

151 FERC ¶ 61,147
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

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| PacifiCorp | Docket Nos. ER15-443-000 |
| South Carolina Electric & Gas Company | ER15-482-000 |
| Portland General Electric Company | ER15-505-000 |
| NorthWestern Corporation | ER15-507-000 |
| Deseret Generation & Transmission Co-operative, Inc. | ER15-520-000 |
| Tucson Electric Power Company | ER15-524-000 |
| UNS Electric, Inc. | ER15-525-000 |
| Arizona Public Service Company | ER15-529-000 |
| Public Service Company of New Mexico | ER15-533-000 |
| Nevada Power Company | ER15-535-000 ER15-535-001 |
| Black Hills Power, Inc. | ER15-543-000 |
| Black Hills/Colorado Electric Utility Company, LP | ER15-545-000 |
| Cheyenne Light, Fuel, & Power Company | ER15-546-000 |
| Avista Corporation | ER15-547-000 |
| Idaho Power Company | ER15-644-000 |

(not consolidated)

ORDER ON COMPLIANCE AND REQUESTS FOR WAIVERS

(Issued May 18, 2015)

1. The above-captioned public utilities (Applicants) filed compliance filings and requests for waivers in response to the compliance requirements of Order No. 676-H.¹ Order No. 676-H revised the Commission's regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. In this order, we conditionally accept the Applicants' compliance filings, effective May 15, 2015, dismiss the associated waiver requests as unnecessary, and direct further compliance, as discussed below.

I. Background

2. On September 18, 2014, the Commission issued Order No. 676-H, which amends the Commission's regulations under the Federal Power Act (FPA)² to incorporate by reference, with certain enumerated exceptions, Version 003 of the Business Practice Standards.³ In addition, in Order No. 676-H, the Commission listed, as guidance, NAESB's Smart Grid Standards (Standards WEQ-016, WEQ-017, WEQ-018, WEQ-019, and WEQ-020) in Part 2 of the Commission's regulations but did not incorporate these standards by reference into its regulations.⁴

¹ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014) (Order No. 676-H), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh'g*, 151 FERC ¶ 61,046 (2015) (Order No. 676-H Rehearing Order).

² 16 U.S.C. § 791a (2012).

³ The specific NAESB standards that the Commission incorporated by reference in Order No. 676-H are WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-006, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, and WEQ-021. *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

⁴ *See id.* P 1; Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 2 (citations omitted).

3. The Version 003 Business Practice Standards update earlier versions of the WEQ standards that the Commission previously incorporated by reference into its regulations.⁵ These revised standards include modifications to support Order Nos. 890, 890-A, 890-B, and 890-C,⁶ including standards to support Network Integration Transmission Service (NITS) on an Open Access Same-Time Information System (OASIS), Service Across Multiple Transmission Systems (SAMTS), standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, standards that incorporate the functionality for Transmission Providers to credit redirect requests with the capacity of the parent reservation, and standards modifications to support consistency across the OASIS-related standards.⁷

4. In Order No. 676-H, the Commission explained that public utilities have a number of options with respect to compliance with Order No. 676-H. The Commission explained that public utilities can incorporate the complete set of NAESB standards into their tariffs without modification by submitting a compliance filing containing a single statement acknowledging their obligation to comply with Version 003 Business Practice Standards as specified in Part 38 of the Commission's regulations as updated and revised.⁸ Alternatively, public utilities may incorporate the complete set of Version 003 Business Practice Standards into their tariffs, without modification, if they so choose.⁹ The Commission also indicated that a public utility can file a request for waivers of specific provisions, along with its reasons supporting the request.¹⁰

⁵ 18 C.F.R. § 38.2 (2014).

⁶ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009). The Version 002 standards also included revisions made in response to Order No. 890.

⁷ *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 2.

⁸ *See id.* P 87-88, 95.

⁹ *See id.* P 89.

¹⁰ *See id.* P 88.

5. The Commission required public utilities to make compliance filings by December 1, 2014 in order to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015.¹¹ Subsequently, the February 2, 2015 deadline was extended to May 15, 2015.¹²

6. On April 16, 2015, the Commission issued the Order No. 676-H Rehearing Order, which addressed various requests for rehearing of Order No. 676-H. With respect to entities seeking waivers of certain NAESB WEQ standards, the Commission clarified that:

[r]equiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state [that they] are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission, since the standard itself makes clear to whom it applies.¹³

Thus, the Commission stated that, going forward, any request for waivers of standards that by their terms do not apply to an entity potentially requesting waivers during the time frame the standards are effective would be dismissed as unnecessary.¹⁴

II. Filings

7. In response to the Commission's directive in Order No. 676-H, Applicants submitted compliance filings that incorporate by reference the Version 003 Business Practice Standards. These compliance filings also contained requests for waiver of

¹¹ *See id.* PP 20, 88, 95. The Commission also established a separate 18-month compliance schedule for Standard 002-5.10.3 regarding the implementation of NITS OASIS templates, which are not at issue in this compliance filing.

¹² *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice Granting Limited Time Extension, Docket No. RM05-5-024 (issued Jan. 15, 2015).

¹³ Order No. 676-H Rehearing Order, FERC Stats. & Regs. ¶ 61,046 at P 20.

¹⁴ *Id.* P 19.

certain of the Version 003 Business Practice Standards that Applicants claim are inapplicable to them, as discussed more fully below.¹⁵

A. Waiver Requests

1. WEQ-008, Transmission Loading Relief – Eastern Interconnection

8. Several Applicants located in the Western Interconnection¹⁶ request continued waiver of Standard WEQ-008, which they assert is inapplicable to them because it applies only to Transmission Loading Relief procedures necessary for curtailment and reloading of interchange transactions within the Eastern Interconnection. Each such Applicant states that continued waiver of the WEQ-008 standard is appropriate because it is not located in the Eastern Interconnection.

2. WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, and WEQ-021, Measurement and Verification of Energy Efficiency Projects

9. All Applicants request waiver of Standards WEQ-015 and WEQ-021, which they state apply to measurement and verification of products and services in organized Independent System Operator (ISO) and Regional Transmission Organization (RTO) wholesale markets. Each such Applicant asserts that because it is not located in an ISO or RTO, these standards are not applicable to it.

3. WEQ-005, Area Control Error Equation Special Cases, WEQ-006, Manual Time Error Correction, and WEQ-007 Inadvertent Interchange Payback

10. In addition to the above-captioned standards, Deseret Generation & Transmission Co-operative, Inc. (Deseret) requests continued waiver of three additional NAESB standards: (1) WEQ-005 (Area Control Error Equation Special Cases); (2) WEQ-006 (Manual Time Error Correction); and (3) WEQ-007 (Inadvertent Interchange Payback). Deseret states that the Commission has previously granted Deseret waiver of WEQ-005,

¹⁵ This order addresses only compliance filings in which Applicants seek waiver of Version 003 Business Practice Standards which, by their terms, are not applicable to Applicants. Waiver requests filed for other reasons by other public utilities are being addressed separately.

¹⁶ All Applicants requested waiver of Standard WEQ-008 with the exception of South Carolina Electric & Gas Company.

WEQ-006, WEQ-007, and WEQ-008 on June 28, 2011.¹⁷ Deseret states that good cause exists to grant continued waiver of these NAESB standards because the circumstances under which the Commission previously granted the waiver have not changed. Specifically, Deseret indicates that these standards involve obligations specific to balancing authority areas. Deseret explains that the Commission has made clear that Transmission Providers that do not operate balancing authority areas may obtain a waiver of the NAESB standards specifically applicable only to that function.¹⁸ Deseret confirms that it still does not operate a balancing authority area, and therefore states that continued waiver of standards WEQ-005, WEQ-006, and WEQ-007 is appropriate.

III. Notice and Responsive Pleadings

11. Notice of PacifiCorp's filing in Docket No. ER15-443-000 was published in the *Federal Register*, 79 Fed. Reg. 70,861 (2014), with interventions and protests due on or before December 10, 2014. None was filed.
12. Notice of South Carolina Electric & Gas Company's filing in Docket No. ER15-482-000 was published in the *Federal Register*, 79 Fed. Reg. 71,991 (2014), with interventions and protests due on or before December 16, 2014. None was filed.
13. Notice of Portland General Electric Company's and NorthWestern Corporation's filings in Docket Nos. ER15-505-000 and ER15-507-000, respectively, were published in the *Federal Register*, 79 Fed. Reg. 71,992 (2014), with interventions and protests due on or before December 17, 2014. None was filed.
14. Notices of the filings submitted by Deseret, Tucson Electric Power Company, UNS Electric, and Arizona Public Service Company in Docket Nos. ER15-520-000, ER15-524-000, ER15-525-000, and ER15-529-000, respectively, were published in the *Federal Register*, 79 Fed. Reg. 73,062 (2014), with interventions and protests due on or before December 22, 2014. None was filed.
15. Notice of Public Service Company of New Mexico's filing in Docket No. ER15-533-000 was published in the *Federal Register*, 79 Fed. Reg. 73,063 (2014), with interventions and protests due on or before December 22, 2014. None was filed.

¹⁷ Deseret Compliance Filing at 4 (citing *Deseret Generation & Transmission Coop., Inc.*, 135 FERC ¶ 61,266 (2011)).

¹⁸ *Id.* (citing *Participating Transmission Owners Administrative Committee*, 133 FERC ¶ 61,197, at P 13 (2010)).

16. Notices of Nevada Power Company's filings in Docket Nos. ER15-535-000 and ER15-535-001¹⁹ were published in the *Federal Register*, 79 Fed. Reg. 73,063 (2014) and 79 Fed. Reg. 77,469 (2014), with interventions and protests due on or before December 22, 2014 and January 7, 2015. None was filed.

17. Notices of the filings submitted by Black Hills Power, Inc. (Black Hills), Black Hills/Colorado Electric Utility Company, LP, and Cheyenne Light, Fuel, & Power Company in Docket Nos. ER15-543-000, ER15-545-000, and ER15-546-000, respectively, were published in the *Federal Register*, 79 Fed. Reg. 73,058 (2014), with interventions and protests due on or before December 22, 2014. Basin Electric Power Cooperative filed a timely motion to intervene in response to Black Hills' filing.

18. Notice of Avista Corporation's filing in Docket No. ER15-547-000 was published in the *Federal Register*, 79 Fed. Reg. 73,058 (2014), with interventions and protests due on or before December 23, 2014. None was filed.

19. Notice of Idaho Power Company's filing in Docket No. ER15-644-000 was published in the *Federal Register*, 79 Fed. Reg. 77,469 (2014), with interventions and protests due on or before January 7, 2015. None was filed.

IV. Commission Determination

A. Procedural Matters

20. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), Basin Electric Power Cooperative's timely, unopposed motion to intervene serves to make it a party to Docket No. ER15-543-000.

B. Substantive Matters

21. We find that the Applicants' compliance filings, absent the waiver requests, satisfactorily comply with the Commission's directives set forth in Order No. 676-H. Therefore, we will conditionally accept Applicants' compliance filings, effective May 15, 2015, as requested.

22. Consistent with the Commission's clarification in the Order No. 676-H Rehearing Order, we will dismiss Applicants' waiver requests as unnecessary. As clarified in that order, requiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state that they are only applicable to entity groups that the potential waiver requester does not belong to is an unnecessary

¹⁹ In Docket No. ER15-535-001, Nevada Power Company submitted errata to its original compliance filing submitted in Docket No. ER15-535-000.

expenditure of time and effort for both the potential waiver requestors and the Commission. The Commission explained that including such standards in the public utility's tariff will have no adverse effects on the company, since the standards would not impose the compliance obligation prescribed by the standard on that entity.²⁰ Thus, the Commission stated that in each public utility's compliance filing in which it submits a tariff revision incorporating the NAESB standards, the public utility must either incorporate by reference each standard or indicate in its tariff that it has obtained a waiver of that standard.²¹ Specifically, we dismiss the Applicants' request for waivers of NAESB Standards WEQ-008, WEQ-015 and WEQ-021 as unnecessary, as the respective applicability sections of these standards exclude Applicants because they are not part of the Eastern Interconnection, and they are not RTOs or ISOs. For Deseret, we also dismiss its request for waivers of WEQ-005, WEQ-006, and WEQ-007, because the applicability sections of these standards exclude entities that do not serve as balancing authorities.

23. Consistent with this determination, we will require Applicants to submit a compliance filing within 60 days of the date of this order incorporating by reference all of the Version 003 NAESB standards. Because we are dismissing the waiver requests as unnecessary, Applicants are directed to submit compliance filings with revised tariff records that do not include references to waiver requests of the Version 003 NAESB standards.

The Commission orders:

(A) Applicants' compliance filings are hereby conditionally accepted for filing, effective May 15, 2015, as discussed in the body of this order.

(B) Applicants' requests for waiver are hereby dismissed as unnecessary, as discussed in the body of this order.

²⁰ Order No. 676 Rehearing Order, 151 FERC ¶ 61,046 at P 20.

²¹ Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 21.

(C) Applicants are directed to submit a compliance filing within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.