

136 FERC 61,208
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

North American Electric Reliability Corporation

Docket No. RD11-5-000

ORDER APPROVING INTERPRETATION OF RELIABILITY STANDARDS

(Issued September 26, 2011)

1. On April 15, 2011, the North American Electric Reliability Corporation (NERC) filed a petition seeking Commission approval of an interpretation of Requirements R1 and R3 of Reliability Standard PRC-004-1 (Analysis and Mitigation of Transmission and Generation Protection System Misoperations) and Requirements R1 and R2 of Reliability Standard PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing). The Commission approves NERC's interpretation, effective as of the date of this order.

I. Background

2. On March 16, 2007, pursuant to section 215(d) of the Federal Power Act (FPA),¹ the Commission issued Order No. 693 approving 83 Reliability Standards proposed by NERC, including PRC-004-1 and PRC-005-1.²

3. NERC's Rules of Procedure provide that all persons "directly and materially affected" by Bulk-Power System reliability may request an interpretation of a Reliability Standard.³ In response to a request, NERC assembles a team with relevant expertise to

¹ 16 U.S.C. § 824o(d) (2006).

² See *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).

³ NERC Rules of Procedure, Appendix 3A, Reliability Standards Development Procedure Version 7, at 30 (2010); NERC Rules of Procedure, Appendix 3A, Standards Process Manual, at 27 (2010). NERC states that it initially developed the interpretation

(continued...)

address the requested interpretation and forms an industry ballot pool. NERC's Rules of Procedure provide that, within 45 days, the team will draft an interpretation of the Reliability Standard, with subsequent balloting. If approved by industry ballot and the NERC Board of Trustees, the interpretation is appended to the Reliability Standard and filed with the applicable regulatory authority for approval. When the subject Reliability Standard is next revised, the interpretation is incorporated into the Reliability Standard.

II. NERC Filing

4. NERC states that on March 25, 2009, the Y-W Electric Association and Tri-State Generation and Transmission Association requested an interpretation from NERC for the term "transmission Protection System" as it appears in Requirements R1 and R3 of PRC-004-1 and Requirements R1 and R2 of PRC-005-1 and "specifically whether protection for a radially-connected transformer protection system energized from the BES [bulk electric system] is considered a transmission Protection System and is subject to these standards."⁴

Requirements R1 and R3 of PRC-004-1

5. Requirements R1 and R3 of PRC-004-1 address a responsible entity's obligation to analyze transmission Protection System misoperations and to develop and implement corrective actions to avoid future misoperations. The specific language of Requirements R1 and R3 is:

R1. The Transmission Owner and any Distribution Provider that owns a transmission Protection System shall each analyze its transmission Protection System Misoperations and shall develop and implement a Corrective Action Plan to avoid future Misoperations of a similar nature according to the Regional Reliability Organization's procedures developed for Reliability Standard PRC-003 Requirement 1.

R3. The Transmission Owner, any Distribution Provider that owns a transmission Protection System, and the Generator Owner shall each provide to its Regional Reliability Organization, documentation of its Misoperations analyses and Corrective Action Plans according to the Regional Reliability Organization's procedures developed for PRC-003 R1.

under the Reliability Standards Development Procedure Version 7 until it was superseded by the current Standards Process Manual on September 3, 2010. Petition at 4 n.4.

⁴ Petition at 7.

Requirements R1 and R2 of PRC-005-1

6. Requirements R1 and R2 of PRC-005-1 address a responsible entity's obligation to maintain and test Protection Systems that affect the reliability of the bulk electric system. The specific language of Requirements R1 and R2 is:

R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include: . . .

R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include: . . .

NERC Interpretation

7. NERC interprets "transmission Protection System," as it appears in Requirements R1 and R3 of PRC-004-1 and Requirements R1 and R2 of PRC-005-1, to mean "any Protection System that is installed for the purpose of detecting faults on transmission elements (lines, buses, transformers, etc.) identified as being included in the Bulk Electric System (BES) and trips an interrupting device that interrupts current supplied directly from the BES."⁵ In addition, NERC's proposed interpretation states that "[a] Protection System for a radially connected transformer energized from the BES would be considered a transmission Protection System and subject to these standards only if the protection trips an interrupting device that interrupts current supplied directly from the BES and the transformer is a BES element."⁶

8. NERC requests that the Commission approve the interpretation and that it be made effective immediately upon approval, consistent with the Commission's procedures.

⁵ *Id.* at 7.

⁶ *Id.*

III. Procedural Matters

9. Notice of NERC's filing was published in the *Federal Register*, 76 Fed. Reg. 34,224 (2011), with interventions and protests due on or before July 1, 2011. A motion to intervene was timely filed by American Municipal Power, Inc. No comments or protests were filed.

IV. Discussion

A. Preliminary Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), American Municipal Power, Inc.'s timely, unopposed motion to intervene serves to make it a party to this proceeding.

B. Commission Determination

11. The Commission approves NERC's interpretation as it is consistent with the intent of Requirements R1 and R3 of PRC-004-1 and Requirements R1 and R2 of PRC-005-1. The interpretation clarifies that the Requirements are "applicable to any Protection System that is installed for the purpose of detecting faults on transmission elements (lines, buses, transformers, etc.) identified as being included in the [BES] and trips an interrupting device that interrupts current supplied directly from the BES."⁷ This interpretation is consistent with the Commission's understanding that a "transmission Protection System" is installed for the purpose of detecting and isolating faults affecting the reliability of the bulk electric system through the use of current interrupting devices. The Commission further understands that the "interrupting device" referred to in the interpretation is a device that has the performance capability to interrupt full fault current associated with the protected bulk electric system facilities.

The Commission orders:

NERC's proposed interpretation of Requirements R1 and R3 of PRC-004-1 and Requirements R1 and R2 of PRC-005-1 is hereby approved, effective as of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁷ *Id.* at 10.