July 28, 2015

NAESB - Wholesale Electric Quadrant Business Practices Subcommittee

Re: Formal comments on WEQ 2015 Annual Plan Item 1.e / R14002 (ATC Revisions MOD A)

The standards are in need of alteration before approval from the Executive Committee. Firstly, there was deliberation of an issue at the subcommittee regarding a possible retention of the language relating to calculation frequency. The NERC standards contain instructions for the frequency of which a Transmission Service Provider should calculate the values for ATC. This is based on and supported by FERC Order 890 Paragraph 301. In this paragraph, FERC instructs the development of standards that ensure ATC is calculated at consistent intervals. The NERC standards included these intervals which addressed this concern.

The subcommittee deliberated over the burden to ensure that hourly values were calculated every hour. There were parties interested in not having this burden due to concern that failing to meet the 175 hour requirement in the NERC standards would create a reportable compliance violation on the 176th hour that was not calculated. This is valid, and the subcommittee proposed adding a posting requirement for a reason each time the 175 hour limit was exceeded. This proposal had general support during the discussion; however the group voted they would prefer not to have any consistent calculation requirement in the standard. At this point the standard does not appear to meet the intention of FERC Order 890. For this reason SPP requests that the calculation intervals be added back into the NAESB standard to ensure consistent calculation intervals are maintained.

In addition to the concern of timing, there is concern with the postback section. Throughout the postback section that was created in xxx-5 the term “as appropriate” is used. This phrase is widely used leaving little that is required, since it is only to be followed when appropriate. Clarity should be provided for when it is appropriate and when it is not.

There was language added to the standards as section XXX-1.4 and XXX-1.4.1 that requires Transmission Service Providers honor ATC Path Limits when granting Inter BA service. This language contains an ambiguity around honoring the ATC Path Limits. We propose the following modification to ensure the ATC Paths Limits would be honored.

XXX-1.4        Each Transmission Service Provider shall not grant a request for Firm Transmission Service on an ATC Path that serves as an interface with another BA if the net of the Firm Transmission Service transactions into and out of the Transmission Service Provider’s BA would exceed the sum of the Facility Ratings of Tie Facilities that comprise the ATC Path between the BAs. ~~(to which Transmission Service Provider has the right to use) with such other BA~~.

XXX-1.4.1       Each Transmission Service Provider shall limit the Interchange Schedule (both Firm and non-Firm) of the reservations on an ATC path into and out of Transmission Service Provider’s BA on an interface with another BA such that the net Interchange Schedule does not exceed the sum of the Facility Ratings of Tie Facilities that comprise the ATC Path between the BAs. ~~(to which Transmission Service Provider has the right to use) with such other BA~~

Additionally, it is not clear on how to handle scenarios where the system changes occur. There are scenarios that could occur to leave the ATC Path Limit in exceedance of the usage rights/facility ratings should service that was previously granted based upon the net usage of the facility being altered. This could occur with a Redirect or similar change to a request. In this situation a Transmission Provider has granted service on the facility, and is now no longer able to honor the service that was granted.

Finally, ratings for facilities are not static. They could be affected by the seasonal ratings, derates, and outages. All of these alter the capability for net transactions across an ATC Path potentially impacting service. The draft standard is unclear on how to handle these situations or provide for situations where the Transmission Service Provider may unknowingly be under a new ATC Path Limit. The standard should allow for a grace period to update the ATC Path Limits.

SPP can support the standard with the proposed modifications as described in our comments to the language in 1.4 and 1.4.1. These sections should be considered a baseline for addressing the ATC Path Limits, as there are several concerns pointed out in our comments that should be addressed by NAESB.

Respectfully,

Joshua Phillips

Senior Policy Analyst

501-688-1761 • jphillips@spp.org