

129 FERC ¶ 61,023
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, and Philip D. Moeller.

Western Electricity Coordinating Council Regional
Reliability Standard Regarding Automatic Time Error
Correction

Docket No. RM08-12-001

Order No. 723-A

ORDER DENYING CLARIFICATION OR REHEARING

(Issued October 15, 2009)

1. In Order No. 723, the Commission approved the Western Electricity Coordinating Council (WECC's) Regional Reliability Standard Regarding Automatic Time Error Correction, proposed by the North American Electric Reliability Corporation (NERC).¹ In this order, we deny Xcel Energy Services, Inc.'s (Xcel's) request for clarification or, in the alternative, rehearing of Order No. 723.

I. Background

2. On July 29, 2008, NERC, the Commission-certified Electric Reliability Organization (ERO), submitted for Commission approval, in accordance with section 215(d)(1) of the FPA,² regional Reliability Standard BAL-004-WECC-01. This regional Reliability Standard requires balancing authorities operating in the Western Interconnection to implement an automatic time error correction procedure so as to ensure that time error corrections are effectively conducted in a manner that does not adversely affect reliability.

¹ *Western Electricity Coordinating Council Regional Reliability Standard Regarding Automatic Time Error Correction*, Order No. 723, 127 FERC ¶ 61,176 (2009).

² 16 U.S.C. 824o(d)(1) (2006).

3. Under the WECC Automatic Time Error Correction (ATEC) methodology, each balancing authority in the Western Interconnection is required to calculate its "primary inadvertent interchange"³ and continuously enter that primary inadvertent interchange into its Area Control Error (ACE)⁴ equation. As each balancing authority inputs its primary inadvertent interchange into its ACE equation, it continuously corrects for its own primary time error, and, in turn, automatically reduces the Western Interconnection's total time error.⁵

4. On May 21, 2009, the Commission issued Order No. 723, approving the regional Reliability Standard, which became effective on June 29, 2009. Relevant to the request for rehearing, in the Order No. 723 proceeding, Xcel commented that the regional Reliability Standard potentially conflicts with NERC Reliability Standard BAL-001-1a (Real Power Balancing Control Performance).⁶ Xcel posited that the ACE equation used in BAL-001-1a differs from the ACE equation used in BAL-004-WECC-01, and Requirement R3 of BAL-004-WECC-01 requires the ACE used for NERC reports to be the same as the ACE used in the current Automatic Generation Control (AGC) operating mode. Xcel requested that the Commission establish a priority for compliance purposes in the event of a conflict between the reporting requirements of the regional Reliability Standard and the NERC, continent-wide Reliability Standard.

5. In response, the Commission stated that it was not persuaded by Xcel's comments on this matter.⁷ Rather, the Commission explained that it had previously addressed

³ The balancing authority causing the frequency error is said to have created "primary time error" and caused "primary inadvertent interchange." The other balancing authorities in the Interconnection responding to correct system frequency are said to have created "secondary time error" and caused "secondary inadvertent interchange."

⁴ ACE is an equation representing the instantaneous difference between a Balancing Authority's net actual and scheduled interchange (for more detail, *see* NERC glossary of terms used in reliability standards, http://www.nerc.com/docs/standards/rs/Glossary_2009April20.pdf, at 1).

⁵ Additional background regarding BAL-004-WECC-01 and WECC's ATEC methodology is provided in Order No. 723, 127 FERC ¶ 61,176 at P 15-24.

⁶ *See* Order No. 723, 127 FERC ¶ 61,176 at P 41-43. This NERC Reliability Standard was formerly numbered BAL-001-0a, and Xcel refers to it by this number throughout its pleadings. That standard has now been renumbered BAL-001-1a, however, and we therefore use that number for it throughout this order.

⁷ *Id.* P 44.

Xcel's concern in Order No. 713, in which the Commission approved NERC's interpretation whether the use of WECC's automatic time error correction factor violated the Control Performance Standard (CPS or CPS1) requirement of NERC Reliability Standard BAL-001-1a.⁸ In Order No. 713, NERC explained, and the Commission approved, that "[a]s long as Balancing Authorities use raw [i.e., not adjusted for ATEC] ACE for CPS reporting purposes, the use of [ATEC] for control is not in violation of BAL-001 Requirement 1."⁹ Thus, the Commission explained that a balancing authority is in compliance with NERC Reliability Standard BAL-001-1a, provided that it uses the equation identified in Requirement R1 for compliance performance reporting, i.e., CPS1.

II. Request for Clarification or, in the Alternative, Rehearing

6. On June 22, 2009, Xcel filed a timely request for clarification, or in the alternative rehearing, of Order No. 723. Xcel argues that the Commission has provided conflicting guidance as to which value of ACE a balancing authority should use for NERC reporting purposes, and asks the Commission to clarify the matter. Alternatively, Xcel asks the Commission to grant rehearing of Order No. 723, and require WECC to submit revisions to BAL-004-WECC-01 within 60 days to eliminate ambiguity as to this question.

7. Xcel asks the Commission to clarify whether balancing authorities in WECC should use (1) ACE as adjusted for ATEC (ACE_{ATEC}) as defined in BAL-004-WECC-01 or (2) ACE as defined in the continent-wide NERC Standard governing Real Power Balancing Control Performance, BAL-001-1a ("raw" ACE), for NERC reporting purposes. Xcel asserts that "while the distinction [between the two forms of ACE] is subtle,"¹⁰ because the two definitions are not identical, approval of BAL-004-WECC-01 has created the potential for conflicting compliance requirements.

8. Xcel notes that Requirement R3 of BAL-004-WECC-01 provides that "[t]he ACE used for NERC reports shall be the same ACE as the AGC operating mode in use."

⁸ The Control Performance Standard (CPS) is "[t]he reliability standard that sets the limits of a Balancing Authority's Area Control Error over a specified time period," see Order No. 723, 127 FERC ¶ 61,176 at P 44 n.34.

⁹ *Id.*, quoting *Modification of Interchange and Transmission Loading Relief Reliability Standards; and Electric Reliability Organization Interpretation of Specific Requirement of Four Reliability Standards*, Order No. 713, 124 FERC ¶ 61,071, at P 17 (2008).

¹⁰ Xcel request at 6. Xcel provides a detailed explanation of the two equations. *Id.* at 6-7.

Thus, Xcel states that Requirement R3 requires balancing authorities in the WECC region to use ACE_{ATEC} for NERC reporting purposes, i.e., ACE as calculated pursuant to the regional Reliability Standard. According to Xcel, the Commission gave “conflicting guidance” in Order No. 713, which indicates that balancing authorities in the Western Interconnection should use ACE_{ATEC} for “control” purposes, but should use “raw” ACE for NERC reporting purposes. Xcel maintains that WECC is aware of the conflict, and references a June 19, 2009 letter from the Chair of WECC’s Performance Work Group that states that Order No. 723 did not resolve the conflict.¹¹

9. Xcel further asks the Commission, if it does not clarify BAL-004-WECC-01, to grant rehearing and require WECC to submit further revisions to BAL-004-WECC-01 within 60 days to eliminate the conflict.

III. Discussion

10. We deny Xcel’s request for clarification or, in the alternative, rehearing. Contrary to Xcel’s assertion, the Commission has provided consistent guidance regarding which value of ACE a balancing authority should use for NERC reporting purposes. Xcel may be correct regarding a potential discrepancy between BAL-004-WECC-01 and NERC’s Reliability Standard, BAL-001-1a. However, the Commission has twice addressed this matter, in Order No. 713 and Order No. 723. In these orders, the Commission first approved, and then relied on, NERC’s formal interpretation of BAL-001-1a:

The W[ECC]ATEC procedural documents ask Balancing Authorities to *maintain raw ACE for CPS reporting* and to control via WATEC-adjusted ACE.

*As long as Balancing Authorities use raw (unadjusted for WATEC) ACE for CPS reporting purposes, the use of WATEC for control is not in violation of BAL-001 Requirement 1.*¹²

11. NERC’s interpretation makes clear that a balancing authority in the Western Interconnection that uses “raw” ACE for control performance (CPS) purposes is not in violation of NERC Reliability Standard BAL-001-1a. We believe that it is a corollary

¹¹ Xcel request, attachment 1, Letter dated June 19, 2009 from Mike Mraz, Chair of the WECC Performance Work Group, to Balancing Authority Operating Committee Representatives (WECC Letter), at 1.

¹² Order No. 723, 127 FERC ¶ 61,176 at P 44 (emphasis added).

that a balancing authority that uses raw ACE for NERC reporting should not be found in violation of the corresponding regional Reliability Standard, BAL-004-WECC-01.

12. We also note that the WECC Letter provided by Xcel does not refer to a conflict regarding the proper reporting for NERC purposes. Rather, consistent with the NERC interpretation and the Commission's previous orders on this subject, the letter indicates that balancing authorities in the Western Interconnection should "continue to calculate and report CPS using ACE per BAL-001 (raw ACE without the ATEC term)."¹³ The WECC Letter *does* indicate a preference to report and "control," i.e., maintaining the balance between the authority's load and its resources, using a single ACE, and states that WECC staff and the Performance Work Group are working together to achieve this "through the appropriate regulatory process."

13. Accordingly, we deny Xcel's request for clarification or, in the alternative, rehearing.

The Commission orders:

Xcel's request for clarification or, in the alternative, rehearing is hereby denied, as discussed in the body of this order.

By the Commission. Commissioner Kelly is not participating.

(S E A L)

Kimberly D. Bose,
Secretary.

¹³ WECC Letter at 1.