

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

Rules Concerning Certification of the)	Docket No. RM05-30-000
Electric Reliability Organization; and)	
Procedures for the Establishment, Approval)	
and Enforcement of Electric Reliability)	
Standards)	

**COMMENTS OF THE
INSTITUTE OF ELECTRICAL AND ELECTRONICS
ENGINEERS – UNITED STATES OF AMERICA (IEEE-USA)**

The IEEE-USA is a professional organization of electrical engineers that considers issues of public importance in its areas of expertise. IEEE-USA’s Energy Policy Committee is comprised of individuals recognized for their expertise in energy issues in general and electricity grid operating and planning issues in particular. IEEE-USA has publicly supported the creation of an electric reliability organization and helped to make that part of the Energy Policy Act of 2005 a reality. Our comments are solely based on concerns for the reliability of the grid as the country transitions from the current voluntary structure under NERC and regional councils to a mandatory one under the ERO and regional entities with legal standing beneath the Commission.

The Commission’s Notice of Proposed Rulemaking (NOPR) provides the needed basis for building a congruent set of mandatory reliability rules that are developed and enforced by a strong and effective international electric reliability organization (ERO) subject to Commission oversight within the United States. The need for effective reliability standards has never been more obvious and the Commission has provided for that effectiveness in this NOPR.

We have identified the following five areas in the NOPR we wish to bring to the Commission’s attention:

- **NERC Version 0 Standards Should be Adopted as the Starting Point for the ERO**

It is critical for the reliability of the grid that the transition from the current structure to the new one be smooth, secure, and builds upon decades of expertise in planning and operating power systems. We therefore recommend that the NERC Version 0 standards be the starting point for the ERO, by the Commission making it mandatory that the ERO adopt all current standards. Such standards can then be adjusted and improved, and new standards can be adopted, but on the strength of a safe and secure reliability Version 0 standards infrastructure.

NERC Version 0 is a distilment of prior standards and provides the best protection available when they become the initial mandatory standards upon adoption by the ERO and the Commission. The grid should not be exposed to less than the current standards without a measured process to modify them with input drawn from the industry's technical expertise.

- **The Commission Must Recognize the Reliability Risks and Business Uncertainty that Changes to Version 0 Standards Prior to a Functional ERO Would Bring**

NERC standards have slowly and carefully evolved over time. The Commission should recognize that utilities and market participants have historically relied on these evolving standards to make business plans on how best to make grid design changes or resource additions to meet standards. We support the legislation in that standards must be found to be “reasonable, not unduly discriminatory or preferential, and in the public interest”. However, the Commission must also recognize the reliability risks and business uncertainty that a significant initial change in Version 0 would bring. In this regard, we recommend that the review of NERC Version 0 standards prior to the ERO being functional, as publicly announced by Chairman Kelliher, have as a goal the identifying of issues that would be addressed after the ERO is functional and following its open process for standards development. This would meet Chairman Kelliher's position for the Commission to not rubber-stamp NERC Version 0 standards, but would also address concerns that changes to reliability standards be made without haste and only through a careful and prescribed step-by-step process that also evaluates the impact of the standard change on the reliability of the grid.

- **NERC Regional Council Standards Should be Adopted as the Starting Point for Regional Entities**

The NERC regional councils have existed for many years (some prior to NERC) and comprise critical regional expertise that have been brought to bear in developing reliability standards that are more detailed or stringent, but in no case inconsistent or contradictory, than those of NERC. In many cases regional council standards have been developed in response to blackout and other grid emergency events. Therefore, a smooth transition to the ERO and Regional Entities also demands that none of the existing reliability standards that have been adopted by NERC regional councils be left behind. We recommend that if a NERC regional council is approved to become a Regional Entity, the Commission require that the Regional Entity adopt all its corresponding council standards as the starting point, without requiring technical re-justification by the Regional Entity and confirmation by the ERO or Commission, and that such standards become the initial ERO standards applied to the specific region. A review of such standards can take place after the new FERC/ERO/RE structure is functional.

- **Regional Entities Must Have a Role in Developing More Detailed or Stringent Standards for their Region**

The prior point made reference to the considerable regional expertise that has existed for many years, which has been the basis for fine tuning NERC standards, adding specificity when required, making them more stringent when necessary to address reliability concerns, and to address special regional grid characteristics. In no case are regional standards today contradictory or inconsistent with NERC standards. We strongly recommend that regional organizations continue to have a role in the future, as they have had in the past, in the development of more detailed or more stringent regional standards, based on the considerable regional expertise of grid conditions in their area. Such Regional Entity proposed standards should be subject to confirmation by the ERO to establish that on technical grounds they are not contradictory or inconsistent with ERO standards applicable to the entire grid, and that they are reasonable, not unduly discriminatory or preferential, and in the public interest, prior to the ERO submitting them to the Commission. It would not be in the public interest to have ERO members from regions that have no interest, beyond the described confirmation, in the outcome of standards, be in a position to deny a region from having standards developed based on technical knowledge of special characteristics in their region. Once approved by the Commission, we recommend that standards proposed by a Regional Entity become ERO standards applicable to the specific region¹.

- **The Commission Should Clearly State Any Technical Objections in Rejecting or Remanding an ERO Proposed Standard**

The legislation contemplates that the Commission may reject and remand ERO proposed standards back to the ERO based on a determination that they do not meet the mandated “reasonable, not unduly discriminatory or preferential, and in the public interest” test. If such Commission review also extends to the technical merits of the proposed standard, it is recommended that the Commission articulate clearly its technical concerns. It must be recognized that reliability standards are above all technical standards regarding the secure planning and operation of the grid, and it is recommended that the Commission clearly separate technical concerns it may have from all other concerns in order to have such technical concerns properly addressed without degrading the intended reliability goal of the proposed standard.

The responsibility for the reliability of the bulk electric system should be a shared government-industry responsibility with government providing the oversight and industry providing the expertise. We offer our wealth of expertise to the Commission as you work with industry to create a strong and effective ERO.

¹ Alternatively, and with the same meaning, ERO standards applicable to a specific region may be referred to as “regional variances to ERO standards”.

Respectfully submitted,

A handwritten signature in black ink that reads "Gerard A. Alphonse". The signature is written in a cursive style with a large initial 'G' and a long, sweeping underline.

Gerard A. Alphonse
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