

RSSC Members:

Rules of Procedure, Section 1600: As you are aware from our discussions at the June 20th RSSC meeting, the North American Electric Reliability Corporation (NERC) has requested comments on its proposal to amend its Rules of Procedure to establish a new rule (a new Section 1600) that sets forth a process for NERC or a regional entity to issue requests for data or information which is necessary for either organization to fulfill its obligations. The entire request document is located at:

ftp://www.nerc.com/pub/sys/all_updl/rop/Request-for-Comment-Section-1600-052107.pdf

The IESO comments to NERC on the Rules of Procedure, Section 1600, are attached alongside for your review and comments.

Order 693 Data Request Requirements: In addition to the above, NERC is also soliciting comments from industry participants on three draft requests for data it needs to fulfill requirements identified in the Federal Energy Regulatory Commission's (FERC) Order No. 693. These data requests are related to **1)** Restoration of Nuclear Power Plant Offsite Power Source Data Request, **2)** Interconnection Reliability Operating Limit Data Request, and **3)** Transmission Planning Data Request. The complete request from NERC is attached alongside.

Regarding the above-mentioned request, the IESO has concluded that it would not be supporting or providing data requested for the first 2 requests but would provide information for the 3rd request which would be coordinated with its Regional A2 requirements. The IESO Regulatory Affairs is planning to draft a response to this effect before the 24th which we will share with you. Any comments or feedback from you would be greatly appreciated.

June 26, 2007

DRAFT
Requests for Data to Fulfill FERC Order No. 693 Requirements

Request for Comment

NERC is soliciting comments from industry participants on three draft requests for data it needs to fulfill requirements identified in the Federal Energy Regulatory Commission's (FERC) Order No. 693. Responses to these data requests will enable NERC to respond timely to directives located in paragraphs 629, 951, and 1693 of the Order, described in **Attachments A, B, and C**, respectively.

NERC's approach for requesting data is generally consistent with the approach outlined in NERC's proposed data rule, currently in draft format and available for public comment through July 6, 2007. This draft rule of procedure provides for an industry comment period, finalization of the data request, and NERC Board of Trustees approval before implementation. NERC plans to request board approval for these three data requests at its August 1, 2007 meeting for immediate implementation thereafter.

Those persons desiring to submit comments on the draft data requests should submit their comments electronically to Lauren Koller (lauren.koller@nerc.net) no later than Tuesday, July 24, 2007.

Background

Pursuant to the authority granted by FERC Order 672 and as implemented in Title 18, Section 39.2 of the Code of Federal Regulations, NERC or a regional entity can issue requests for data or information which is necessary for either organization to fulfill its obligations. NERC proposes to exercise this authority in the requests for data explained in **Attachments A, B, and C**.

The legal basis in the United States for this authority is explained in FERC's Order 672, paragraph 114:

114. The Commission agrees with commenters that, to fulfill its obligations under this Final Rule, the ERO or a Regional Entity will need access to certain data from users, owners and operators of the Bulk-Power System. Further, the Commission will need access to such information as is necessary to fulfill its oversight and enforcement roles under the statute. Section 39.2 of the regulations will include the following requirement:

(d) Each user, owner or operator of the Bulk-Power System within the United States (other than Alaska and Hawaii) shall provide the Commission, the Electric Reliability Organization and the applicable Regional Entity such information as is necessary to implement section 215 of the Federal Power Act as determined by the Commission and set out in the Rules of the Electric Reliability Organization and each applicable Regional Entity. The Electric Reliability Organization and each Regional Entity shall provide the Commission such information as is necessary to implement section 215 of the Federal Power Act.

ATTACHMENT A

DRAFT Restoration of Nuclear Power Plant Offsite Power Source Data Request

Background

In paragraph 629 of Order No. 693, FERC directs NERC to provide an informational filing regarding the timeframe to restore auxiliary power to nuclear power plants following a blackout as determined during simulations and drills of system restoration plans:

629. “In addition the Commission directs the ERO to gather data, pursuant to § 39.5(f) of the Commission’s regulations, from simulations and drills of system restoration on the time it takes to restore power to the auxiliary power systems of nuclear power plants under its data gathering authority and report that information to the Commission on a quarterly basis.”

Description of Data Requested

This request is an ongoing request. The following information is requested to be prepared in an excel spreadsheet:

- Reporting entity
- Name of exercise, drill, or simulation
- Date of exercise
- Name of nuclear plant(s)
- Time duration from onset of blackout to restoration of first offsite power source
- Time duration from onset of blackout to restoration of second offsite power source
- Time duration from onset of blackout to restoration of all offsite power sources

Note: individual designation of offsite power sources is not requested.

For purposes of this report, the offsite power sources are those sources contained in the nuclear plant’s licensing requirements.

The individual data submissions should be submitted to the regional entity who will compile the data in a consolidated format. The regional entity will then forward the compiled data to NERC’s director of standards on a quarterly basis.

To comply with Commission directives, NERC will make a quarterly filing with the Commission that includes the compiled data.

How the Data Will Be Used

The data will be provided to FERC per its directive in Order 693.

How the Data Will Be Collected and Validated

The regional entities are requested to coordinate the collection and composite presentation of the requested data from its member participants.

Reporting Entities

All entities that own or operate transmission facilities that are declared offsite auxiliary power sources for a nuclear plant in the United States. Entities that do not own or operate a facility that is a declared offsite auxiliary power source are exempted from this request.

Due Date for the Information

Responsible entities should submit the requested information within the timeframe designated by the regional entity. The regional entity should provide a quarterly report of all such submissions by March 31, June 30, September 30, and December 31 for the three-month period that concludes on these dates.

Restrictions on Disseminating Data (Confidential/CEII)

NERC will provide this data to the FERC per its Order No. 693 directives. Specific offsite power source designation is not requested nor will it be submitted to the Commission in the required quarterly filings.

Estimate on Burden Imposed to Collect Data

Minor ongoing cost for staff of responsible entities to respond and for regional entities to collect, compile, and report to NERC the requested data.

ATTACHMENT B

DRAFT Interconnection Reliability Operating Limit Data Request

Background

In paragraph 951 of Order No. 693, FERC directs NERC to conduct a survey on IROL practices:

951. “Finally, the Commission directs the ERO to conduct a survey on IROL practices and actual operating experiences by requiring reliability coordinators to report any violations of IROL, their causes, the date and time, the durations and magnitudes in which actual operations exceeds IROLs to the ERO on a monthly basis for one year beginning two months after the effective date of the Final Rule. We may propose further modifications to IRO-005-1 based on the survey results.”

Description of Data Requested

This request is an ongoing request. The following information is requested to be prepared in an excel spreadsheet:

- Reporting reliability coordinator
- Date when IROL is exceeded
- Start time when IROL is exceeded
- End time when system is within IROL
- Total duration when IROL exceeded
- Cause of event
- IROL limit
- Maximum value
- Total deviation in excess of limit

Note: Each occurrence must be reported individually.

The individual data submissions should be submitted to the NERC director of standards by the fifth day of the month, representing data from the previous month. The data collection period will begin on August 1, 2007 through July 31, 2008.

To comply with Commission directives, NERC will provide a filing that includes the compiled data to the Commission by September 30, 2008.

How the Data Will Be Used

The data will be used to respond to the Commission directive outlined above.

How the Data Will Be Collected and Validated

Reliability coordinators will forward its monthly IROL data on an excel spreadsheet to the NERC director of standards.

Reporting Entities

Reliability coordinators in the United States.

Due Date for the Information

Reliability coordinators are to report the requested data by the fifth day of the month for data captured during the previous month.

Restrictions on Disseminating Data (Confidential/CEII)

NERC will provide this data to the FERC Commission per its Order No. 693 directives. This information will be treated as critical energy infrastructure information when submitted to FERC.

Estimate on Burden Imposed to Collect Data

Ongoing cost for reliability coordinators to collect, compile, and report to NERC the requested data. Some reliability coordinators may need to modify their monitoring systems to capture this data.

ATTACHMENT C

DRAFT Transmission Planning Data Request

Background

In paragraph 1693 of Order No. 693, FERC directs NERC to provide an informational filing regarding the industry's transmission planning practices:

“1693. The Commission agrees with SDG&E and NCPA that any criteria that are more stringent than the ERO planning criteria should be made public and transparent. It is essential that such criteria be accessible to and understood by the entities to which they apply. Accordingly, the Commission directs the ERO to submit to the Commission in an informational filing, in addition to regional criteria, all utility and RTO/ISO differences in transmission planning criteria that are more stringent than those specified by the TPL group of Reliability Standards. We believe that this information will provide us, as well as the ERO and industry with an indication of the actual transmission practices utilized in the industry today. This should be used by the ERO in the Reliability Standards development process.”

Description of Data Requested

This request is an exception request, not a request for all planning criteria. Please provide the specific transmission planning criteria that is different or more stringent than that provided in NERC's TPL-001 through TPL-004 reliability standards. For example, an entity that employs criteria that requires the system to perform without load loss in major load centers following a double contingency outage is utilizing criteria more stringent than NERC reliability standard requirements.

The individual data submissions should be submitted to the regional entity who will compile the data and forward to NERC.

How the Data Will Be Used

The data will be used to respond to the Commission directive outlined above. NERC will make an informational filing with FERC of the compiled data. The data collected will also be provided to the standard drafting team supporting Project 2006-02, *Transmission Assessment and Plans*, to assist in understanding the existing baseline of practices currently employed by industry participants. The team is expected to consider this information in the execution of its standard development activities.

Additionally, this information will be supplied to the NERC Planning Committee for its information and use in advising the industry on future standards development activities.

How the Data Will Be Collected and Validated

The regional entities are requested to coordinate the collection and composite presentation of the requested data from its member participants.

Reporting Entities

All entities that have responsibility for compliance with NERC's TPL-001 through TPL-004 reliability standards in the United States.

Due Date for the Information

September 30, 2007 for reporting entity submission. October 31, 2007 for regional entity submission to NERC.

Restrictions on Disseminating Data (Confidential/CEII)

NERC will provide this data only to the Planning Committee, to the standard drafting team for Project 2006-02 *Transmission Assessment and Plans*, and to FERC per its Order No. 693 directives.

Estimate on Burden Imposed to Collect Data

- No ongoing cost to respond.
- One-time cost to identify different/more stringent requirements than NERC's TPL-001 through TPL-004 Reliability Standards.
- One-time cost for regional entities to collect, compile, and report to NERC the requested data.

July 3, 2007

Mr. David N. Cook
Vice President and General Counsel
North American Electric Reliability Corporation
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Princeton, NJ 08540-5721

Dear David:

I am writing on behalf of the IESO in response to the request for comments with respect to the proposed new rule, Section 1600. According to NERC, this new rule sets forth a process for NERC or a regional entity to issue requests for data or information which is necessary for either organization to fulfill its obligations.

In the request for comments, NERC explains that the legal basis in the United States for this amendment is Section 39.2(d) of the Federal Energy Regulatory Commission ("Commission") regulations and section 215 of the Federal Power Act. NERC explains further that the legal basis is evidenced in the first sentence of the proposed section 1601, which provides that, "[w]ithin the United States, NERC and Regional Entities may request data or information that is necessary to implement Section 215 of the Federal Power Act, as authorized by Section 39.2(d) of the Commission's regulations."

In the second sentence of proposed section 1601, NERC is proposing to address data requests in jurisdictions outside the U.S.: "In other jurisdictions NERC and Regional Entities may request comparable data or information, using such authority as may exist pursuant to these rules and in those other jurisdictions."

In Ontario, these requests for data or information from Ontario-based entities fall under the scope of the MOU signed in 2006 by the OEB and NERC, and the MOU signed in 2006 by the IESO, NERC, NPCC CBRE and NPCC Inc. ("Ontario MOUs"). The latter MOU states: "It is acknowledged that the NERC Rules of Procedure have effect in Ontario subject to compatibility with the established reliability and compliance framework within Ontario."

The IESO is generally supportive of the content of the proposed rule. We note, however, the concern of entities in other provinces that the proposed wording could be interpreted in a manner which fails to respect provincial jurisdiction. Accordingly, the IESO supports the revised wording proposed by the CEA:

Section 1601: In any other jurisdiction, NERC and Regional Entities may request comparable data or information where the authority to request such data or information is provided by the respective jurisdiction.

Section 1602 (new subsection): 6. The procedures under this section shall apply to users, owners, or operators of the bulk-power system in jurisdictions other than the United States where the relevant authority is provided under Section 1601.

Section 1603: All users, owners and operators of the bulk power system shall comply with authorized requests for data and information under Section 1602.

Additionally, the IESO believes that information respecting critical energy infrastructure warrants explicit reference, either in the rule or elsewhere. Our view is that critical energy infrastructure information should not normally be requested by NERC or Regional Entities. Our concern could be addressed by the following wording: "NERC and Regional Entities will not require or request data or information labelled as "critical energy infrastructure information". On an exception basis, should such critical energy infrastructure data and information be necessary for NERC and Regional Entities to fulfill their obligations, NERC and Regional Entities will establish a program to identify, classify and protect such data and information from disclosure."

As noted, the applicability of the proposed rule is subject to compatibility with the established reliability and compliance framework within Ontario. This limitation would apply to data or information responding to a requirement of a governmental authority, such as FERC or the DOE. In such a case, the IESO would expect to be notified by NERC as to the basis for the request and the entities to whom the data or information will be provided. The IESO would then determine whether to provide the requested data or information on behalf of Ontario. Similarly, the IESO would expect such notification by NERC in the event of any change in the use of requested data and information, and would determine the appropriateness of its provision in the context of the MOU.

In closing, I want to stress that while it is important to clarify the specifics of how the proposed rule change relates to the MOUs and the established reliability and compliance framework in Ontario, these specifics are offered within the broad context of the IESO's continuing support for an effective ERO. In this regard the IESO intends to continue supplying the data and information that are core to NERC's effectiveness as an ERO, namely that related to reliability standards, disturbance events and reliability assessments.

Respectfully submitted,

Kim Warren
Manager, Regulatory Affairs
Independent Electricity System Operator of Ontario