

Comments from the Western Electricity Coordinating Council

For consideration by the FERC Technical Conference • November 18, 2005

From Panel I

How do you now interface with NERC and how do you plan to interface with the ERO?

WECC currently interface with NERC as one of its ten members. WECC expect that future interface will be according to a delegation agreement.

How do you respond now to NERC and Regional Council actions and how do you plan to respond to the ERO's actions as it establishes, implements, and enforces reliability standards?

See answer above.

What are the challenges you might face regarding any new process.

WECC strongly believes that a transition plan needs to be created for standard setting and enforcement.

From Panel II

What preparations are you making regarding the implementation of the EPAct 2005?

WECC is concluding an organizational review that has verified that the Council meets the test of independence required by the legislation for deference and delegation. The council also expects to adopt changes in its Board structure at its next annual meeting that will increase Canadian representation in accord with the bilateral principles set forth by the U.S. and Canada. WECC is also revising its standard-setting process to ensure that it meets the test for deference and presumption.

Are there any unique circumstances in the region that may impact the implementation of ERO Standards?

While all Version 0 Standards are applicable in the Western Interconnection, physical and organizational conditions in the West have resulted in different methods of implementation. In addition, the physics of the Western Interconnection have resulted in the development of some Western Interconnection standards that are more stringent and/or specific than NERC standards.

Some of the physical characteristics to be taken into account when dealing with the Western Interconnection are the uneven distribution of load centers and generation, the geographic concentration of resources, the length of transmission lines and their concentration into corridors, and the size of the load.

What are your views on regional standards/variations?

WECC prefaces this answer by noting the distinction in the EPAct between regions organized on an interconnection-wide basis and those not so organized.

WECC believes that it is important to allow for regional standards, criteria and methods. The legislation allows regions organized on an interconnection-wide basis to develop standards for enforcement that will receive deference and a presumption of efficacy from the ERO, who will pass a proposed standard to FERC for approval

unless it believes it was improperly developed. WECC believes all enforceable standards will be ERO standards, even if they apply to only one interconnection. WECC also believes that standards that are not enforceable, but voluntary within a region may exist without ERO or FERC approval.

What are your views on regional compliance/enforcement?

The Western Interconnection has had a mandatory enforcement program for seven years. This system of compliance enforcement has been field-tested and refined and is understood and accepted. WECC believes the West's enforcement program should be made mandatory within the Western Interconnection and remain so until a robust, comprehensive replacement can be developed.

Again, the legislation makes it clear that regions organized on an interconnection-wide basis are entitled to deference and presumption. WECC believes that enforcement is best managed at the lowest level of government – in the case of the Western Interconnection, that level is WECC.

What are your views on the terms that are necessary to incorporate into the delegation agreements with the ERO?

An acceptable, effective delegation agreement must address the handling of standards, compliance and enforcement, funding and governance.

What challenges can you identify regarding delegation agreements with the ERO?

The challenges will involve defining the relationships above in such a way that regions have the flexibility to protect the system in their footprint while allowing for accountability to the commission for the performance of delegated tasks.

From Panel III

What are the processes you use to develop standards?

As noted above, the WECC standards process is currently being improved. Both the current and expected future standard-development process are guided by the WECC committee structure. Standards development and revision requests are assigned to a Standing committee, which oversees the development of a standard. All standards go through a public comment phase during the development, committee approval and Board approval steps. Comments are accepted from all interested parties regardless of their membership in WECC. The standards development process also contains a comprehensive appeals process.

What do you believe are your successes? What are your challenges?

The Western Interconnection has accomplished rapid development of certain non-controversial standards such as the inclusion of Control Performance, Disturbance Control and Operating Reserves Standards. The West has also been able to develop robust standards governing more thorny issues such as Operator Certification and Tagging Availability.

How do you improve upon standards that are found to be deficient?

Anyone with an interest in the bulk electric system can request a revision to a standard through the Standard Development Process. Standards comprising the

Reliability Management System undergo field-testing and can be refined during that testing.

What are the lessons learned from your process that would be useful for the Commission to utilize to assure high reliability in the electric power system?

WECC's Standard Development Process is supported by all participants in the Western Interconnection's bulk power system, including customers and regulators in Canada, the U.S. and Mexico. WECC believe the reliability standards developed by this process are the most fair and efficient means of maintaining the reliability of the system. The Commission will be well served by relying on WECC's Standard Development Process to do the heavy lifting in development of ERO standards for the Western Interconnection.