Supporting Statement for
FERC-725E, Mandatory Reliability Standards
For the Western Electric Coordinating Council
As contained in the Final Rule in Docket No. RM09-19, issued March 17, 2011

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the revisions, in the Final Rule (issued 3/17/2011) in Docket No. RM09-19, to FERC-725E (Mandatory Reliability Standards for the Western Electric Coordinating Council), for a three-year period. FERC-725E (OMB Control No. 1902-0246) is contained in 18 Code of Federal Regulations (CFR), Part 40. This final rule approves a new regional Reliability Standard, IRO-006-WECC-1[1], which will replace currently effective regional Reliability Standard IRO-STD-006-0 (approved by the Commission on June 8, 2007).

Background

The Electricity Modernization Act of 2005 was enacted into law as part of the Energy Policy Act of 2005 by President George W. Bush on August 8, 2005. Subtitle A of the Electricity Modernization Act amended the Federal Power Act (FPA) by adding a new section 215, titled "Electric Reliability." Section 215 of the FPA buttresses the Commission's efforts to strengthen the reliability of the interstate grid through the grant of new authority which provides for a system of mandatory Reliability Standards developed by the Electric Reliability Organization (ERO)[2] and reviewed and approved by FERC.

In the aftermath of the 1965 Blackout in the northeast United States, the electric industry established the North American Electric Reliability Council, a voluntary reliability organization and predecessor to the North American Electric Reliability Corporation (NERC). Since its inception, NERC has developed Operating Policies and Planning Standards that provide voluntary guidelines for operating and planning the North American bulk-power system. In April 2005, NERC adopted "Version O" reliability standards that translated the NERC Operating Policies, Planning Standards and compliance requirements into a comprehensible set of measurable standards. While NERC developed a compliance enforcement program to ensure compliance with the reliability standards it developed, industry compliance was still voluntary and not subject to mandatory enforcement penalties. Although NERC's efforts have been important in maintaining the reliability of the nation's bulk-power system, NERC itself recognized the need for mandatory, enforceable reliability standards and has been a proponent of legislation to establish a FERC-jurisdictional ERO that would propose and enforce mandatory reliability standards.

On February 3, 2006, the Commission issued Order No. 672, implementing section 215 of the FPA.[3] In Order No. 672, the Commission certified one organization, NERC, as the ERO.[4] Reliability Standards that the ERO proposes to the Commission may include Reliability

1 The proposed standard is available on NERC's website at http://www.nerc.com/files/IRO-006-WECC-1_Final.pdf .
2 "Electric Reliability Organization" or "ERO" means the organization certified by the Commission. The purpose of the ERO is to establish and enforce Reliability Standards for the Bulk-Power System, subject to Commission review.

Standards that are proposed to the ERO by a Regional Entity.[5] A Regional Entity is an entity that has been approved by the Commission to enforce Reliability Standards under delegated authority from the ERO.[6] When the ERO reviews a regional Reliability Standard that would be applicable on an Interconnection-wide basis and that has been proposed by a Regional Entity organized on an Interconnection-wide basis, the ERO must rebuttably presume that the regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.[7]

On March 16, 2007, the Commission issued Order No. 693[8], a Final Rule that:

- added 18CFR Part 40
- approved 83 of 107 proposed Reliability Standards, six of the eight proposed regional differences, and the Glossary of Terms Used in Reliability Standards developed by the North American Electric Reliability Corporation (NERC) [which the Commission has certified as the Electric Reliability Organization (ERO) responsible for developing and enforcing mandatory Reliability Standards]
- applied to all users, owners and operators of the Bulk-Power System within the United States (other than Alaska or Hawaii)
- required that each Reliability Standard identify the subset of users, owners and operators to which that particular Reliability Standard applies
- required each FERC-approved Reliability Standard be maintained on the ERO's Internet website for public inspection.

On March 26, 2007, NERC submitted for approval eight proposed regional Reliability Standards for the Western Electricity Coordinating Council (WECC). These regional Reliability Standards apply to the Western Interconnection in addition to the 83 mandatory Reliability Standards developed by NERC that took effect on a nation-wide basis in June 2007.[9] In accordance with section 215(d)(2) of the FPA, FERC approved the regional Reliability Standards. The approval of the regional Reliability Standards allows for the continuation of certain reliability practices that were currently in effect in the Western Interconnection. In addition, the Commission directed WECC to develop several specific modifications to the regional Reliability Standards when WECC develops, through its Reliability Standards development process, permanent, replacement Reliability Standards.

---

3 *Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (2006), *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

4 *See North American Electric Reliability Corp.*, 116 FERC ¶ 61,062 (*ERO Certification Order*), *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006).

5 16 U.S.C. § 824o (e)(4).

6 16 U.S.C. §§ 824o(a)(7) and (e)(4).

7 16 U.S.C. § 824o (d)(3); 18 C.F.R. § 39.5 (b).

8 The reporting requirements associated with Order 693 are approved by OMB under FERC-725A (OMB Control No. 1902-0244).

9 *See Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, 118 FERC ¶ 61,218 (March 16, 2007), 72 Fed. Reg. 16,416 (April 4, 2007).

RM09-19-000 Notice of Proposed Rulemaking

On October 21, 2010, the Commission issued a Notice of Proposed Rulemaking (NOPR) to approve regional Reliability Standard IRO-006-WECC-1 (Qualified Transfer Path Unscheduled Flow Relief) as submitted for approval by NERC. (The purpose of this Reliability Standard is to mitigate transmission overloads due to unscheduled flow on qualified transfer paths). A "Qualified Transfer Path means a transfer path designated by the WECC Operating Committee as being qualified for WECC unscheduled flow mitigation. Specifically, the NERC continent-wide Reliability Standard IRO-006-4 Reliability Standard requires a Reliability Coordinator experiencing a potential or actual System Operating Limit ("SOL") or Interconnection Reliability Operating Limit ("IROL") violation to take appropriate actions to relieve transmission loading relief using local or Interconnection-wide procedures (Requirement R1). However, the proposed regional Reliability Standard went beyond the NERC requirements by establishing a process to reduce schedules that prevent potential overloads during the next operating hour. Furthermore, IRO-006-WECC-1 R1 required each Reliability Coordinator to approve (actively or passively) or deny a request submitted by a Transmission Operator of a Qualified Transfer Path within five minutes. IRO-006-WECC-1 Requirement R2 required each Balancing Authority to approve the curtailment requests to the schedules as submitted, implement alternative actions, or a combination thereof that collectively meet the Relief Requirement.

While the Commission proposed to approve this regional Reliability Standard IRO-006-WECC-1, NERC's petition for approval raised some concerns for which the Commission sought additional information.

RM09-19-000 Final Rule

The Commission raised in the NOPR several concerns regarding how the regional Reliability Standard would work in practice to ensure Reliable Operation in the Western Interconnect. As a result of the comments submitted, Commission concerns have been adequately addressed, and the Commission does not direct any modifications to the regional Reliability Standard.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Since 1935, the Commission has regulated certain electric utility activities under the FPA. Under FPA Sections 205 and 206, the Commission oversees the rates, terms and conditions of sales for resale of electric energy and transmission service in interstate commerce by public utilities. The Commission must ensure that those rates, terms and conditions are just

and reasonable and not unduly discriminatory or preferential. One of the Commission's continuing priorities is to promote electricity grid reliability. Recent legislation has enhanced the Commission's efforts to strengthen the reliability of the interstate grid by granting it with new authority.

A common cause of the past three major regional blackouts was violation of NERC's then Operating Policies and Planning Standards. During July and August 1996, the west coast of the United States experienced two cascading blackouts caused by violations of voluntary Operating Policies.[10] In response to the outages, the Secretary of Energy convened a task force to advise the Department of Energy (DOE) on issues needed to be addressed to maintain the reliability of the bulk-power system. In a September 1998 report, the task force recommended, among other things, that federal legislation should grant more explicit authority for FERC to approve and oversee an organization having responsibility for bulk-power reliability standards.[11] Further, the task force recommended that such legislation provide for Commission jurisdiction for reliability of the bulk-power system and FERC implementation of mandatory, enforceable reliability standards.

Electric reliability legislation was first proposed after issuance of the September 1998 task force report and has been a common feature of comprehensive electricity bills since that time. A stand-alone electric reliability bill was passed by the Senate unanimously in 2000. In 2001, President Bush proposed making electric Reliability Standards mandatory and enforceable as part of the National Energy Policy.[12]

The Electricity Modernization Act of 2005 was enacted into law as part of the Energy Policy Act of 2005 by President Bush on August 8, 2005. Subtitle A of the Electricity Modernization Act amended the Federal Power Act (FPA) by adding a new section 215, titled "Electric Reliability." Section 215 of the FPA buttresses the Commission's efforts to strengthen the reliability of the interstate grid through the grant of new authority which provides for a system of mandatory Reliability Standards developed by the Electric Reliability Organization (ERO)[13] and reviewed and approved by FERC.

A mandatory Reliability Standard should not reflect the "lowest common denominator" in order to achieve a consensus among participants in the ERO's Reliability Standard

10 Information is available in The Electric Power Outages in the Western United States, July 2-3, 1996 (at http://www.nerc.com/docs/docs/pubs/doerept.pdf) and the 1996 System Disturbances Review of Selected 1996 Electric System Disturbances in North America, August 2002 (at http://www.nerc.com/files/disturb96.pdf). Information on the major blackout in 2003 is available in the Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations (April 2004) at https://reports.energy.gov/BlackoutFinal-Web.pdf.

11 Maintaining Reliability in a Competitive U.S. Electricity Industry, Final report of the Task Force on Electric System Reliability, Secretary of Energy Advisory Board, U.S. Department of Energy (September 1998), at 25-27, 65-67, at http://www.nerc.com/docs/docs/pubs/esrfinal.pdf

12 Report of the National Energy Policy Development Group, May 2001, at p. 7-6 at http://www.ne.doe.gov/pdfFiles/nationalEnergyPolicy.pdf

13 "Electric Reliability Organization" or "ERO" means the organization certified by the Commission the purpose of which is to establish and enforce Reliability Standards for the Bulk-Power System, subject to Commission review.

development process. Therefore, the Commission will carefully review each Reliability Standard submitted and, where appropriate, later remand if necessary, an inadequate Reliability Standard to ensure that it protects reliability, has no undue adverse effect on competition, and can be enforced in a clear and even-handed manner.

The Commission may approve a proposed Reliability Standard if the Commission finds it is just, reasonable, not unduly discriminatory or preferential, and in the public interest.[14] In addition, the Commission explained in Order No. 672 that "uniformity of Reliability Standards should be the goal and the practice, the rule rather than the exception."[15] Yet, the Commission recognized that "the goal of greater uniformity does not, however, mean that regional differences cannot exist.[16] The Commission then provided the following guidance:

> As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential, and in the public interest, as required by the statute: (1) a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and (2) a regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.[17]

Western Electricity Coordinating Council (WECC)

WECC was formed on April 18, 2002, by the merger of Western Systems Coordinating Council (WSCC), Southwest Regional Transmission Association (SWRTA), and Western Regional Transmission Association (WRTA). The formation of WECC was accomplished over a four-year period through the cooperative efforts of WSCC, SWRTA, WRTA, and other regional organizations in the West. WECC's interconnection-wide focus is intended to complement current efforts to form Regional Transmission Organizations (RTO) in various parts of the West.

WECC is responsible for coordinating and promoting electric system reliability. In addition to promoting a reliable electric power system in the Western Interconnection, WECC supports efficient competitive power markets, assures open and non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members as set forth in the WECC Bylaws.

---

14 16 U.S.C. § 824o (d)(2).

15 Order No. 672 at P 290.

16 *Id.* at 291.

17 *Id.*

The WECC region encompasses a vast area of nearly 1.8 million square miles. It is the largest and most diverse of the ten regional councils of the North American Electric Reliability Council. WECC's service territory extends from Canada to Mexico. It includes the Canadian provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 western states in between. Transmission lines span long distances connecting the Pacific Northwest with its abundant hydroelectric resources to the arid Southwest with its large coal-fired and nuclear resources. WECC and the nine other regional reliability councils were formed due to national concern regarding the reliability of the interconnected bulk power systems, the ability to operate these systems without widespread failures in electric service, and the need to foster the preservation of reliability through a formal organization.

WECC developed a Reliability Management System (RMS) pursuant to which transmission operators in the Western Interconnection agreed by contract to be bound by the WECC reliability criteria and sanctions for non-compliance. According to WECC, the criteria are recognized by all WECC members but are contractually binding only on members that signed an RMS Agreement.[18]

Among the 83 Reliability Standards approved by the Commission in Order No. 693 was Reliability Standard IRO-006-3 entitled "Reliability Coordination – Transmission Loading Relief."[19] The Commission also directed the ERO to develop modifications to IRO-006-3 and other approved Reliability Standards to address specific issues identified by the Commission, pursuant to section 215(d)(5) of the FPA.

NERC Reliability Standard IRO-006-3 establishes a 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. Requirement R2.2 provides that "the equivalent Interconnection-wide transmission loading relief procedure for use in the Western Interconnection is the WECC Unscheduled Flow Mitigation Plan." This document provides detailed instructions for addressing unscheduled flows, e.g., parallel path flows, based on the topography and configuration of the Bulk-Power System in the Western Interconnection. The Unscheduled Flow Mitigation Plan identifies nine "steps" to address unscheduled flows. In the first three steps, the Mitigation Plan relies on phase angle regulators, series capacitors, and back-to-back DC lines to mitigate contingencies without curtailing transactions. Steps four and above involve curtailment of transactions.

On March 19, 2009, the Commission approved IRO-006-4, which modified the prior version of the Reliability Standard and addressed the Commission's directives from Order No. 693.[20] The Commission subsequently accepted an erratum to that Reliability Standard that

---

18 *See* WECC April 17, 2007 Comments at 16.

19 *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

20 *Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards*, Order No. 713-A, 126 FERC ¶ 61,252

corrected the reference in Requirement R1.2 to the Unscheduled Flow Mitigation Plan (Mitigation Plan).[21]

The approved regional Reliability Standard applies to transmission operators and balancing authorities within the Western Interconnection. The replaced IRO-STD-006-0 addressed the mitigation of transmission overloads due to unscheduled line flow on specified paths.

NERC stated that the revised regional Reliability Standard addresses the Commission's prior concerns by removing load-serving entities as an applicable entity, no longer referring to receivers, and addressing formatting changes required by NERC and the Commission's June 8, 2007 Order. Further, NERC stated the Reliability Standard is justified on the basis that the regional Reliability Standard's requirements are more stringent than those contained in the associated NERC Reliability Standard IRO-006-4. NERC explained that the NERC Reliability Standard IRO-006-4 requires a reliability coordinator experiencing a potential or actual System Operating Limit (SOL) or Interconnection Reliability Operating Limit (IROL) violation to take appropriate actions to relieve transmission loading using local or Interconnection-wide procedures.

According to NERC, Requirement R1 of the regional Reliability Standard IRO-006-WECC-1 goes beyond the NERC requirements by establishing a process to reduce schedules that prevents potential overloads during the next operating hour. In addition, the Reliability Standard requires each reliability coordinator to approve or deny a request submitted by a Qualified Transfer Path transmission operator within five minutes. Requirement R2 of the regional Reliability Standard requires each balancing authority to approve curtailment requests to the schedules as submitted, implement alternative actions, or a combination thereof, which collectively meet the relief requirement.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

In a June 17, 2009 filing, NERC requested Commission approval of the proposed regional Reliability Standard IRO-006-WECC-1, which was developed in response to the Commission's directives in the June 8, 2007 Order, to replace the currently effective regional Standard. NERC stated that the purpose of IRO-006-WECC-1 is to mitigate transmission overloads due to unscheduled flow on Qualified Transfer Paths. Under the Reliability Standard, reliability coordinators are responsible for initiating schedule curtailments and balancing

(2009).

21 *North American Electric Reliability Corp.*, Docket No. RD09-9-000 (Dec. 10, 2009) (unpublished letter order). Note that Reliability Standard IRO-006-4.1, Requirement R1.2 refers to the "WECC Unscheduled Flow Reduction Procedure," which is Attachment 1 to the Mitigation Plan, the term we use herein.

authorities are responsible for implementing the curtailments. Specifically, proposed regional Reliability Standard IRO-006-WECC-1 contains the following two Requirements:

R.1. Upon receiving a request of Step 4 or greater (see Attachment 1-IRO-006-WECC-1) from the Transmission Operator of a Qualified Transfer Path, the Reliability Coordinator shall approve (actively or passively) or deny that request within five minutes.

R.2. The Balancing Authorities shall approve curtailment requests to the schedules as submitted, implement alternative actions, or a combination there of that collectively meets the Relief Requirement.

The data developed in response to these requirements is retained for access and possible audit by the ERO, Regional Entity, and/or FERC. This final rule approves IRO-006-WECC-1[22], which replaces currently effective regional Reliability Standard IRO-STD-006-0 (approved by the Commission on June 8, 2007). This final rule approves a revised Reliability Standard modifying the existing requirement for entities to respond to requests for curtailment. The approved Reliability Standard requires entities to maintain documentation evidencing their response to such requests.

The proposed IRO-006-WECC-1 regional reliability standard contains unscheduled flow curtailment requirements for the Western Interconnection that are currently covered in IRO-STD-006-0. The NERC standard IRO-006-4 contains transmission loading relief requirements for the Eastern Interconnection and only references the WECC regional reliability standard IRO-STD-006-0, which contains the transmission loading relief requirements for the Western Interconnection. The WECC regional reliability standard IRO-STD-006-0 and Qualified Path Unscheduled Flow Relief responsibilities do not conform to the current NERC functional model. The WECC regional reliability standard IRO-STD-006-0 standard assigns Load Serving Entities (LSEs) the responsibility of curtailing schedules to reduce unscheduled flow, a reliability function that the NERC functional model now assigns to Reliability Coordinators and Balancing Authorities. In the functional model, NERC holds that LSEs
should not be assigned responsibility for reliability. Therefore, the assignment of reliability functions to LSEs is not compatible with the NERC functional model or NERC Standard IRO-006. Additionally, the existing IRO-STD-006 standard places the sole responsibility for providing relief upon the LSE without providing the ability for the LSE to ensure compliance (e.g. the Balancing Authority does not have to approve a curtailment request made by the LSE).

The approved standard improves the efficiency of the program, provides for more certain Unscheduled Flow relief, and results in fewer complications associated with

22 The standard is available on NERC's website at http://www.nerc.com/files/IRO-006-WECC-1_Final.pdf .

multiple entities taking partial responsibility for curtailment activity. For these reasons, the approved Reliability Standard is technically sound and is superior to the existing approved IRO-STD-006-0 standard.

3. **DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.**

The Commission has developed the capability for electronic filing of nearly all submittals to FERC. In Order No. 619 (issued 9/14/2000), the Commission established an electronic filing initiative that permitted over 40 qualified types of documents to be filed over the Internet to its website. Since that time, FERC has expanded its eFiling options in phases to include nearly all document types and security levels (such as privileged information and Critical Energy Infrastructure Information (CEII)). Electronic filing, combined with electronic posting and service over the web site, permits staff and the public to obtain filings in a faster and more efficient manner. More information on FERC's eFiling program is available at http://www.ferc.gov/docs-filing/efiling.asp.

4. **DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2**

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its responsibilities under the FPA in order to eliminate duplication and ensure that filing burden is minimized. There are no similar sources of information available that can be used or modified for these reporting purposes. All reliability requirements will be subject to FERC approval along with the requirements developed by Regional Entities and Regional Advisory Bodies and the ERO.

5. **METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES**

In general, while the Commission is mindful of the possible impact on small entities, the Commission is also concerned that Bulk-Power-System reliability not be compromised based on an unwillingness of entities, large or small, to incur reasonable expenditures necessary to preserve such reliability. As the Commission explained in Order No. 672:

> A proposed Reliability Standard may take into account the size of the entity that must comply with the Reliability Standard and the cost to those entities of implementing the proposed Reliability Standard. However, the ERO should not

> propose a "lowest common denominator" Reliability Standard that would achieve less than excellence in operating system reliability solely to protect against reasonable expenses for supporting this vital national infrastructure. For example, a small owner or operator of the Bulk Power-System must bear the cost of complying with each Reliability Standard that applies to it. [23]

The proposed WECC regional Reliability Standard is to be applied on an interconnection-wide basis. Because there was no strong technical objection from commenters, and because the regional Reliability Standard was developed by those from the Western Interconnection to apply in the Western Interconnection through a process that enabled all those with an interest in the standards to be heard, NERC did not object to the technical merits of the proposed regional Reliability Standard. Additionally,

While the Commission cannot rule on the merits until a specific proposal has been submitted, the Commission believes that reasonable limits on applicability based on size may be an acceptable alternative to lessen the economic impact on the proposed rule on small entities. The Commission emphasizes, however, that any such limits must not weaken Bulk-Power-System reliability.

6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY

The Electric Reliability Organization conducts periodic assessments of the reliability and adequacy of the Bulk-Power System in North America and reports its findings to the Commission, the Secretary of Energy, Regional Entities, and Regional Advisory Bodies annually or more frequently if so ordered by the Commission. The ERO and Regional Entities report to FERC on their enforcement actions and associated penalties and to the Secretary of Energy, relevant Regional Entities and relevant Regional Advisory Bodies annually or quarterly in a manner to be prescribed by the Commission. If the information were not retained or kept for a shorter period of time, the compliance enforcement authority would be unable to adequately monitor that transmission load relief procedures were being correctly followed. This inability to provide sufficient oversight could cause the electric system to overload.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The approved Reliability Standard IRO-006-WECC-1 requires Reliability Coordinators and Balancing Authorities to keep evidence for Measure M.1 through M2 for three years plus current, or since the last audit, whichever is longer.[24] This exceeds the OMB guidelines in 5 CFR 1320.5(d) (2) (iv) which directs that agencies should not require the public to retain records

23 Order No. 672 at P 330.
24 See Reliability Standard text at http://www.nerc.com/files/IRO-006-WECC-1_Final.pdf.

for more than three years. These time periods were found to be necessary, and proposed, by the ERO and industry through their process of proposal, discussion, and voting.

8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE TO THESE COMMENTS

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities and others developing and reviewing drafts, and providing comments.[25] In addition, each FERC rulemaking (both proposed and final rules) is published in the Federal Register, thereby providing public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the proposed collection of data. The Notice of Proposed Rulemaking in Docket RM09-19 was published in the Federal Register on October 21, 2010 and requested public comments. No comments were received directly related to the burden estimates.

The following is excerpted from the final rule and contains industry comments and the Commission's responses.[26]

Approval of IRO-006-WECC-1

In the NOPR, the Commission proposed to approve regional Reliability Standard IRO-006-WECC-1 stating that it adequately addresses a number of the directives identified in the June 8, 2007 Order and represents an improvement to the current Standard. As stated in the NOPR, the Standard addresses our concern regarding the use of the term "receiver" by removing the term, thus removing potential confusion arising from the use of the undefined term. The Reliability Standard also provides additional clarity by removing load-serving entities from its applicability section since load-serving entities may not be able to meet the Standard's requirements regarding curtailment procedures. Further, the Standard includes reliability coordinators as an applicable entity and addresses their role in curtailment procedures. The Standard goes beyond the corresponding NERC Reliability Standard by requiring a reliability coordinator to approve or deny a transmission operator's curtailment request within five minutes. Finally, the WECC Reliability Standard addresses formatting concerns, conformance with NERC's Violation Severity Level and Violation Risk Factor matrix, and the elimination of a WECC sanction table. NERC, WECC and NV Energy all support approval. Accordingly the Commission adopts the NOPR proposal and approves regional Reliability Standard IRO-006-WECC-1 as just, reasonable, not unduly discriminatory or preferential, and in the public interest.

We raised in the NOPR several concerns regarding how the regional Reliability Standard

25 Details of the ERO standards development process are available on the NERC website at http://www.nerc.com/docs/standards/sc/Standard_Processes_Manual_Approved_May_2010.pdf.

26 The proposed and final rule documents, as well as submitted comments, can be found by searching on docket no. "RM09-19" on the Commission's eLibrary site at: http://elibrary.ferc.gov/idmws/docket_search.asp.

would work in practice to ensure Reliable Operation in the Western Interconnect. As a result of the comments submitted, our concerns have been adequately addressed, and we do not direct any modifications to the regional Reliability Standard.

Issues Raised in NOPR

Consistency Between NERC and WECC

Requirement R1.2 in NERC Reliability Standard IRO-006-4 refers to the WECC Unscheduled Flow Reduction Procedure with regard to transmission loading relief in the Western Interconnection. In the NOPR, the Commission requested comment on the interaction between the differing requirements contained in the regional versus the national Reliability Standards, on which of the two Standards' requirements take precedence, and on how NERC intends to ensure compliance and consistent enforcement with regard to the Standards.

Comments

WECC and NV Energy comment that the Standards differ in their applicability. They state that NERC's IRO-006-4 addresses the obligations of the reliability coordinator and the balancing authority if an Interconnection-wide procedure is selected for the mitigation of overloads on transmission facilities. According to WECC and NV Energy, Regional Reliability Standard IRO-006-WECC-1 sets out reliability obligations for the reliability coordinator and balancing authority regarding transmission loading relief on the narrow subset of Western Interconnect transmission facilities designated as Qualified Transfer Paths. The two commenters assert there is no conflict between the NERC Reliability Standard and the regional Standard, as they work together.

NERC states that it recognized some potential for confusion in this matter and will soon file for approval a proposed Reliability Standard IRO-006-5[27] that, among other things, eliminates reference to the WECC Unscheduled Flow Reduction Procedure as a procedure that may be selected by the reliability coordinator to achieve loading relief and, instead, mentions the procedure as an example for which coordination must occur.

Commission Determination

The Commission finds that NERC's plan to eliminate the opportunity for confusion with respect to this Reliability Standard adequately addresses the concerns raised in the NOPR.

TOP-007-WECC-1 and the Mitigation Plan

27 Subsequent to filing its comments in this Docket, NERC filed its Petition for Approval of Proposed New Interconnection Reliability Operations and Coordination Reliability Standards, Glossary Term and Implementation Plan on January 13, 2011 in Docket No. RD11-2-000.

In the June 8, 2007 Order, the Commission determined that the regional Reliability Standard IRO-STD-006-0 is superior to the NERC Standard based in part on the specified pre-curtailment steps one through three of the Mitigation Plan.[28] As stated above, the Mitigation Plan is no longer referenced in IRO-006-WECC-1. The NERC Petition stated that proposed WECC regional Reliability Standard TOP-007-WECC-1, would work in conjunction with IRO-006-WECC-1 to ensure that pre-curtailment steps one through three of the Mitigation Plan are performed.[29] In the NOPR, the Commission requested comment as to whether WECC's reliance on proposed regional Standard TOP-007-WECC-1 or currently effective Reliability Standard TOP-STD-007-0 (whichever is in effect) is an adequate replacement for the currently required pre-curtailment actions set forth in steps one through three of the Mitigation Plan.

Comments

Each of the commenters note that Reliability Standard IRO-006-WECC-1 and the proposed regional Standard TOP-007-WECC-1 were intended to meet the performance objective of enhanced reliability but not to prescribe a specific method for achieving that objective. WECC and NV Energy assert that the pre-curtailment steps were not mandatory, but, as before, they remain tools available to transmission operators for the mitigation of transmission facility overloading. WECC states that reliability would suffer if transmission operators were limited in their action by a mandatory adherence to the Mitigation Plan.

Commission Determination

The Commission acknowledges the comments offered and is satisfied that IRO-006-WECC-1 does not present a reduction in reliability. The Commission also highlights the comment made by WECC that the Standard is applicable to reliability coordinators and balancing authorities, not to transmission operators. Under the Standard, the reliability coordinator must approve or deny the implementation of a step four or higher action, and the balancing authority must grant relief so the transmission operator does not violate a system operating limit (SOL) or an interconnection reliability operating limit (IROL) operating limit. But transmission operator's obligations remain unchanged by IRO-006-WECC-1. They continue to be required to take immediate steps to relieve an SOL or IROL operating limit violation.

Operation of webSAS

According to the NERC Petition, the webSAS tool calculates curtailment and, unless the reliability coordinator actively denies the request, approves the curtailment within five minutes. The Commission requested in the NOPR additional information regarding how the webSAS program works in relation to WECC's proposed IRO-006-WECC-1 as well as the currently effective IRO-006-4, and whether conflicts could arise between the webSAS programming and

28 June 18, 2007 Order, 119 FERC ¶ 61,260 at P 69.

29 NERC's petition for approval of regional Reliability Standard TOP-007-WECC-1 is currently pending before the Commission in Docket No. RM09-14-000.

the Mitigation Plan.

Comments

NV Energy and WECC comments describe of the webSAS program, explaining that it utilizes impedance modeling of the transmission network in the Western Interconnection and is able to determine transmission distribution factors that correspond to discrete transactions. It is configured to prescribe curtailments in accordance with the curtailment table in the WECC Unscheduled Flow Reduction Procedure, and is only one of the methods a balancing authority might use in devising curtailments. WECC notes that webSAS merely suggests strategies; the responsible balancing authority must implement those strategies. WECC further comments that WebSAS operates similarly whether utilized under the regional or the national Reliability Standard.

Commission Determination

The Commission is satisfied with the commenters' explanation of the operation of webSAS, as well as its proposed use within the mitigation process set out in Reliability Standard IRO-006-WECC-1.

Reliability Coordinators' Role in Curtailment

In the NOPR the Commission stated that, because reliability coordinators are the only entities with the wide-area view, the Commission believes it is appropriate that they, as the entities with the highest level of authority to ensure reliability, have the ability to initiate relief procedures.[30] In the NOPR, the Commission requested comment regarding its concerns that the proposed regional Reliability Standard does not mention the reliability coordinators' ability to request curtailments, and that automatic approval of curtailments may occur through the webSAS tool without reliability coordinator review.

Comments

WECC and NV Energy comment that the reliability coordinator always has the ability to issue directives or take other actions to ensure Reliable Operations under the authority granted in Reliability Standard IRO-001-1.1. NV Energy states that the automatic approval of requested curtailments after five minutes is an appropriate balance between allowing for the reliability coordinators' participation and adequately ensuring that transmission loading relief is obtained for the next hour.

Commission Determination

30 NOPR at P 30.

The Commission agrees with the commenters that NERC Reliability Standard IRO-001-1.1 provides the reliability coordinator authority to take actions to ensure Reliable Operations, and no further clarification is required.

Alternative Revisions

Because of the concerns expressed in the NOPR, the Commission questioned whether it might be more efficient and appropriate if all the WECC rules and procedures with respect to unscheduled flow mitigation were incorporated in a single document.

Comments

WECC asserts that regional Reliability Standard IRO-006-4 does not mandate following the Mitigation Plan but only suggests that the Mitigation Plan is a procedure available to a reliability coordinator. Therefore, incorporating the WECC rules and procedures into the Mitigation Plan would not eliminate the need for an enforceable regional Reliability Standard. WECC also comments that the differing purposes of the Mitigation Plan, IRO-006-WECC-1, and TOP-007-WECC-1 would thwart efforts to combine them. NERC notes that it has already undertaken eliminating the regional differences from the continent-wide standard in its proposed IRO-006-5.

Commission Determination

The clarification provided by WECC adequately addresses the Commission's concerns. Accordingly, the Commission finds that IRO-006-WECC-1 represents an improvement to reliability.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission generally does not consider the data to be confidential. If necessary, information provided with a filing may be submitted with a specific request for confidential treatment to the extent permitted by law. The request is considered by FERC pursuant to 18 C.F.R. 388.112 and federal guidelines.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE.

There are no questions of a sensitive nature that are considered private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission's estimates the burden for the requirements in this proposed rule in RM09-19 to be:

Data Collection FERC-725E	No. of Respondents	No. of Responses	Hours Per Response	Total Annual Hours
35 Balancing Authorities and 1 Reliability Coordinator-Reporting Requirement	36	1	1	36
35 Balancing Authorities and 1 Reliability Coordinator-Recordkeeping Requirement	36	1	1	36
Total				72

Total Annual hours for Collection: 36 reporting +36 recordkeeping = 72 hours.

The following table shows how the currently approved inventory for FERC-725E will be affected by the new reporting and recordkeeping requirements in this Final Rule.

FERC-725E	Responses	Reporting Hours per Response	Recordkeeping Hours per Response	Total Hours
Current Inventory	472	15.9957	1.5995	8305
Program Change due to RM09-19 Final Rule	0	+0.082	+0.0858	72
Requested Inventory (applying the program change from the Final Rule)	472	16.072	1.6758	8377

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Commission did not receive comments on the costs to comply with these requirements. Therefore it will use the projected average annualized cost as stated in the NOPR and shown below:

Reporting = 36 hours @ $120/hour = $4,320

Recordkeeping = 36 hours @ $40/hour = $1440

Total Costs = Reporting ($4320) + Recordkeeping ($1440) = **$5,760**

(The hourly rate figure is a composite figure. For reporting, the Commission has set a rate that combines time for legal, technical and administrative support. With regard to recordkeeping, the hourly rate represents both supervisory and support staff hourly rates.)

Including RM09-19-000, the total costs for FERC-725E is $941,960.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost to the Federal Government is based on salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than anyone particular function or activity.

Direct Costs[31] = $137,874 x .15 FTE = $20,681.
Data clearance = $1,528
Total RM09-19-000 cost: $22,209

Including RM09-19-000, total Federal costs for FERC-725E is $58,056.

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

There is a program increase of 72 hours in the Final Rule in Docket RM09-19. This Final Rule approves a new regional Reliability Standard, IRO-006-WECC-1, which will replace currently effective regional Reliability Standard IRO-STD-006-0 approved by the Commission on June 8, 2007. Rather than creating entirely new requirements, the proposed regional

31 The FTE and data clearance costs are based on the estimates from fiscal year 2010. Although does have updates to these figures for the current fiscal year, last year's costs were used here to maintain consistency with the numbers reported in the NOPR supporting statement.

Reliability Standard instead modifies and improves the existing regional Reliability Standard governing qualified transfer path unscheduled flow relief. Thus, this rulemaking imposes a minimal additional burden on the affected entities.

In modifying the regional Reliability Standard, WECC has eliminated the reference to the Mitigation Plan, included in both the NERC standard, IRO-006-4, and the currently effective WECC standard. The Mitigation Plan includes nine steps to address unscheduled flows; steps four and above requiring varying levels of curtailments of transactions. Requirement R1 of proposed IRO-006-WECC-1 provides that "[u]pon receiving a request of Step 4 or greater … from the Transmission Operator of a Qualified Transfer Path, the Reliability Coordinator shall approve … or deny that request within five minutes," however, steps one through three are no longer referenced in IRO-006-WECC-1 or in the related regional Standard TOP-007-WECC-1.

On the other hand, NERC Reliability Standard IRO-006-4 continues to specifically reference the Mitigation Plan with regard to transmission loading relief in the Western Interconnection. However, the Mitigation Plan has not been updated to include the requirement that the reliability coordinator act on a request for relief within five minutes, an improvement contained in WECC's proposed IRO-006-WECC-1. Likewise, the Mitigation Plan continues to reference and require action by "receivers," while that term is removed from the proposed WECC regional Reliability Standard, in conformance with the Commission's directive in the June 8, 2007 Order.

The minimal additional burden on the affected entities is deemed necessary by the Commission because the approved standard improves the efficiency of the program, provides for more certain Unscheduled Flow relief, and results in fewer complications associated with multiple entities taking partial responsibility for curtailment activity.

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no publications or tabulations of the information.

17. DISPLAY OF THE EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected. The information will not be collected on a standard, preprinted form which would avail itself to that display.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use as stated in item no. 19(i) "effective and efficient

statistical survey methodology." The information collected is case specific to each Reliability Standard.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

This is not a collection of information employing statistical methods.