

Southwest Power Pool
Comments to FERC
ERO Technical Conference
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The Regional Entity's Role in Reliability Standards

1. ERO Standards Process
 2. Role of Regional Entities in the Standards Process
 3. Improving existing standards
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1. ERO Standards Process
 - a. SPP supports the NERC ANSI accredited standards approval process, as set forth in NERC's Reliability Standards Process Manual, as being "open and inclusive".
 - b. SPP believes that all parties affected by the ERO reliability standards should be able to participate and have representation in all levels of the standards development process including any committees or subcommittees where the standards and/or any reliability information systems may be discussed and developed. Certain NERC committees may be open only to NERC "members" and SPP believes, both as an RTO and as a Regional Entity, must be able to participate.
 2. Role of Regional Entities in Standards Process
 - a. SPP members support SPP, Inc. going forward with an application to become a RE. Having an RTO and soon to begin an Energy Imbalance Service Market in the region, SPP members place a high priority in maintaining SPP's stellar record in reliability and supports the NERC ERO having financial sanctioning authority for reliability violations. SPP members believe that it would be inefficient and burdensome to have separate organizations and processes at the regional level to separately address market and reliability needs. The RE function would exist within the SPP organization albeit with adequate separation and independence requirements to ensure that all facets of the RE, colluding compliance and

enforcement of reliability standards, will be executed in the most objective and independent manner. SPP has already made structural changes including revisions to its By-laws that moves the compliance and enforcement staff out from under the SPP operations areas and now report directly to the independent Board.

- b. The statute states that the purpose of a Regional Entity is to “propose reliability standards to the ERO” and to “enforce reliability standards”. SPP supports the NERC effort to develop a standard form Regional Entity Delegation Agreement that allows each Regional Entity to submit its standards development process and compliance enforcement process for FERC acceptance.
- c. REs although tasked with proposing standards to the ERO, may not find it necessary to submit all regional criteria through the NERC standards development process. Certain regional criteria are applicable for use only within a region’s footprint. To the extent these regional criteria do not conflict with NERC standards, or reduce reliability to the interconnected grid, they should not have to be made a part of the NERC standards.
 - i. E.g. – criteria related to the SPP RTO market to provide for generator data in 15 minute intervals is a design requirement for the Energy Imbalance Market and is also critical data for the SPP Reliability Coordinator to have to meet its NERC requirement to curtail transactions within 30 minutes of a (IROL) flowgate limit violation. NERC currently does not have any standards that specify data interval requirements for meeting the IROL standard and such requirements vary based on market needs.
- d. On the other hand, some standards that should be made a part of NERC standards may not have to be proposed by REs at all. Part of the ANSI accreditation requirements is that “any” party may submit a standard to NERC for consideration. It is important that parties may request standards at NERC directly to satisfy this ANSI requirement and as a matter of efficiency in the process to eliminate a burden on the RE standards processes to avoid duplication.
- e. REs must be able to continue development of regional criteria within their own processes since regional criteria impact only stakeholders within the Region’s footprint. To use a continental wide standards process would impose unnecessary costs at the ERO to develop criteria that apply to a single RE.
- f. REs must be able to represent their interests in the ERO standards development process at all levels if the ERO. REs will maintain regional criteria, and oversee the development of Regional Differences (or Variances) and must be included in all facets of the NERC ERO process to adequately ensure those regional criteria and variances are not compromised by new proposed NERC standards.

3. Improving existing standards.

- a. SPP supports the use of the Ver 0 standards as the initial set of standards for the ERO. However, many of the Version 0 standards are not clear enough in terms of measurements to have meaningful enforcement penalties. Before the Commission adopts penalties to those Ver 0 standards without tested compliance measures, NERC must be allowed to run its course in updating these standards and developing compliance measures for them.
- b. The NERC standards process, although meets ANSI accreditation requirements, can be streamlined to reduce the turnaround time from initial standard proposal to final Board approval. Now with the added step of Commission approval, it will become necessary to make the process more time efficient. We do not ask that the open and inclusive process be compromised, but parts of the process, like the SAR posting, could be shortened so that actual standards development work can begin sooner.