

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

System Personnel Training)	Docket No. RM09-25-000
Reliability Standards)	
)	
)	

COMMENTS OF THE ELECTRIC POWER SUPPLY ASSOCIATION

The Electric Power Supply Association¹ (“EPSA”) hereby submits comments on the notice of proposed rulemaking issued by the Federal Energy Regulatory Commission (“FERC” or “the Commission”) in the above-captioned proceeding on June 17, 2010.² In the NOPR, the Commission proposes to direct the Commission-certified Electric Reliability Organization (“ERO”), the North American Electric Reliability Corporation (“NERC”), to modify Reliability Standard PER-005-1. The Standard requires reliability coordinators, balancing authorities and transmission operators to establish training programs for their system operators and verify the system operator’s capability to perform tasks. The Commission also proposes to retire currently effective Reliability Standards PER-002-0 (Operating Personnel Training) and PER-004-1 (Reliability Coordination). Further, the Commission requests comment on whether

¹ EPSA is the national trade association representing competitive power suppliers, including generators and marketers. These suppliers, who account for 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities. EPSA seeks to bring the benefits of competition to all power customers. The comments contained in this filing represent the position of EPSA as an organization, but not necessarily the views of any particular member with respect to any issue.
² *System Personnel Training Reliability Standards*, Notice of Proposed Rulemaking, 131 FERC 61,254, (June 17, 2010) (NOPR).

finishing the expansion of the training standard PER-005-1 as directed in Order No. 693³ is appropriate in the suggested timeframe for Project 2010-01.

EPSA supports NERC's plan to address the expansion of the training standard for certain generator operators and seeks to complete that standard as part of the Reliability Standards Development Plan: 2010-12. However, EPSA seeks clarification on several statements in the NOPR regarding aspects of the expansion. When the training standard in Project 2010-01 is addressed in the NERC Standards development process, the scope of the standard and its intent are clear and straightforward. Accordingly, herein EPSA provides comments on the Commission's NOPR and seeks clarification.

I. COMMUNICATIONS

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II. COMMENTS

EPSA appreciates the Commission's concerns expressed in the NOPR regarding the expansion of the currently effective training standard from Order No. 693 to include Generator Operators ("GOPs"). Generators look forward to

³ *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. 31,242 at P 1382, order on reh'g, Order No. 693-A, 120 FERC 61,053 (2007).

participating in the NERC process to develop the training protocols called for in Order No. 693 for those GOPs that have “centrally-located dispatch centers” or a “dispatch center and the (sic) single generation plant.” So that generators can best contribute to the standards process for NERC Project 2010-01 and modification of PER-005, competitive suppliers want to better understand the Commission’s intent and scope for the project in light of the support provided for its Order No. 693 findings in the NOPR.

GOPs have very different roles relative to Transmission Operators (“TOPs”), Balancing Authorities (“Bas”) and Reliability Coordinators (“RCs”) in maintaining the reliability of the Bulk Electric System (“BES”) which reinforces the need for the Commission’s finding in Order No. 693 to be limited only to GOP employees associated with GOP centrally-located dispatch centers or when a single generator and dispatch center are at the same site.

EPSA also believes that there are several existing Regional Transmission Organization and Independent System Operator (“RTO/ISO”) training programs applicable to GOPs that could potentially overlap and duplicate the training contemplated in the NOPR. Commission guidance regarding the sufficiency and consistency of these programs with respect to the reliability training needs of the NOPR will also better inform the NERC Project 2010-01 process.

Competitive suppliers also request NOPR clarification regarding responsibilities for communications with system operators and how they can best be facilitated under both regular and emergency operations.

A. Role of GOP in maintaining the reliability of the Bulk Electric System

GOPs do not have grid operational authority and also do not have access to information to maintain reliability of the BES compared to other registered entities. The GOP BES role is one of responding and complying to dispatch orders from other registered entities. The entities that make decisions regarding the generator's dispatch and that operate the BES include: TOPs, BAs and RCs. The size and operational characteristics of the GOP's generating units in a particular region and their economic dispatch characteristics are significant considerations for registered entities that have responsibility for grid operations and who issue dispatch instructions. GOP's follow these instructions regarding the dispatch of their units. In other words, GOPs are users of the BES rather than operators, and do not monitor or control BES operational decisions. TOPs, BAs and RCs routinely issue dispatch instructions and other directives to the GOPs that provide power supply to the grid. The information that TOPs, BAs and RCs rely on to make their decisions includes information about all entities engaged in grid operations including other GOPs. Consequently, grid operation and dispatch entities rely on information that is either not accessible by GOPs, or in some instances, information that GOPs are precluded from acquiring or utilizing.

Because GOPs are entities that receive instructions from dispatch entities, they never have the authority to individually make dispatch decisions that influence constraints and other real-time grid operational decisions. Typically the terms and conditions about how the GOP complies with grid operation instructions are spelled out in the interconnection agreement. In addition to not

having operational authority, the GOP does not have the information to identify a constraint, the nature of the constraint, or the alternatives for relieving the constraint. The GOP can only act with the appropriate permission from the TOP, BA or RC. While grid operating entities monitor flows on lines and take action when constraints develop, GOPs do not have the option of unilaterally starting a unit because of a constraint; nor do they have the ability to issue dispatch instructions or other directives to other Registered Entities. Only the TOPs, BAs and RCs have responsibility for establishing System Operating Limits (“SOLs”) and Interconnection Reliability Operating Limits (“IROLs”).

1. Understanding the Supporting Examples of System Disturbances

The NOPR references a limited number of System Disturbance reports tracked by NERC. In 2007 there were 103 system disturbances of which 2 are attributed to generators.⁴ In both cases, the limited details associated with the reported disturbances suggest that the disturbances had minimal to no impact on the grid or customers, and were caused by human error. Because of GOPs’ limited role regarding grid operation and that a loss of a single generating unit should never cause a disruption on the BES, it is not surprising that NERC has found so few events where generators are responsible for a system disturbance. However, this new evidence, not cited in Order No. 693, prompts important questions for the Commission’s consideration: would GOP training have eliminated the limited disruptions cited in the NOPR? Also, would ensuring an adequate level of reliability necessitate training and its associated cost for the

⁴ NERC System Disturbance Reports, Monday, May 21, 2007 and August 13, 2007

772 GOPs currently in the NERC registry to be trained to eliminate human error for minor events that might occur rarely?

While EPSA supports GOP training as was contemplated under Order No. 693, it does not believe that GOP training from the BA would ensure against the disturbances documented in the NOPR. Moreover, this evidence does not suggest that mandated GOP training is cost effective to ensure reliability.

B. Applicability of GOP Training under NOPR

The NOPR proposes that training is needed for GOPs so that they can better understand instructions from BAs, especially in emergency conditions.

From the NOPR:

Regarding generator operator personnel, in Order No. 693, the Commission stated that it is essential that generator operator personnel have appropriate training to understand instructions from a balancing authority, particularly in an emergency situation in which instructions may be succinct and require immediate action. Further, we noted that if communication is lost, the generator operator personnel should have had sufficient training to take appropriate action to ensure reliability of the Bulk-Power System.⁵

The NOPR discussion broadly addresses GOP personnel in a way that could be construed to support that all GOP personnel – regardless of the disposition of the generating unit and how it fits into the grid and the topology of the grid – would have to comply with the expanded application of the NOPR. However, the Commission determination in Order No. 693 was more specific regarding which GOP personnel would require training,

⁵ NOPR at P. 65.

based on the location of the central dispatch center from which the GOP received dispatch instructions. From FERC Order No. 693:

Some generator operators are structured in such a way that they have a **centrally-located dispatch center that receives direction and then develops specific dispatch instructions for plant operators under their control**. For example, a balancing authority may direct a centrally-located dispatch center to deliver 300 MW to the grid, and the dispatch center would determine the best way to deliver that generation from its portfolio of units. In this type of structure, it is the personnel of the centrally located dispatch center that must receive formal training in accordance with the Reliability Standard. **Plant operators located at the generator plant site also need to be trained but the responsibility for this training is outside the scope of the Reliability Standard.**

Other generator operators may be structured in such a way that the dispatch center and the single generation plant are at the same site. In this structure as well, some personnel will perform dispatch activities while others are designated as plant operators. Again, it is the dispatch personnel that must receive formal training in accordance with the Reliability Standard.⁶

EPSA would understand that while Order No. 693 used the term “generator operators” and does not delineate between “centrally-located” versus “generator operator,” that a generator operator is indeed a GOP. Further, it appears that GOP employees working at a centrally located dispatch center require training, while operational employees are outside of the PER-005-1 Standard expansion contemplated in the NOPR. EPSA encourages the Commission to clarify the scope of applicability in the final rule so that Project 2010-01 can be completed in a timely manner.

⁶ Order No. 693 at P. 1360 and P. 1361, Emphasis Added.

C. Existing Training and NOPR Implementation

Training requirements should either mesh with or build upon those already in place in organized markets. In organized markets, training requirements serve as a condition for market participation for GOPs. For example in PJM, Section 11.3.1 of its tariff (in the “Member Responsibilities” portion of the tariff) states:

Minimum training for Members that operate Market Operations Centers and local control centers shall include compliance with the applicable training standards and requirements in PJM Manual 01.⁷

The California Independent System Operator (CAISO) states that Scheduling Coordinators must show that they have:

....undertaken required training and testing regarding the use of the CAISO’s market, operating, and technical systems, as specified in the applicable Business practice Manual.⁸

Other RTO\ISOs have training programs for GOPs that ensure that grid participants are well trained on grid operations and the needs of grid operators. Therefore EPSCA urges the Commission to encourage that the standards drafting process for Project 2010-01 consider the existing RTO\ISO training for potential guidance. Any modified or new reliability standard requirements should not conflict with or supplant these requirements as they generally address a GOPs conduct and responses regarding routine and emergency orders from grid operators. Commission acknowledgement of these existing programs and how they might fit with the expansion of PER-005-01 would provide useful guidance for Project 2010-01.

⁷ PJM Manual 40, now PJM’s “Certification and Training Requirements” Manual.

⁸ CAISO tariff section 4.5.1.1.10.1.

D. Communications

Due to the GOPs limited authority and access to information, EPSC is concerned about the communication responsibilities GOPs would have under the proposed rule. The NOPR states in paragraph 58:

[I]n the event communication is lost, the generator operator personnel must have had sufficient training to take appropriate action to ensure reliability of the Bulk-Power System.⁹

In the event of communication interruption and the absence of dispatch directives from the entity with responsibility for grid operation, GOPs will operate their units in an automatic fashion and allow the control systems to function as they are designed. Therefore, the NOPR appears to be suggesting that in the event that communication is lost with the grid operator, the generator will take unilateral action for which it requires training. However, given that GOPs never take such unilateral action, nor do they have access to the appropriate information to make such decisions, it is not clear what training or instruction on communication loss scenarios can be of help to GOPs. While training could be done regarding how communications can best be restored with grid operators, it is unclear how or what training specific to GOP "appropriate actions" for maintaining reliability during such situations is reasonable. The NOPR should not make GOPs responsible for tasks, and in turn liabilities, over which they have no control. Training alone will not provide the needed control and information GOPs would need to ensure reliability under such circumstances. Therefore, the Commission should make clear that while

⁹ NOPR at P. 58.

communication should be addressed in training requirements for centrally located GOP dispatch employees, the NOPR is not extending related responsibilities or training requirements to GOP employees.

In the NOPR, the Commission expressed concern regarding communication and instruction during emergency situations.¹⁰ EPSA agrees that sufficient training can help ensure that clear and secure communications occur during grid emergencies. In that regard, competitive suppliers believe that reserving 3-Part Communications for emergency situations would be the most effective approach for emergency communications. Reserving 3-Part Communications for emergencies rather than using them at all times will ensure that emergency communications receive special heightened recognition when needed. Overuse of the 3-Part Communications serves to dilute the effectiveness of the practice and does not preserve it for times of emergency.

¹⁰ NOPR at P. 65.

III. CONCLUSION

Wherefore, EPSA supports the Commission's approval with modifications of Standard PER-005-1 and expansion of the training requirements of Order No. 693. Competitive suppliers also urge the Commission to provide the clarifications requested herein so that the Standard drafting effort for Project 2010-01 can be completed on schedule.

Respectfully Submitted,



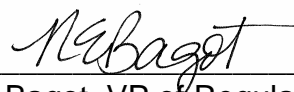
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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the Comments via email upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., August 23, 2010



Nancy Bagot, VP of Regulatory Affairs