

139 FERC ¶ 61,169  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
and Cheryl A. LaFleur.

North American Electric Reliability Corporation

Docket No. RD12-1-000

ORDER APPROVING REGIONAL RELIABILITY STANDARD

(Issued May 31, 2012)

1. On February 1, 2012, the North American Electric Reliability Corporation (NERC) submitted a petition requesting approval of Regional Reliability Standard IRO-006-TRE-1, associated Violation Severity Levels (VSL) and Violation Risk Factors (VRF), and an implementation plan for IRO-006-TRE-1. As discussed in this order, we approve the Regional Reliability Standard, VRFs and VSLs, and the implementation plan.

**I. Background**

**A. EPAct 2005 and Mandatory Reliability Standards**

2. Section 215 of the Federal Power Act (FPA) requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, which provide for the reliable operation of the Bulk-Power System, subject to Commission review and approval.<sup>1</sup> 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 Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.<sup>2</sup>

---

<sup>1</sup> 16 U.S.C. 824o(d)(2) (2006).

<sup>2</sup> *Id.* § 824o(e)(3).

3. On February 3, 2006, the Commission issued Order No. 672 to implement the requirements of section 215 of the FPA governing electric reliability.<sup>3</sup> In July 2006, the Commission certified NERC as the ERO.<sup>4</sup>

4. On March 16, 2007, the Commission issued Order No. 693,<sup>5</sup> approving 83 of the 107 Reliability Standards and associated definitions filed by NERC, including Reliability Standard IRO-006-3.<sup>6</sup> Reliability Standard IRO-006-3 established a detailed Transmission Loading Relief (TLR) procedure for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions based on their priorities and the severity of the transmission congestion. The Reliability Standard referenced other procedures for the Western Electricity Coordinating Council (WECC) and Electric Reliability Council of Texas (ERCOT). The Commission directed the ERO to modify the ERCOT procedures to ensure consistency with the standard form of the Reliability Standards including Requirements, Measures and Levels of Non-Compliance.<sup>7</sup>

5. On March 19, 2009, the Commission approved IRO-006-4, which modified the prior version of the Reliability Standard.<sup>8</sup> The Commission subsequently accepted an

---

<sup>3</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204 (2006), *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

<sup>4</sup> *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030, *order on clarification and reh'g*, 119 FERC ¶ 61,046 (2007), *aff'd sub nom. Alcoa Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

<sup>5</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

<sup>6</sup> Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 960-964.

<sup>7</sup> *Id.* P 964.

<sup>8</sup> *Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirements of Four Reliability Standards*, Order No. 713, 124 FERC ¶ 61,071 (2008), *order on reh'g*, Order No. 713-A, 126 FERC ¶ 61,252 (2009), *order on reh'g*, Order No. 713-B, 130 FERC ¶ 61,032 (2010).

erratum to that Reliability Standard that corrected the reference in Requirement R1.2 to the Unscheduled Flow Mitigation Plan.<sup>9</sup>

6. On April 21, 2011, the Commission approved Reliability Standard IRO-006-5, which removed references and associated links to the Interconnection-wide procedures (and regional differences) found in IRO-006-4.1 and its Attachment.<sup>10</sup> The key reliability elements of the Eastern Interconnection Transmission Loading Relief procedures in the Attachment to IRO-006-4.1 were moved into a separate, Interconnection-wide Reliability Standard, IRO-006-EAST-1, which was approved at the same time as IRO-006-5.<sup>11</sup> Separately, the Commission approved a Western Interconnection Transmission Loading Relief standard (IRO-006-WECC-1).<sup>12</sup>

### **B. NERC Petition**

7. On February 1, 2012, NERC submitted a petition requesting approval of a separate Texas Interconnection Transmission Loading Relief standard, Regional Reliability Standard IRO-006-TRE-1, associated VSLs and VRFs, and an implementation plan for IRO-006-TRE-1. NERC states that Regional Reliability Standard IRO-006-TRE-1 will provide enforceable requirements to support Reliability Standard IRO-006-5.

8. NERC states that the Regional Reliability Standard was developed and approved by industry stakeholders using the Texas Reliability Entity's (Texas RE) *Texas Reliability Entity Standards Development Process*, then approved by the Texas RE Board of Directors on June 28, 2011, and subsequently approved by the NERC Board of Trustees on November 4, 2011.<sup>13</sup> NERC states that the Regional Reliability Standard is applicable to registered entities within the jurisdiction of Texas RE in the ERCOT Interconnection.

---

<sup>9</sup> *North American Electric Reliability Corp.*, Docket No. RD09-9-000 (Dec. 10, 2009) (delegated letter order).

<sup>10</sup> *North American Electric Reliability Corp.*, 135 FERC ¶ 61,043 (2011).

<sup>11</sup> *Id.*

<sup>12</sup> *Western Electric Coordinating Council Qualified Transfer Path Unscheduled Flow Relief Regional Reliability Standard*, Order No. 746, 76 Fed. Reg. 16,691 (Mar. 25, 2011), FERC Stats. & Regs. ¶ 61,040 (2011).

<sup>13</sup> NERC Petition at 14.

9. NERC states that the Regional Reliability Standard was developed to provide and execute TLR procedures that can be used to avoid and mitigate Interconnection Reliability Operating Limit (IROL) and System Operating Limit (SOL) exceedances for the purpose of maintaining reliable operation of the bulk electric system in the ERCOT Interconnection.<sup>14</sup> NERC states that the issues addressed in IRO-006-TRE-1 are not otherwise covered by the continent-wide Reliability Standards. NERC also states that the Regional Reliability Standard addresses the Commission directive in Order No. 693 “to modify the ... ERCOT procedures to ensure consistency with the standard form of the Reliability Standards including Requirements, Measures and Levels of Non-Compliance.”<sup>15</sup>

10. The Regional Reliability Standard is applicable to reliability coordinators (RC) and requires the RC to have and implement procedures to provide Transmission Loading Relief for critical transmission facilities. Specifically, it will require ERCOT to have procedures to identify and mitigate SOL and IROL exceedances that will not be resolved by the automatic actions of the ERCOT Nodal market operations system.<sup>16</sup>

11. Requirement R1 states that the RC shall have procedures to identify and mitigate exceedances of identified IROLs and SOLs that will not be resolved by the automatic actions of the ERCOT Nodal market operations system. It also provides that the procedures shall address, but not be limited to, (1) redispatch of generation; (2) reconfiguration of the transmission system; and (3) controlled load reductions (including both firm and non-firm load shedding). Requirement R2 requires the RC to act in accordance with the procedures required by Requirement R1.

12. NERC requests that Reliability Standard IRO-006-TRE-1 be effective on the first day of the first calendar quarter following Commission approval.<sup>17</sup>

## **II. Notices of Filings and Responsive Pleadings**

13. Notice of the NERC petition was published in the *Federal Register*, 77 Fed. Reg. 6553 (2012), with interventions and protests due on or before March 2, 2012. No motion to intervene or protest was received.

---

<sup>14</sup> *Id.* at 1.

<sup>15</sup> *Id.* at 6 (citing Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 964).

<sup>16</sup> *Id.* at 7-8.

<sup>17</sup> See NERC April 27, 2012 Errata.

### **III. Discussion**

14. We approve Regional Reliability Standard IRO-006-TRE-1 and the associated VSLs and VRFs. We find that the proposed Regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission approves the procedures for requiring RCs to provide Transmission Loading Relief for critical transmission facilities, i.e., requiring ERCOT to have procedures to identify and mitigate SOL and IROL exceedances that will not be resolved by the automatic actions of the ERCOT Nodal market operations system. IRO-006-TRE-1 Regional Standard is part of a comprehensive set of standards designed to cover transmission loading relief. As NERC states in its filing, the Commission has previously approved corresponding standards, IRO-006-EAST-1 and IRO-006-WECC-1, which address similar reliability objectives in the Eastern and Western Interconnections. Moreover, Regional Reliability Standard IRO-006-TRE-1 addresses the Commission directive in Order No. 693 “to modify the ... ERCOT procedures to ensure consistency with the standard form of the Reliability Standards including Requirements, Measures and Levels of Non-Compliance.”<sup>18</sup>

15. The Commission also finds that NERC’s proposed VRFs and VSLs for Reliability Standard IRO-006-TRE-1 are consistent with the Commission’s established guidelines for review of proposed VRFs and VSLs. We therefore approve NERC’s proposed VRFs and VSLs.

16. As requested by NERC, Reliability Standard IRO-006-TRE-1 will be effective on the first day of the first calendar quarter following the date of this order.

### **IV. Information Collection**

17. The Office of Management and Budget (OMB) regulations require approval of certain information collection requirements imposed by agency actions.<sup>19</sup> Upon approval of a collection of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirement of this order 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<sup>20</sup> requires each federal agency to seek and obtain OMB approval before undertaking a collection of

---

<sup>18</sup> Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 964.

<sup>19</sup> 5 C.F.R. § 1320.10 (2012).

<sup>20</sup> 44 U.S.C. § 3501-20.

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.<sup>21</sup>

18. The Commission approved the Reliability Standard on Transmission Loading Relief, on which the subject matter of this order is based, in Order No. 693. Reliability Standard IRO-006-3 referenced other procedures for WECC and ERCOT. The Regional Reliability Standard IRO-006-TRE-1 information collection requirements do not differ from those approved in Order No. 693 and successor Reliability Standards, and the Commission does not expect any changes to entities' current reporting burden. Accordingly, we will submit this order to OMB for informational purposes only.

The Commission orders:

The Commission hereby grants NERC's petition and approves Regional Reliability Standard IRO-006-TRE-1, the assigned VRFs and VSLs, and NERC's implementation plan, as discussed in this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

---

<sup>21</sup> 44 U.S.C. § 3502(3)(A)(i), 44 U.S.C. § 3507(a)(3).