



NORTH AMERICAN ENERGY STANDARDS BOARD

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June 5, 2019
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20426

RE: Federal Energy Regulatory Commission Standards for Business Practices and Communication Protocols
for Public Utilities Notice of Proposed Rulemaking (Docket No. RM05-5-027)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") voluntarily submits this set of comments in response to the Notice of Proposed Rulemaking ("NOPR") issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") on May 16, 2019 in Docket No. RM05-5-027. These comments inform the Commission of standard development activities that may result in modifications to three of the standards the NOPR proposed to incorporate by reference. Additionally, the comments provide clarifying information on several standards marked as reserved by NAESB and proposed in the NOPR for incorporation by reference.

The cover letter and comments are being filed electronically in Adobe Acrobat® Portable Document Format (.pdf). The entire filing is also available on the NAESB web site (www.naesb.org). Please feel free to call the office at (713) 356-0060 or refer to the NAESB website (www.naesb.org) should you have any questions or need additional information regarding the standards development effort.

Respectfully submitted,

Ms. Rae McQuade

President & COO, North American Energy Standards Board

cc: Chairman, Neil Chatterjee, Federal Energy Regulatory Commission
Commissioner, Richard Glick, Federal Energy Regulatory Commission
Commissioner, Cheryl A. LaFleur, Federal Energy Regulatory Commission
Commissioner, Bernard L. McNamee, Federal Energy Regulatory Commission

Ms. Anna Cochrane, Director, Office of Energy Market Regulation, Federal Energy Regulatory Commission

Mr. James Danly, General Counsel of the Commission, Federal Energy Regulatory Commission

Mr. Andrew Dodge, Director, Office of Electric Reliability, Federal Energy Regulatory Commission

Ms. Jignasa Gadani, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission

Mr. Jonathan Booe, Vice President and CAO, North American Energy Standards Board

Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. Michael Desselle, Chairman and Chief Executive Officer, North American Energy Standards Board

Mr. James B. Robb, President and Chief Executive Officer, North American Electric Reliability Corporation

Mr. Mark Lauby, Senior Vice President and Chief Reliability Officer, North American Electric Reliability Corporation

Mr. Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary, North American Electric Reliability Corporation



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

**Standards for Business Practices and Communication)
Protocols for Public Utilities)**

Docket No. RM05-5-027

The North American Energy Standards Board (“NAESB”) submits these comments in response to the *Standards for Business Practices and Communication Protocols for Public Utilities Notice of Proposed Rulemaking* (“NOPR”) issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in Docket No. RM05-5-027 on May 16, 2019. In the NOPR, the Commission proposed to incorporate by reference, with certain exceptions, fourteen suites of standards found in the NAESB Wholesale Electric Quadrant (“WEQ”) Business Practice Standards Version 003.2. These comments serve to inform the Commission of ongoing coordination activities between NAESB and the North American Electric Reliability Corporation (“NERC”) which have led to the initiation of standard development efforts that may impact three standards proposed for incorporation by reference, WEQ-001-13.1.5, WEQ-003-0, and WEQ-004-1.7. Additionally, these comments provide clarifying information on several standards marked as reserved within the WEQ-001 Open Access Same-Time Information Systems (“OASIS”) Business Practice Standards and proposed for incorporation by reference.

NAESB Standard Development Activities

Currently, NAESB is undertaking standards development efforts to address one request for minor correction and two requests for standards development, all submitted by NERC, that could result in modifications to WEQ-001-13.1.5, WEQ-003-0, and WEQ-004-1.7. These three standards each reference NERC Reliability Standards that, since the publication of the WEQ Business Practice Standards Version 003.2, the NERC Board of Trustees has proposed or re-proposed for retirement. The standard development activities resulting from each request are described below.

First, NERC submitted Minor Correction MC19011 to propose NAESB remove references found in WEQ-003-0 to retired NERC Reliability Standard IRO-006-TRE-1 IROL and SOL Mitigation in the ERCOT Region.¹ The definition for two data elements within the standard, PROCEDURE_NAME and PROCEDURE_LEVEL, reference the retired reliability standard. NERC, in conjunction with Texas RE, approved the proposed retirement of NERC Reliability Standard IRO-006-TRE-1 IROL and SOL Mitigation in the ERCOT Region on November 8, 2018 and

¹ Minor Correction MC19011 is posted to the NAESB website and available at the following link:
https://naesb.org/member_login_check.asp?doc=weq_mc19011.pdf

subsequently filed a petition for approval of the retirement with the Commission on December 14, 2018 in Docket No. RD19-2-000.² The Commission approved the retirement via letter order earlier this year.³

Under the NAESB minor correction process, clarifications or corrections can be made to existing standards in response to regulatory action. At the request of the WEQ Executive Committee Chair, a notational ballot has been distributed for WEQ Executive Committee consideration of the minor correction.⁴ The notational ballot closed on June 3, 2019 and received simple majority support.⁵ The minor correction was posted for a two-week industry comment period with public notice beginning on June 4, 2019. If no adverse comments are received that require the attention of the WEQ Executive Committee, the minor correction will become effective on July 3, 2019. NAESB will file a status report following the conclusion of this minor correction process to provide the Commission with any resulting revisions to the standards.

Next, coordination between NAESB and NERC related to the NERC Standards Efficiency Review⁶ resulted in the submittal by NERC to NAESB of two requests for standards development. As part of Phase One of the review, NERC Project 2018-03 Standards Efficiency Review Retirements, NERC proposed the retirement of several reliability standards which the NERC Board of Trustees approved on May 9, 2019. NERC will be filing petitions for approval of these proposed retirements with the Commission.⁷ The ongoing coordination throughout Phase One between NAESB and NERC staffs led to the identification of several proposed retirements within the NERC Modeling, Data, and Analysis (“MOD”) Reliability Standards and the NERC Interchange Scheduling and Coordination (“INT”) Reliability Standards that are referenced in complimentary business practices maintained by NAESB. As a result, on May 3, 2019, NERC submitted to NAESB two requests for standards development, Standards Request R19007⁸ and Standards Request R19008.⁹ These requests proposed that, in the interest of continued coordination, NAESB review retirements approved by the NERC Board of Trustees within the NERC MOD and INT Reliability Standards, respectively, and consider revisions to the WEQ Business Practice Standards.

Standards Request R19007 has been assigned to the WEQ Business Practices Subcommittee which will meet on June 11, 2019 to begin consideration of the request. Standard development activities for the request are likely to

² The Joint Petition of NERC and Texas RE for Approval of Retirement of Regional Reliability Standard IRO-006-TRE-1 can be accessed at the following link: <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/IRO-006-TRE-1%20Retirement%20Petition.pdf>.

³ Letter Order, Petition of the North American Electric Reliability Corporation for Approval to Retire Regional Reliability Standard IRO-006-TRE-1, FERC Docket No. RD19-2-000 (January 29, 2019).

⁴ The NAESB office distributed the notational ballot on May 24, 2019. The ballot can be accessed at the following link: https://naesb.org/pdf4/weq_ec052419ballot.docx.

⁵ The notational ballot results are posted to the NAESB website and can be accessed at the following link: https://naesb.org/pdf4/weq_ec052419ballot_results.docx

⁶ The NERC Standards Efficiency Review is an effort by NERC to identify potential requirements not essential for reliability purposes or those that could be simplified or consolidated and propose either retirement or modifications. Information on the NERC Standards Efficiency Review is posted to the NERC website and can be accessed at the following link: <https://www.nerc.com/pa/Stand/Pages/Standards-Efficiency-Review.aspx>.

⁷ NAESB and NERC are continuing to coordinate on this effort, including during the filing process. The forthcoming NERC petition will include information regarding coordination activities on this effort.

⁸ Standards Request R19007 is posted to the NAESB website and available at the following link: <https://naesb.org/pdf4/r19007.pdf>.

⁹ Standards Request R19008 is posted to the NAESB website and available at the following link: <https://naesb.org/pdf4/r19008.pdf>.

include a review of WEQ-001-13.1.5. This standard addresses information that a transmission provider must make available on its OASIS node related to the assessment of Available Transfer Capability (“ATC”). Included in the standard are references to NERC Reliability Standard MOD-001-1a Available Transmission System Capability, NERC Reliability Standard MOD-004-1 Capacity Benefit Margin, and NERC Reliability Standard MOD-008-1 Transmission Reliability Margin Calculation Methodology. NERC identified these reliability standards for NAESB consideration as part of Standards Request R19007. This standard development effort may result in modifications to WEQ-001-13.1.5, such as revisions to update the referenced reliability standards and/or modifications to the standards language. NAESB will file status reports with the Commission following the completion of this standards development efforts to inform the Commission of any resulting changes to WEQ-001-13.1.5.

Standards Request R19008 has been assigned to the WEQ Coordinate Interchange Scheduling Subcommittee (“CISS”) which held its initial meeting to begin consideration of the request on May 30, 2019. Standard development activities for the request are likely to include a review of WEQ-004-1.7. This standard addresses the conditions under which an interchange schedule may be implemented without a request for interchange and includes a reference to NERC Reliability Standard INT-010-2.1. NERC identified this reliability standard for NAESB consideration as part of Standards Request R19008. Upon the completion of the standards development effort for this request, NAESB will file a status report to inform the Commission of any resulting changes to WEQ-004-1.7, such as modifications to update reliability standard references and/or revisions to the standards language.

Clarifying Information on the WEQ-001 OASIS Business Practice Standards

The WEQ-001 OASIS Business Practice Standards included as part of WEQ Business Practice Standards Version 003.2 reserve thirteen individual standards and one appendix for consistency purposes to avoid duplication with the WEQ-023 Modeling Business Practice Standards. Specifically, these thirteen standards and one appendix are WEQ-001-18, WEQ-001-18.1, WEQ-001-18.1.1, WEQ-001-18.1.2, WEQ-001-18.1.2.1, WEQ-001-18.1.2.2, WEQ-001-18.1.2.3, WEQ-001-18.1.3, WEQ-001-18.2, WEQ-001-19, WEQ-001-19.1, WEQ-001-19.1.1, WEQ-001-19.1.2, and WEQ-001-D Appendix D. The reserved standards and appendix addressed Postbacks, a component in the calculation of ATC and Available Flowgate Capability (“AFC”), and the treatment of grandfathered agreements in the ATC and AFC calculations. The WEQ-023 Modeling Business Practice Standards incorporate these requirements in WEQ-023-5, WEQ-023-5.1, WEQ-023-5.1.1, WEQ-023-5.1.2, WEQ-023-5.1.2.1, WEQ-023-5.1.2.2, WEQ-023-5.1.2.3, WEQ-023-5.1.3, WEQ-023-4.2, WEQ-023-6, WEQ-023-6.1, WEQ-023-6.1.1, WEQ-023-6.1.2, and WEQ-023-A Appendix A. In the NOPR, the standards proposed for incorporation by reference include the reservations made to WEQ-001 OASIS Business Practice Standards but do not include any of the WEQ-023 Modeling Business Practice Standards, which the Commission indicated will be addressed as part of a separate rulemaking.¹⁰

NAESB appreciates the opportunity to provide these informational comments to the Commission. As previously done, NAESB will support the Commission’s direction in any manner deemed appropriate by the Commission. If there are any questions or additional information is required, please do not hesitate to contact the NAESB office (713-356-0060 or naesb@naesb.org).

¹⁰ In the NOPR on WEQ Business Practice Standards Version 003.1 issued in Docket No. RM05-5-25 on July 21, 2016, the Commission stated that the WEQ-023 Modeling Business Practice Standards would be considered as part of an overall inquiry into ATC calculations. The Commission previously established Docket No. AD15-5-000 to consider proposed changes to the calculation of ATC.