

WIRAB Meeting

September 5, 2008

Agenda

- ▶ Approval of summary of July 10 meeting
- ▶ Public comments
- ▶ WECC update – Tom Schneider
 - Compliance program
 - RC implementation
 - Other
- ▶ ACE Diversity Interchange
 - State concerns - LouAnn Westerfield (ID PUC)/Larry Nordell (MTCC)
- ▶ NERC developments
 - 2009 budget submission – Doug Larson (WIRAB)
 - Action on WECC Tier 1 revised standards
- ▶ FERC developments
 - Attachment Ks – Tom Carr (WIRAB)
- ▶ WIRAB developments
 - October joint meeting in Santa Fe



Western Electricity Coordinating Council

WECC Compliance Update

WIRAB

Sept. 5, 2008

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Highlights

- Compliance Investigations

- 1 closed in August
- 5 Remain open
 - 2 Vegetation. Event driven
 - 2 Relay Protection. 1 Event driven. 1 Found at audit
 - 1 Metering. Found at audit

- New WEB Portal: Starting Oct. 1st, all data submittals to WECC Compliance will be via the portal

- 3 Training classes completed, one remaining on Sept. 25th targeting smaller entities who have not previously attended

Highlights

- In August, WECC Enforcement sent NOAVs for 115 violations to 12 separate Registered Entities
- 7 have requested settlement, of which 2 have settled “in principle”
- One entity has requested a hearing, but is still negotiating settlement

Registration Update, No Change

● Statistics

- Registered Entities: 472 (1835 NERC wide)
- Registered Functions: 1271 (4444 NERC wide)

<u>GO</u>	<u>GOP</u>	<u>TO</u>	<u>TOP</u>	<u>DP</u>	<u>LSE</u>	<u>PSE</u>
225	211	81	50	179	155	156
<u>TP</u>	<u>TSP</u>	<u>BA</u>	<u>PA</u>	<u>RP</u>	<u>RC</u>	<u>RSG</u>
47	39	33	32	57	3	3
<u>RRO</u>	<u>MO</u>	<u>IA</u>				
0	0	0				

On-Site Audits

- 24 Audits conducted to date ('07 & '08)
 - 200 New Violations discovered
 - Highest number per audit = 19
 - Lowest number = 1
 - Average = 8

- 2009 On-Site Audit schedule developed
 - 17 audits scheduled
 - Schedule to be posted by Sept.15th

Off-Site (Table Top) Audits

- 54 conducted year-to-date. LSE, PSE, TSP, GO, GOP and DPs
 - 50 new violations
 - Highest number per audit = 13
 - Lowest = 0
 - Average = 1
- Many violation free off-site audits
- 85 Off-Site audits scheduled for 2009

Compliance Violations

- Pre June 18th
 - 2370 Reported and accepted
 - 1613 Mitigated or in review
 - 757 Open
- Post June 18th Violations
 - 1140 Reported and accepted
 - 371 Mitigated of in review
 - 769 Open
- The 1526 open violations are covered by approximately 517 Mitigation Plans in various stages of completion
- Vast majority of violations come from self-reports

Focus Areas

- Critical Infrastructure Protection/Cyber Security standards implementation (CIP)
 - Self-Certification was due on July 15th
 - 410 notices/surveys sent; 393 responded
 - 46 Required to Self-Certify; 46 Self-Certifications received
- Work load
 - Backlog reduction is a major focus
 - Spot-Check process suspended for '08
 - Completed Mitigation for most '07 self-reported violations accepted based on entity officer's certification
 - Remaining Off-Site audits postponed until '09

ACE Diversity Interchange (ADI) Developments

► Background

- ACE Diversity Interchange (ADI) pools the Area Control Errors (ACE) among balancing authorities to take advantage of diversity in control error (momentary imbalances of load and generation)
- ADI Agreement of November 13, 2006
 - BCTC the host
 - Four balancing authorities: Idaho Power, NorthWestern, PacifiCorp West and PacifiCorp East.
- Operations began March 31, 2007
- ADI planned expand to other BAs:
 - APS, SRP, PNM, and Nevada Power/Sierra Pacific and others

ADI Developments

- ▶ WECC letter dated July 23 to ADI representative raising concerns:
 - Footnote in ADI document referencing WECC
 - Potential reliability standard violations
- ▶ ADI participants responded by suspending operations Aug. 6
- ▶ Meeting with ADI and WECC staff Aug. 22
- ▶ ADI participants re-start operations Aug. 28

FERC Developments: Orders on Attachment K Filings

- ▶ July 17 Orders on Western Transmission Providers
 - SWAT/Sierra
 - ▶ El Paso Electric, Public Service New Mexico, Arizona Public Service, Tucson Electric Power; Sierra Pacific and Nevada Power
 - CCPG
 - ▶ Xcel – Public Service of Colorado
 - NTTG
 - ▶ Idaho Power, Deseret G&T Cooperative, Northwestern Energy, PacifiCorp, Black Hills Power, Portland General Electric
 - Columbia Grid
 - ▶ BPA, Avista, and Puget Sound Energy
- ▶ June 19 Order for the CAISO

Orders on Attachment K cont.

- ▶ FERC conditionally accepted the Attachment K filings of the western TPs
- ▶ Directed modifications
 - Regional participation
 - Economic planning studies
 - Cost allocation
 - Recovery of planning costs
- ▶ Compliance filing 90 days after the July 17 orders.
- ▶ FERC to monitor transmission planning and will hold regional technical conferences in 2009.

Attachment K Orders cont.

- ▶ Regional participation
 - Attachment Ks lack sufficient detail to “allow customers and other interested stakeholders to fully understand how the data and inputs they provide on the local transmission plan will be integrated into the subregional plan . . . and then incorporated into WECC TEPPC studies.” (SWAT Order)
- ▶ Economic planning studies
 - The Attachment Ks indicate that “economic study requests requiring production cost modeling will be conducted using the TEPPC planning process We conclude that the Transmission Providers have provided insufficient information in their Attachment Ks on the WECC’s TEPPC process to prioritize and complete regional economic planning studies.” (ColumbiaGrid Order)

Attachment K Orders cont.

▶ Cost allocation

- Must provide an upfront specific cost allocation methodology that is in the Attachment K rather than a case-by-case basis. Provide more certainty for transmission providers and market participants

▶ Recovery of planning costs

- Most TPs did not address the recovery of planning costs. FERC directed these entities to develop a plan to recover costs in a compliance filing.

WIRAB Meeting in Santa Fe

► Purposes

- Provide western PUCs with insights on compliance program and coming violations
- Hear from Registered Entities on areas of concern and potential fixes
- Be briefed on the findings from WECC's study of the WIRAB low-carbon scenario

► Participants

- WIRAB members
- CREPC members
- WECC
- Sample of Registered Entities
- FERC