UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Automatic Underfrequency Load Shedding Plans Reliability Standards	)))	Docket No. RM11-20-000

COMMENTS OF THE ELECTRIC POWER SUPPLY ASSOCIATION

The Electric Power Supply Association ("EPSA")[1] submits these comments in response to the Federal Energy Regulatory Commission's ("FERC" or the "Commission") Notice of Proposed Rulemaking ("NOPR") issued in the above-referenced proceeding, Automatic Underfrequency Load Shedding Plans Reliability Standards.[2] EPSA supports the Commission's proposal to approve Reliability Standard PRC-006-1 ("Automatic Underfrequency Load Shedding") and EOP-003-2 ("Load Shedding Plans") developed and submitted by the North American Reliability Corporation ("NERC"). Therefore, EPSA believes that the Commission should accept the standard as written and also provides comments on NOPR questions.

Competitive suppliers actively support NERC and have participated in the relevant dockets and initiatives of both FERC and NERC to facilitate the ongoing

[1] EPSA is the national trade association representing competitive power suppliers, including generators and marketers. Competitive suppliers, which collectively 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] 137 FERC ¶ 61,067 (2011) (Automatic Underfrequency Load Shedding and Load Shedding Plans NOPR).

evolution of the Electric Reliability Organization ("ERO") contemplated by Congress when it enacted the Energy Policy Act of 2005.[3] In this process, competitive power suppliers join all other industry stakeholders in recognizing the importance of maintaining the reliability of the bulk power system ("BPS") including load shedding programs. Competitive suppliers have contributed to standards that uphold system reliability and assist in preserving the positive link between reliability and markets. Therefore, EPSA strongly supports the Commission's efforts to approve clear standards that ensure electric reliability and find practical ways to improve competitive markets while contemporaneously improving reliability standards.

I. STANDARD OVERVIEW

The Automatic Underfrequency Load Shedding ("UFLS") and Load Shedding Plans are positive standards that represent a significant step toward improving the reliability of the bulk power system in North America because they address key August 14, 2003 blackout recommendations regarding UFLS issues. The proposed Reliability Standards establish design and documentation requirements for automatic underfrequency load shedding programs, which are meant to arrest declining frequency, assist recovery of frequency following underfrequency events, and provide last resort system preservation measures.

[3] Energy Policy Act of 2005, Pub. L. No. 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005) (codified at 16 U.S.C. § 824o (2006)).

The Commission has outlined three key areas concerning UFLS in the NOPR: (1) underfrequency set point, (2) minimum amount of load to shed, and (3) what load to shed. In addition the Commission seeks comment on nine areas associated with the NOPR. The comment areas identified in NOPR are: (A) impact of resources not connected to the bulk electric system; (B) validation of power system models used to simulate ULFS programs; (C) scope of UFLS events assessments; (D) impact of generator owner trip settings outside of the UFLS program; (E) UFLS program coordination with other protection systems; (F) identification of island boundaries in UFLS programs; (G) automatic load shedding in PRC-006-1 and manual load shedding in EOP-003-2; (H) elimination of balancing authority responsibilities in EOP-003-2; and, (I) the ``Lower VSL'' for Requirement R8 and the ``Medium VRF" for Requirement R5 of PRC-006-1. These issues also apply to the corresponding Requirements in the requested regional variance for WECC in PRC-006-1.

EPSA provides comments on two of these areas, (D) generator owner set points outside of the UFLS program, and (E) UFLS program coordination with other protection systems.

II. COMMENTS

A. Generator Owner Trip Settings Outside of the UFLS Program

In the NOPR NERC Standard PRC-006-1 specifies, as part of the UFLS plan per Requirement 4.1 through 4.7, that for every Bulk Electric System ("BES") generator unit and/or plant, planning coordinators will simulate a test for generation that trips above or below the frequency modeling curve. EPSA would agree with the Commission that

planning coordinators should consider generators that trip prior to underfrequency set points when collecting information and developing their UFLS programs. Further the Commission specifically seeks comments from NERC and other parties regarding:

> ….[H]ow generation losses outside of the UFLS set points (i.e., generators having trip settings prior to the UFLS underfrequency set points) should be accounted for in UFLS programs (e.g., generator owners who trip outside of the UFLS set points could procure load to shed to account for the loss in generation).[4]

As an initial point, the question posed by the Commission is premature given that the purpose of the standard is for planning coordinators to collect UFLS information that will inform their models and future decisions about the models and UFLS programs. Asking how Generator Owners ("GO") that trip outside of the UFLS set points "should be accounted for" seemingly suggests that the gathered information for the proposed standard will show that a material amount of generator losses occur outside of the standard's modeled curve. Further, the NOPR comment request appears to assume that UFLS generator losses need to be accounted for and are the responsibility of the generator. EPSA believes that implementation of the standard will provide information that can be examined to see if there is a material amount of generation losses outside of the modeled curve. This data could then be used to inform any further action needed regarding a mechanism that would account for loss in generation in UFLS. Further, this information would shed light on the relationship among generation losses outside the set point and overall UFLS programs. When that relationship is established and understood, then mechanisms for accountability and responsibility for those mechanisms can be explored.

[4] NOPR P 43

Should the Commission discover that generator losses are indeed a material concern that needs to be accounted for, there are several issues that need to be considered. First, GOs do not and cannot play an active role in UFLS program decisions, neither in planning nor actual operational load shedding. The underfrequency operational assumptions set out in Attachment 1 of the Standard are modeled "as is" by the planning coordinator in accordance with R4, and the UFLS that is calculated using these underfrequency generator performance parameters must be provided by UFLS entities (Transmission Owners and Distribution Providers) according to the proposed Standard's applicability. Therefore transmission entities and distribution providers are responsible for providing the generator input to UFLS programs. In addition, because the applicability of the proposed standard has not included generators, they have not had a reason for meaningful participation in the development of PRC-006-1. Consequently, as outlined in Requirement 14 of the proposed standard, UFLS program development and participation are the responsibility of Transmission Owners ("TOs") or Distribution Providers ("DPs").

Second, GOs do not determine the set points for their generation. Set points are determined by generation equipment manufacturers so that the equipment will not be damaged and therefore available for reliable operation. Hence, generator unit set points are manufacturer-determined for the purpose of upholding reliability. Generators do not establish the limits for set points and should not bear responsibility for making up or offsetting load losses based on operational changes.

Third, the NERC process should not be used to influence market decisions and competitiveness. Currently there are proposed draft regional UFLS standards[5] that propose specific generator performance requirements for existing and new generators that require existing GOs to obtain load to offset generation load lost due to trips outside of the modeling parameters of the draft standards. The load obtained by generators would then be provided to TOs or DPs. If GOs are required to procure load, the cost of that procurement will impact the competitiveness of these generators. The NERC market principles state, in part, that "A reliability standard shall not give any market participant an unfair competitive advantage." In addition, the requirement that existing GOs acquire offsetting UFLS to make up for their generator's underfrequency performance does not consider the functional model description of a GO's functions.

B. Coordination among Planning Coordinators

NERC's PRC-006-1 is focused on planning coordinators and gives them several responsibilities for which they must comply under the proposed standard. They have prime responsibility for the UFLS design, and UFLS entities (TOs and DPs) are responsible for implementation. Also the standard requires coordination of UFLS programs among planning coordinators in Requirements R5, R7 and R13. Often these requirements necessitate following other requirements. For example, when planning coordinators comply with R13, this triggers R11. Therefore, the proposed national standard requires significant coordination among the many different planning coordinators.

[5] "NPCC BOD Approves Regional Standard PRC-006-NPCC-1 Automatic UFLS Announcement," issued by Northeast Power Coordinating Council, Inc., December 7, 2011. Available at: https://www.npcc.org/Public/Lists/Announcements/DispForm.aspx?ID=440.

The proposed standard requires that planning coordinators coordinate among themselves on a specific design issue involving electrical islanding, specifically in Requirement 5. Because electrical islands know no regional boundaries, planning coordinators in different regions will need to coordinate with one another. However, if region-specific standards do not address interregional coordination among planning coordinators, the current proposed national standard will be undermined.

Currently, several planning coordinators span multiple regions as detailed in the following table:

Planning Coordinator	MRO	RFC	SERC	SPP
Midwest Independent Transmission System Operator, Inc.	X	X	X	
PJM Interconnection, LLC		X	X	
Southwest Power Pool	X		X	X

Typically *regional* reliability standards would be needed if there are characteristics unique to the region. Regional standards should also be superior to national standards by establishing requirements unique to the region that ensure the highest levels of reliability. However, if individual regions create different UFLS plans with different requirements for planning coordinators, this could create potentially unnecessary complexity that would thwart coordination. UFLS programs are best developed on an Interconnection-wide basis, not a regional basis. Frequency should be measured and maintained on an interconnection-specific basis to ensure sufficient coordination.

III. CONCLUSION

For the reasons specified above, EPSA respectfully requests that the Commission approve PRC-006-1 and EOP-003-2 as submitted ensuring that a single continent-wide standard for UFLS is implemented. In addition, UFLS programs should be implemented and tracked prior to the consideration of any offset mechanisms.

Respectfully submitted,

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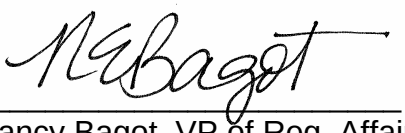
Dated: December 27, 2011

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., December 27, 2011.



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