#####  November 27, 2017

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE: Update to the Board of Directors – FERC Order No. 890 Update**

Recently, NAESB reached one of the last major milestones towards the completion of its response to FERC Order No. 890. On November 28, 2017, the NAESB membership ratified the recommendation for Short-term Preemption and Competition. Serving as the lynchpin for the December 8, 2017 WEQ publication, the recommendation was developed by the WEQ OASIS Subcommittee in response to the series of FERC 890 Orders and two NAESB Standards Requests, R05019 and R09003. The Preemption and Competition recommendation modifies four WEQ books under two annual plan items that called for the development of Short-Term Firm Preemption and Competition Business Practice Standards and the addition of language to the WEQ-001-4 Online Negotiation and Confirmation process in order to clarify Table 4-3.

As you may remember, the Short-Term Preemption and Competition recommendation was unanimously voted out of the WEQ OASIS Subcommittee in June and posted for a 45-day formal comment period that concluded on August 4, 2017. Ten submitted comments – over 400 individual comments – were received and reviewed by the WEQ OASIS Subcommittee, resulting in the revised version of the recommendation that was adopted by the WEQ Executive Committee during its October 24, 2017 meeting. The comments were submitted on behalf of North Carolina Electric Membership Corporation, Bonneville Power Administration, Southern Company, Duke Energy, Arizona Public Service Company, OATI, PJM, and the ISO/RTO Council’s Standards Review Committee. Beginning in January of 2012, the WEQ OASIS Subcommittee efforts to develop the Preemption and Competition recommendation have spanned over 98 meetings, many lasting multiple days – totaling over 176 days of meetings. Additionally, the participants of the subcommittee spent countless hours on individual assignments and in preparation for each meeting. NAESB would like to thank the past and present co-chairs of the subcommittee for their subcommittee leadership throughout the standards development effort – JT Wood, Alan Pritchard, Paul Sorenson, Ken Quimby, and Matt Schingle.

Looking ahead to 2018, the WEQ OASIS and WEQ Business Practices Subcommittee will continue to work together to close out the efforts on FERC Order No. 890 with two annual plan items that seek to develop business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Under the proposed 2018 WEQ Annual Plan Item 2.a.i.1, the subcommittees will consider the language in Paragraph 1627 of FERC Order No. 890[[1]](#footnote-1) regarding the posting of additional information regarding firm transmission curtailments. The completion date for this effort is scheduled for the fourth quarter of 2018. Under the proposed 2018 WEQ Annual Plan Item 2.a.i.2, both the WEQ BPS and the WEQ OASIS Subcommittee will consider redispatch cost posting to allow for posting of third party offers of planning redispatch services. The subcommittees anticipate completing the recommendation for this annual plan item within the second quarter of 2018. The WEQ OASIS Subcommittee began discussing these two efforts in October and, in the near future, the NAESB office will announce the upcoming joint WEQ OASIS and WEQ BPS meetings to continue to address the items. The next WEQ OASIS Subcommittee meeting will be hosted by Southern Company on November 28-30, 2017. During the meeting, the WEQ OASIS participants will continue discussion on the two annual plan items responding to Paragraph 1627 of FERC Order No. 890. As always, this meeting is open to all interested parties.

1. FERC Order No. 890, *Preventing Undue Discrimination and Preference in Transmission Service*, at Paragraph 1627 (Feb. 16, 2007) states: We agree with suggestions for the posting of additional curtailment information on OASIS and, therefore, require transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. These postings must include all circumstances and events contributing to the need for a firm service curtailment, specific services and customers curtailed (including the transmission provider’s own retail loads), and the duration of the curtailment. This information is in addition to the Commission’s existing requirements: (1) when any transmission is curtailed or interrupted, the transmission provider must post notice of the curtailment or interruption on OASIS, and the transmission provider must state on OASIS the reason why the transaction could not be continued or completed; (2) information to support any such curtailment or interruption, including the operating status of facilities involved in the constraint or interruption, must be maintained for three years and made available upon request to the curtailed or interrupted customer, the Commission’s Staff, and any other person who requests it; and, (3) any offer to adjust the operation of the transmission provider’s system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted transmission customers at the same time. [↑](#footnote-ref-1)