, PJM and SPP so that they are able to meet their relief assignment during TLR.

977. MISO-PJM also state sthat to receive congestion management process Council endorsement and support for the change being developed by the NERC Operating Subcommittee group, it requires unanimous approval by the congestion management process Council and that, though the 12 month field test to change the market flow threshold from zero percent to three percent has the support of MISO, PJM, SPP and TVA, it does not have the unanimous approval of all signatories to the seams agreements. MISO-PJM states that MAPPCOR (MAPP) has not agreed to the field test recommended by the NERC Operating Subcommittee and that MAPP has asserted that MISO should continue to honor their contractual obligation and report market flow impacts down to zero percent for relief assignments as specified in the MISO-MAPP Seams Operating Agreement. MISO is concerned that once the field test is complete and the NERC Operating Subcommittee recommends the use of a three percent threshold or some other threshold to address the reliability issue, the MISO may still have a contractual obligation with MAPP to use market flows down to zero percent for relief assignments. MISO-PJM states that this contractual obligation can only be altered if MISO and MAPP can agree on a change to the Seams Operating Agreement but expects resistance to change the

Seams Operating Agreement. MISO and PJM do not believe they can address the equity issue by continuing discussions with the NERC Operating Subcommittee.

978. MISO-PJM also state that by continuing to use market flows down to zero percent for relief assignments on reciprocally coordinated flowgates between MISO and MAPP, there will be situations where MISO is unable to meet its relief obligation. MISO-PJM states that they have sought unsuccessfully to execute redispatch agreements with those parties who have direct counter-flow on the identified flowgates where the MISO is unable to meet its relief obligation. MISO-PJM believe that the Commission should address this continuing discriminatory treatment of the market impacts on flowgates. MISO-PJM state that of the three areas where MISO-PJM raised comments on discriminatory treatment of the markets, only one area (changing the market flow threshold for a 12 month field test) has resulted in steps being taken to address the discriminatory treatment and that even this one area can only be considered a partial success because there is only a solution to address the reliability issue, but not the equity issue.

979. MISO-PJM explain in their supplemental comments that NERC has demonstrated a willingness to consider the reliability issue by authorizing a 12 month field test allowing PJM, MISO and SPP market flows to use a three percent threshold, to observe the impact on reliability, but will not address what it refers to as "equity issues." MISO-PJM explains the field test has been approved by all the reciprocal entities that have signed seams agreements except MAPP. MISO-PJM state that, at the end of the 12 months, a decision will be made whether to use a three percent threshold or some other threshold to address the reliability concerns. MISO-PJM explain that the same entities that make up the Mid-Continent objected to the field test because they asserted MISO has a contractual obligation under the MAPP Seams Operating Agreement to continue reporting its market flows down to zero percent. MISO-PJM contend that because the MISO has agreed to honor its contractual obligation during the field test and will continue to use a zero percent threshold for all flowgates that are reciprocal between MISO and MAPP, this means that the flowgates under the control of the Mid-Continent parties will not participate in the field test and NERC will have no data to show the impact of changing the market flow threshold to three percent on these flowgates.

980. MISO-PJM state that as long as the regional difference does not become a mandatory standard during the field test, they are satisfied that appropriate steps are being taken to address reliability.

(d) Reporting of Generator to Load Impacts by Non Market Areas

981. MISO-PJM supports modifications to the TLR process that would require all participants (both market and non-market) to report their market flow impacts and generator-to-load impacts to the interchange distribution calculator and honor their allocations when they report their firm versus their non-firm usage. MISO-PJM believes that taking this step would also address the threshold equity issue and the netting issue because all entities would be subject to the same treatment. MISO-PJM requests that the Commission to either direct NERC to initiate a process to modify the interchange distribution calculator such that market flows and generator-to-load impacts from non-market areas are both reported to the interchange distribution calculator and are subject to curtailment based on their priorities from the allocations or that the Commission take action to do so.

982. MISO-PJM states that the reporting of generator-to-load impacts by the non-market entities is the one area that is not currently under discussion with a stakeholder group. MISO-PJM explains that both the market and non-market entities receive an allocation on flowgates and that both the market entities and the non-market entities use the allocations when selling firm transmission service. MISO-PJM states that only the market entities report their market flows to the interchange distribution calculator and use their allocations to determine what portion of market flows will be considered firm and believe that the non-market entities could also report their firm and non-firm generator-to-load usage to the interchange distribution calculator and receive relief assignments based on this usage. MISO-PJM indicates that this would remove the assumption that all generator-to-load impacts from the non-market entities represent firm usage. MISO-PJM states that reporting relief obligations by one group of participants and not reporting by the other results in conflicting actions during the TLR process because market entities suffer the financial consequences of redispatch at the same time reliability is not being accomplished due to off-setting actions by non-market entities.

983. MISO-PJM states that, to address the discriminatory treatment of the markets, the Commission could order the TLR Reliability Standard to be modified to have the market entities discontinue reporting their market flows to the interchange distribution calculator. MISO-PJM believes that instead of this order, the preference is to have the market entities continue reporting their market flow impacts and the non-market entities report their generator-to-load impacts to the interchange distribution calculator. The allocations would be used to set the priority of these impacts.

984. Mid-Continent states that the regional difference requiring PJM and MISO to report all flows instead of net flows was part of the commitments MISO and PJM made to meet NERC's tagging requirements. Mid-Continent contends that it is appropriate to

treat MISO-PJM market flows differently because they are greater than the system flows that resulted from control area-based system operation. Mid-Continent further claims that MISO cannot achieve the redispatch the interchange distribution calculator requires because of MISO's own actions since MISO does not report actual flows to the interchange distribution calculator and MISO and PJM's congestion management tools do not utilize all redispatch options.

(e) Accounting for Counter Flows during TLR

985. MISO-PJM state that there have been discussions at the NERC Operating Subcommittee about taking into account counter-flows during TLR when assigning relief. MISO-PJM contend sthat by considering counter-flows, those entities that are responsible for the loading problem on a net basis will be responsible for fixing the loading problem during TLR. MISO-PJM states that the MISO, PJM and SPP markets operate on a net flow basis and, therefore, have additional reasons for wanting to consider counter-flows. MISO-PJM expects that by summer 2007, the Task Force will have a recommendation on netting in the interchange distribution calculator for the NERC Operating Subcommittee to consider. MISO-PJM state that it is premature to speculate on the outcome of the discussions with the NERC Operating Subcommittee at this time. MISO-PJM clarifies that they are not asking the Commission to take any action on this issue but to let the NERC Operating Subcommittee address the technical merits of netting impacts in the interchange distribution calculator.

986. Mid-Continent states that eliminating the requirements to report flows in both directions may adversely impact reliability because the interchange distribution calculator will not have enough information to assign responsibilities to the contributors of a constraint.

iii. Commission Determination

987. The Commission will not approve or remand this regional difference. The treatment of the market flows of MISO-PJM versus the generation-to-load impacts of non-market entities in the application of the TLR standard has been addressed by the Commission in a number of cases.[310] In approving the plans of various transmission owning utilities to join PJM, the Commission attached several conditions including a requirement that certain non-market utilities be held harmless from effects of loop flow

[310] See Alliance Companies, 100 FERC ¶ 61,137 (2001) and Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 106 FERC ¶ 61,251 (2004).

and congestion resulting from the utilities' RTO choices.[311] Further, during MISO's market start up,[312] the Commission determined that the markets could not start without the MISO having at least a specific, transparent plan for how it will handle the interface of multiple transmission tariffs and market-to-non-market seams[313] and required the MISO to file any resolution of seams, or a status report of progress on seams resolution including detailed plans as to how MISO will address seams absent agreements, within 60 days of the date of the order. The regional difference to IRO-006-3 applies the congestion management process that was included in the Joint Operating Agreement filed by MISO, PJM and SPP and that was specified in the seams agreements reached between MISO, PJM, and their neighboring non-market areas in order to meet the Commission's requirements described above.[314]

988. The Commission recognizes MISO-PJM's concerns that: (1) the congestion management process process could be placing an undue burden on the RTO regions to provide redispatch especially on remote flowgates where an RTO's dispatch has a small impact and (2) under the congestion management process, the calculation of market flows for relief assignments on Reciprocal Coordinated Flowgates between the MISO and MAPP could create situations where MISO is unable to meet its relief obligation without curtailing load. We also understand that these concerns are exacerbated by the possibility of civil penalties for non-compliance with the requirement to use market flows down to zero percent for relief assignments on reciprocal coordinated flowgates between MISO and MAPPCOR. Especially during transitions when markets with multiple control areas are started up, markets are expanded to include other control areas, or non-market control areas are consolidated, this can have an effect on the loop flows experienced by

[311] Commonwealth Edison Company and American Electric Power Service Corporation, 106 FERC ¶ 61,250 (2004). This order required ComEd to demonstrate that its proposal held utilities in Wisconsin and Michigan harmless from all adverse impacts associated with loop flow or congestion that would result from its choice to join PJM.

[312] See Midwest Independent Transmission System Operator, Inc., 108 FERC ¶ 61,163 (2004).

[313] To resolve this issue, the Commission encouraged market participants to use the PJM-Midwest ISO joint operating agreement as a model or starting point for seams agreements, particularly with respect to the seams with the various utilities in the MAPP region.

[314] See Midwest Independent Transmission System Operator, Inc., 110 FERC ¶ 61,290 (2005).

neighboring regions and the redispatch required by the neighboring regions due to fewer tagged transactions reported to the interchange distribution calculator. The Commission recognizes that there are concerns by neighboring entities to be held harmless from increased redispatch responsibility caused by these transitions.

989. The Commission concludes that the issues described by MISO-PJM (i.e., defining the obligation of a certain region to provide redispatch when a flowgate becomes congested) are best handled through seams agreements rather than being subject to the NERC processes. We recognize that the two areas of seams agreements and Reliability Standards could overlap if the agreements reached do not allow for reliable outcomes where parties can achieve the relief assigned. As such, the Commission will neither approve nor remand the waiver of the regional difference to IRO-006-3 while the 12 month field test allowing PJM, MISO and SPP market flows to use a three percent threshold is being conducted. After the 12 month field test is complete, the Commission will reexamine approving the waiver as a mandatory and enforceable Reliability Standard.

990. The Commission instructs the RTOs to continue working with the non-market regions to develop revised seams agreements that allow for equitable and feasible treatment of market flows in the NERC TLR/redispatch process. The solution should not harm system reliability and should not subject either non-RTO transmission owners or the RTO markets to unreasonable redispatch responsibilities. We note that if consensus cannot be reached, the RTOs may file a section 205 or section 206 proposal to revise the terms and conditions of the congestion management process if the terms agreed on in the seams agreements and Joint Operating Agreement have become unjust or unreasonable or may file to terminate the agreements as allowed in the seams agreements.

991. The Commission will not adopt MISO-PJM's proposal to require non-market entities to report their generator-to-load impacts to the interchange distribution calculator with the allocations used to set the priority of these impacts in this Reliability Standards process. If NERC determines that this information and corresponding curtailment options are needed for reliability, NERC should file to modify IRO-006-3 to include these additions. However, the economic implications of the reporting of generator-to load impacts by non-market entities are not in the scope of the reliability process and are better addressed on a case-by-case basis or, as appropriate, in the proceeding on RTO Border Utility Issues.[315]

[315] See RTO Border Utility Issues, Notice of Technical Conference on Seams Issues for RTOs and ISOs in the Eastern Interconnections (Docket No. AD06-9-000) (issued Jan. 25, 2007).

992. In addressing MISO-PJM's claim that the ERO should modify IRO-006-3 and the MISO-PJM regional difference to require netting generation-to-load impacts to recognize counterflow, we will let the ERO Operating Subcommittee address the technical merits of netting flow impacts in the interchange distribution calculator.

h. Procedures, Processes, or Plans to Support Coordination between Reliability Coordinators (IRO-014-1)

993. The stated purpose of IRO-014-1 is to ensure that each reliability coordinator's operations are coordinated so that they will not have an adverse reliability impact on other reliability coordinator areas and to preserve the reliability benefits of interconnected operation. Specifically, IRO-014-1 ensures energy balance and transmission by requiring a reliability coordinator to have operating procedures, processes or plans for the exchange of operating information and coordination of operating plans.

994. In the NOPR, the Commission proposed to approve IRO-014-1 as mandatory and enforceable.

i. Comments

995. APPA agrees with the Commission's proposed approval of IRO-014-1 as mandatory and enforceable.

ii. Commission Determination

996. For the reasons stated in the NOPR, the Commission approves IRO-014-1 as mandatory and enforceable.

i. Notifications and Information Exchange between Reliability Coordinators (IRO-015-1)

997. IRO-015-1 establishes Requirements for a reliability coordinator to share and exchange reliability-related information among its neighbors and participate in agreed-upon conference calls and other communication forums with adjacent reliability coordinators.

998. In the NOPR, the Commission proposed to approve IRO-015-1 as mandatory and enforceable.

i. Comments

999. APPA agrees with the Commission's proposed approval of IRO-015-1 as mandatory and enforceable.