AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: Pursuant to section 215 of the Federal Power Act, the Commission proposes to approve three updated Interchange Scheduling and Coordination (INT) Reliability Standards developed by the North American Electric Reliability Corporation. The proposed INT Reliability Standards specify times for entities in the Western Interconnection to review and respond to requests for interchange service, specifically, on-time requests for service and requests for emergency interchange and reliability adjustment interchange service. In addition, the revisions set forth appropriate response times for all requests for on-time, emergency and reliability adjustment interchange service.

DATES: Comments are due [insert date that is 30 days after publication in the FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by docket number by any of the following methods:
Agency Web Site:  http://ferc.gov.  Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.

Mail/Hand Delivery:  Commenters unable to file comments electronically must mail or hand deliver an original and 14 copies of their comments to:  Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, N.E.,

Washington,  D.C. 20426.

FOR FURTHER INFORMATION CONTACT:

Danny Johnson (Technical Information)
Office of Electric Reliability, Division of Reliability Standards
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C.  20426
(202) 502-8892

Rheta Johnson (Technical Information)
Office of Electric Reliability, Division of Reliability Standards
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C.  20426
(202) 502-6503

Richard M. Wartchow (Legal Information)
Office of the General Counsel, Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C.  20426
(202) 502-8744

SUPPLEMENTARY INFORMATION:
1. Pursuant to section 215 of the Federal Power Act (FPA), the Commission proposes to approve three updated Interchange Scheduling and Coordination (INT) Reliability Standards developed by the North American Electric Reliability Corporation (NERC): INT-005-3, Interchange Authority Distributes Arranged Interchange; INT-006-3, Response to Interchange Authority; and INT-008-3, Interchange Authority Distributes Status. The proposed INT Reliability Standards specify response times for entities in the Western Interconnection to review and respond to requests for interchange service. In addition, the revisions set forth appropriate response times for all requests for on-time, emergency and reliability adjustment interchange service.¹

¹ Requests for interchange service are also called “RFI.” The NERC glossary defines “Interchange” as, “Energy transfers that cross balancing authority boundaries.” NERC Glossary of Terms Used in Reliability Standards (as revised) (glossary), originally filed with NERC’s April 4, 2006 Request for Approval of Reliability Standards, Docket No. RM06-16-000, and affirmed by Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, FERC Stats. and Regs. ¶ 31,242 (2007), order on reh’g, Order No. 693-A, 120 FERC ¶ 61,053 (2007). The glossary is appended to the Reliability Standards and is available on the NERC website, www.nerc.com.
2. The revised INT Reliability Standards update and replace version 2 of the INT Reliability Standards. NERC adopted these standards pursuant to an urgent action request under NERC procedures, which require that the standards be resubmitted for processing through NERC’s normal Reliability Standards development procedures. The proposed rule would benefit the reliable operation of the Bulk-Power System by clarifying how long the relevant entities have to respond to requests for interchange service and providing entities in the Western Interconnection with sufficient time to assess and respond to requests for interchange service.

I. Background

A. EPAct 2005 and Mandatory Reliability Standards


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2 See Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards, Order No. 713, 73 FR 43613 (Jul. 28, 2008), 124 FERC ¶ 61,071, at P 67 (2008). Under NERC procedures, changes developed pursuant to an urgent action request must be reviewed under the normal Reliability Standards development process, by a panel having the appropriate expertise, and balloted for final approval, with any modifications, within one year, if no substantive changes are made, or else within two years. NERC states that the current revisions are not substantial enough to change the intent, scope or purpose of the prior versions of the Reliability Standards.

3 The Commission is not proposing any new or modified text to its regulations. Rather, as set forth in 18 CFR Part 40, a proposed Reliability Standard will not become effective until approved by the Commission, and the Electric Reliability Organization (ERO) must post on its website each effective Reliability Standard.

added section 215 to the FPA, requiring the Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards to provide for the reliable operation of the Bulk-Power System, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.\(^5\)

4. On February 3, 2006, the Commission issued Order No. 672, implementing section 215.\(^6\) Pursuant to Order No. 672, the Commission certified NERC as the ERO.\(^7\) The ERO is required to develop Reliability Standards, subject to Commission review and approval, applicable to users, owners and operators of the Bulk-Power System, as set forth in each Reliability Standard.

5. Section 215(d)(2) of the FPA states that the Commission may approve, by rule or order, a proposed Reliability Standard or modification to a Reliability Standard if it determines that the Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.\(^8\) If the Commission disapproves of the proposed Standard in whole or in part, it must remand the proposed Standard to the ERO for further

\(^5\) 16 U.S.C. 824o(e)(3).


\(^7\) North American Electric Reliability Corp., 116 FERC ¶ 61,062, order on reh’g & compliance, 117 FERC ¶ 61,126 (2006).

\(^8\) 16 U.S.C. 824o(d)(2).
consideration.\(^9\) Section 215(d)(5) grants the Commission authority, upon its own motion or upon complaint, to order the ERO to submit to the Commission a proposed Reliability Standard or a modification to a Reliability Standard that addresses a specific matter if the Commission considers such a modified Reliability Standard appropriate to carry out section 215.

**B. Order No. 713**

6. In Order No. 713, the Commission accepted a prior NERC proposal to provide additional time for entities in the Western Interconnection to assess requests for interchange service needed in less than an hour.\(^10\) The resulting changes were incorporated into the prior INT Reliability Standards, designated INT-005-2, INT-006-2 and INT-008-2, which were accepted by the Commission.\(^11\) The Commission found that, due to the limited assessment time available, some requested transactions were being denied because they were not reviewed and acted upon in the allotted time.\(^12\) NERC’s proposal was developed in response to an urgent action request from the Western

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\(^10\) The INT Reliability Standards apply to interchange authorities, balancing authorities, and transmission service providers.

\(^11\) Order No. 713, 124 FERC ¶ 61,071 at P 67.

\(^12\) Upon expiration of the assessment time, the related e-Tags are denied and must be resubmitted. In industry parlance, this is called “passive denial.” Order No. 713, 124 FERC ¶ 61,071 at P 62-63.
Electricity Coordinating Council (WECC) to reinstate a ten-minute assessment period, consistent with WECC’s historical practice.

7. In its current petition, NERC finalizes the revisions that were initially developed pursuant to the urgent action request.

C. **NERC’s Proposed INT Reliability Standard Revisions**

8. On February 5, 2009, NERC filed its petition for Commission approval of the revised INT Reliability Standards, designated INT-005-3; INT-006-3 and INT-008-3.\(^\text{13}\)

In the revised INT Reliability Standards, NERC proposes to establish separate timing tables for the Western Interconnection and the Eastern Interconnection, including Electric Reliability Council of Texas and Hydro-Quebec; affirm and clarify the increase in the reliability assessment times for WECC from five minutes to ten minutes for requests submitted more than 60 minutes and no less than 15 minutes prior to ramp start time, and also permit on-time submittal of e-Tags\(^\text{14}\) up to 20 minutes prior to the operating hour; specify the timing for responses to requests for the Western Interconnection; and modify Requirement R1 of INT-006-002 to clarify that balancing authorities and transmission

\(^{13}\) The revised INT Reliability Standards are provided in the petition and are available on the Commission’s eLibrary document retrieval system in Docket No. RM09-8-000 and also on NERC’s website, \text{http://www.nerc.com}.\(^\text{14}\) Electronic Tagging, or e-Tag, is a request to implement a new interchange transaction as a physical energy flow, i.e., an RFI. The e-Tag documents the requested physical interchange transaction and identifies participants. E-Tags include expected flows, and the information provided may be used in mitigating constraints, when needed. See NERC’s Joint Interchange Scheduling Work Group, Electronic Tagging Functional Specification Version 1.8.0 (Nov. 7, 2007).
service providers in all Interconnections must respond to “on-time” requests for interchange service, as well as to requests for emergency and reliability adjustment interchange services. NERC also proposes to add three related definitions to its glossary: “After the Fact,” “Emergency Request for Interchange (RFI),” and “Reliability Adjustment RFI,” and specifies appropriate responses for “Late,” “On-time” and “After the Fact” requests for service to the timing tables.

NERC states that the revised INT Reliability Standards (INT-005-3, INT-006-3, and INT-008-3) ensure the safe and reliable operation of the Bulk-Power System. According to NERC, the Reliability Standards improve Bulk-Power System reliability by providing WECC entities sufficient time to assess and respond to requests for interchange service. Establishing a separate timing table for WECC will clarify the timing requirements for the Western Interconnection. The timing requirements for the Eastern Interconnections, including ERCOT and Hydro-Quebec, are also modified by adopting the on-time, late and after-the-fact classifications. NERC reports that the new terms incorporated in the timing tables are consistent with existing industry e-Tag specifications used to request and arrange interchange service, and use of these terms will ensure uniform treatment for all entities subject to the INT Reliability Standards.
1. **Proposed NERC Glossary Definitions**

10. To implement the revisions to the INT Reliability Standards, NERC proposes to add three terms to its glossary:¹⁵

   - **After the Fact**: A time classification assigned to a Request for Interchange (RFI) when the submittal time is greater than one hour after the start time of the RFI.
   - **Emergency Request for Interchange**: RFI to be initiated [for] Emergency or Energy Emergency conditions.
   - **Reliability Adjustment RFI**: Request to modify an Implemented Interchange Schedule for reliability purposes.

2. **Revised INT Reliability Standard Requirements**

11. NERC proposes a separate interchange response timing table for WECC, while responsible entities in the Eastern Interconnections, including ERCOT and Hydro-Quebec, will continue to follow a table largely based on the prior versions. The tables set forth the response times for various requests for interchange service according to priority and time of submittal. The WECC-specific table reflects the increased reliability assessment time that was approved in Order No. 713. The expanded review time provides WECC entities ten minutes to respond to requests for interchange service submitted more than 60 minutes and no less than 15 minutes prior to ramp start time and also permits on-time submittal of e-Tags up to 20 minutes prior to the operating hour.

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¹⁵ As with Reliability Standards, the Commission also reviews and approves revisions to the NERC glossary pursuant to FPA section 215(d)(2). Further, the Commission may direct a modification to address a specific matter identified by the Commission pursuant to section 215(d)(5). See, e.g., Order No. 693, FERC Stats. and Regs. ¶ 31,242 at P 1893-98.
NERC also makes minor textual modifications to clarify that all entities subject to the INT Reliability Standards must respond to “on-time” requests, as well as to all requests for emergency and reliability adjustment interchange service,\textsuperscript{16} revises the tables to accommodate regions in which a response to arranged interchange is required, and clarifies INT-006-3, Measure M1 to correspond more closely to Requirement R1.

12. NERC requests that the revised INT Reliability Standards be effective on the first day of the quarter three months after regulatory approval is granted.\textsuperscript{17}

3. \textbf{Revised INT Reliability Standard Development}

13. In response to WECC’s February 7, 2007 urgent action request, NERC developed the version 2 INT Reliability Standards that were approved by the Commission in Order No. 713. Shortly after receiving the urgent action request, WECC and a joint NERC/NAESB\textsuperscript{18} work group submitted a Standards Authorization Request to NERC seeking permanent revisions to the INT Reliability Standards to accommodate the expanded WECC timing requirements. In developing the permanent revision, the version 2 INT Reliability Standard proposal was modified to incorporate the changes discussed above and the proposed glossary terms. After those revisions were made, the proposed INT Reliability Standards were approved by industry ballot and the NERC Board.

\textsuperscript{16} INT-006-003, Requirement R1.

\textsuperscript{17} The petition makes no modification to the violation risk factors or violation severity levels for the revised INT Reliability Standards. Therefore, the currently effective violation risk factors and violation severity levels will continue to apply.

\textsuperscript{18} North American Energy Standards Board.
II. Discussion

14. The Commission proposes to approve Reliability Standards INT-005-3, INT-006-3 and INT-008-3 and related glossary terms, effective as proposed by NERC, as discussed below. INT-006-3, Requirement R1 requires communication between balancing authorities, transmission service providers and interchange authority regarding when to respond to a request for interchange service:

**Requirement R1**: Prior to the expiration of the reliability assessment period defined in the timing requirements tables in this standard, Column B, the Balancing Authority and the Transmission Service Provider shall respond to each On-time Request for Interchange (RFI), and to each Emergency RFI and Reliability Adjustment RFI from an Interchange Authority to transition an Arranged Interchange to a Confirmed Interchange.

15. INT-006-3 Requirement R1 cited above explicitly requires balancing authorities and transmission service providers to coordinate with interchange authorities concerning requests for interchange service. Balancing authorities and transmission operators must review proposed interchange transactions to ensure that transmission service is available and system limits will not be violated and inform the interchange authority whether a request may be confirmed. Reliability coordinators and transmission service providers must review composite energy interchange transaction information to ensure that their systems can accommodate the energy, generation is available based on start-up

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19 See INT-005-3, Requirement R1; INT-006-3, Requirement R1 (Response to Interchange Authority).
characteristics, and the scheduling path is available on both the local and adjacent systems.

16. The revised INT Reliability Standards facilitate the reliable operation of the Bulk-Power System by providing WECC entities sufficient time to assess and respond to requests for interchange service and by clarifying timing requirements for all affected entities. The revisions finalize and improve upon the version 2 changes approved in Order No. 713. The Commission agrees that separating the WECC- and Eastern-Interconnection/ERCOT requirements in the timing tables adds clarity for entities operating in the WECC system. NERC’s proposal retains slightly modified versions of the prior tables containing timing requirements for the Eastern Interconnection and ERCOT.

17. NERC’s proposal incorporates one important change from the version 2 requirements. As written, INT-006-002, Requirement R1 requires responsible entities to “respond to a request from an Interchange Authority to transition an Arranged Interchange to a Confirmed Interchange,” suggesting that a response is required for all requests within the designated time periods. In version 3, the requirement clarifies that the applicable entity must respond to “on-time” requests for interchange service within a given time period, and also to all requests for Emergency interchange service and Reliability Adjustment interchange service.\(^{20}\) Entities are required to respond to each of these latter two requests regardless of the timelines identified in the timing tables, with

\[^{20}\text{See INT-006-3, Measure M1.}\]
paperwork to follow later. Time classifications and deadlines apply to both initial arranged interchange submittals and any subsequent modifications to the arranged interchange.

18. In light of the fact that the revised INT Reliability Standards were developed to address the problem that it was impossible for WECC entities to respond to certain requests for interchange service in the given time frame, and that the underlying e-Tags for these requests would expire, the Commission finds the clarification acceptable. Responsible entities are still required to respond to all on-time requests for interchange service, as well as all requests for Emergency interchange service and Reliability Adjustment interchange service. Balancing authorities and transmission service providers do not have to respond to any other interchange service requests.

19. In Order No. 713, the Commission approved version 2 of the INT Reliability Standards, noting that NERC’s compliance with the Order No. 693 directive to modify Reliability Standard INT-006-1, is ongoing. While we propose to accept the current changes in light of NERC’s efforts to modify the Reliability Standard, we remind NERC to ensure that the Commission’s outstanding directives are addressed in future changes to the INT Reliability Standards. With this understanding, the Commission proposes to accept the revised INT Reliability Standards and associated glossary terms.

20. The Commission seeks comment on its proposal.

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21 Order No. 713, 124 FERC ¶ 61,071 at P 67 (citing Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 866).
III. Information Collection Statement

21. The Office of Management and Budget (OMB) regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of this rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number. The Paperwork Reduction Act (PRA) requires each federal agency to seek and obtain OMB approval before undertaking a collection of information directed to ten or more persons, or continuing a collection for which OMB approval and validity of the control number are about to expire. The PRA defines the phrase “collection of information” to be the “obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for either—

(i) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on ten or more persons, other than agencies, instrumentalities, or employees of the United States; or

(ii) answers to questions posed to agencies,

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22 5 CFR 1320.11.


instrumentalities, or employees of the United States which are to be used for general statistical purposes.” 25

22. This NOPR proposes to approve the revised INT Reliability Standards developed by NERC as the ERO. Section 215 of the FPA authorizes the ERO to develop and enforce Reliability Standards that provide for an adequate level of reliability of the Bulk-Power System. Pursuant to the statute, the ERO must submit each Reliability Standard that it proposes to be made effective to the Commission for approval. 26 The proposed Reliability Standard revisions do not require responsible entities to file information with the Commission. But the Reliability Standards do require responsible entities to develop and maintain certain information for a specified period of time, subject to inspection by the ERO or Regional Entities.

23. The proposed requirements are mainly concerned with the timing of responses to requests for service rather than the required documentation. The existing documentation requirements were established pursuant to OMB control number 1902-0244. 27 Under the existing requirements, affected entities were required to respond to all requests for service covered by the INT Reliability Standards. The proposed rule would clarify that entities need not respond to late requests for service (with exceptions for services needed


26 See 16 U.S.C. 824o(d).

27 This OMB control number was issued in Docket No. RM06-16-000, Order No. 693, FERC Stats. and Regs. ¶ 31,242 at P 1907.
for emergency or reliability purposes). Thus, the proposed rule does not establish any significant reporting obligations, but relieves affected entities of the burden of responding to late requests for service, other than requests for emergency or reliability service. The Commission does not consider this a significant burden.

24. The Commission is submitting these reporting and recordkeeping requirements to OMB for its review and approval under section 3507(d) of the PRA. Comments are solicited on the Commission’s need for this information, whether the information will have practical utility, the accuracy of provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing the respondent’s burden, including the use of automated information techniques.

Title: Revised Mandatory Reliability Standards for Interchange Scheduling and Coordination.

Action: Proposed Collection

OMB Control No.: 1902-0244

Respondents: Businesses or other for-profit institutions; not-for-profit institutions

Frequency of Responses: On Occasion

Necessity of the Information: This proposed rule would approve revised Reliability Standards to specify the times for entities to respond to requests for interchange service, and clarify that entities need not respond to late requests other than requests for emergency or reliability related service. The proposed rule would find the revisions just,
reasonable, not unduly discriminatory or preferential, and in the public interest. In addition, this proposed rule would approve new glossary terms.

**Internal review:** The Commission has reviewed the requirements pertaining to the revised Reliability Standards for the Bulk-Power System and determined that the proposed requirements are necessary to meet the statutory provisions of the Energy Policy Act of 2005. These requirements conform to the Commission’s plan for efficient information collection, communication and management within the energy industry. The Commission has assured itself, by means of internal review, that the revised requirements are not likely to increase the informational burden and that any resulting increase over existing requirements would be insignificant.

25. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, N.E. Washington, D.C. 20426 [Attention: Michael Miller, Office of the Executive Director, Phone: (202) 502-8415, fax: (202) 273-0873, e-mail: michael.miller@ferc.gov]

26. For submitting comments concerning the collection(s) of information and the associated burden estimate(s), please send your comments to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, D.C. 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone (202) 395-7345, fax: (202) 395-7285, e-mail: oira_submission@omb.eop.gov].
IV. **Environmental Analysis**

27. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.\(^{28}\) The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. The actions proposed here fall within the categorical exclusion in the Commission’s regulations for rules that are clarifying, corrective or procedural, for information gathering, analysis, and dissemination.\(^{29}\) Accordingly, neither an environmental impact statement nor environmental assessment is required.

V. **Regulatory Flexibility Act Certification**

28. The Regulatory Flexibility Act of 1980 (RFA)\(^ {30}\) generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. Most of the entities to which the requirements of this rule would apply, i.e., interchange authorities, balancing authorities and transmission service providers, do not fall within the definition of small entities.\(^ {31}\)

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\(^{29}\) 18 CFR 380.4(a)(5).


\(^{31}\) The RFA definition of “small entity” refers to the definition provided in the Small Business Act, which defines a “small business concern” as a business that is independently owned and operated and that is not dominant in its field of operation. See
29. The proposed Reliability Standard revisions will not be a burden on the industry since most, if not all, of the applicable entities currently coordinate interchange information and the proposed Reliability Standard will simply provide a common framework for such coordination and responding to requests for service. Many, if not all, of the affected entities already have procedures in place to respond to requests for service and document such responses. Accordingly, the Commission certifies that the proposed INT Reliability Standard revisions will not have a significant adverse impact on a substantial number of small entities.

30. Based on this understanding, the Commission certifies that this rule will not have a significant economic impact on a substantial number of small entities. Accordingly, no regulatory flexibility analysis is required.

VI. Comment Procedures

31. The Commission invites interested persons to submit comments on the matters and issues proposed to be adopted in this notice, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [insert date that is 30 days from publication in the FEDERAL REGISTER]. Comments must refer to Docket No. RM09-8-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

15 U.S.C. 632 (2000). According to the SBA, a small electric utility is defined as one that has a total electric output of less than four million MWh in the preceding year.
32. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's web site at http://www.ferc.gov. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

33. Commenters unable to file electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, N.E., Washington, D.C. 20426.

34. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VII. **Document Availability**

35. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (http://www.ferc.gov) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, D.C. 20426.

36. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft
Word format for viewing, printing, and/or downloading. To access this document in
eLibrary, type the docket number excluding the last three digits of this document in the
docket number field.

37. User assistance is available for eLibrary and the FERC’s website during normal business hours from FERC Online Support at 202-502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202)502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

List of subjects in 18 CFR Part 40
Electric power; Reporting and recordkeeping requirements

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.