

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission****18 CFR Part 40****[Docket No. RM12–1–000]****Transmission Planning Reliability Standards****AGENCY:** Federal Energy Regulatory Commission, DOE.**ACTION:** Notice of Proposed Rulemaking.

SUMMARY: The North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization, petitions for the approval of modified Transmission Planning Reliability Standard, TPL–001–2 (Transmission System Planning Performance Requirements), which combines four currently effective TPL Reliability Standards, TPL–001–1, TPL–002–1b, TPL–003–1a, and TPL–004–1, into a single standard. NERC also requests retirement of the currently-effective TPL standards. Pursuant to section 215 of the Federal Power Act, the Federal Energy Regulatory Commission proposes to remand proposed Reliability Standard, TPL–001–2. The proposed Reliability Standard includes a provision that would allow a transmission planner to plan for non-consequential load loss following a single contingency provided that the plan is documented and vetted in an open and transparent stakeholder process. The Commission believes that, with the inclusion of this provision, proposed TPL–001–2 does not meet the statutory criteria for approval.

DATES: Comments are due July 6, 2012.**ADDRESSES:** You may submit comments, identified by docket number by any of the following methods:

- *Agency Web Site:* <http://ferc.gov>. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.
- *Mail/Hand Delivery:* Commenters unable to file comments electronically must mail or hand deliver comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: Eugene Blick (Technical Information), Office of Electric Reliability, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, Telephone: (202) 502–8066, Eugene.Blick@ferc.gov.

Robert T. Stroh (Legal Information), Office of the General Counsel, Federal

Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, Telephone: (202) 502–8473, Robert.Stroh@ferc.gov.

SUPPLEMENTARY INFORMATION:**139 FERC ¶ 61,059****Notice of Proposed Rulemaking***April 19, 2012*

1. The North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO), petitions for the approval of Reliability Standard, TPL–001–2 (Transmission System Planning Performance Requirements), which combines four currently effective TPL Reliability Standards, TPL–001–1, TPL–002–1b, TPL–003–1a, and TPL–004–1, into a single standard. NERC also requests retirement of the currently effective TPL standards. Pursuant to section 215(d) of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) proposes to remand proposed Reliability Standard, TPL–001–2. The proposed Reliability Standard includes a provision in Table 1 (Steady State and Stability Performance Extreme Events), footnote 12 that would allow a transmission planner to plan for “non-consequential load loss,” i.e., load shedding, following a single contingency provided that the plan is documented and alternatives are considered and subject to review in an open and transparent stakeholder process. As discussed below, the Commission believes that this provision is vague and unenforceable because it does not adequately define the circumstance in which an entity can plan for non-consequential load loss following a single contingency. Accordingly, the Commission proposes to find that, with the inclusion of this provision, proposed TPL–001–2 does not meet the statutory criteria for approval that a mandatory Reliability Standard must be just, reasonable, not unduly discriminatory or preferential, and in the public interest.

2. NERC states that proposed Reliability Standard TPL–001–2 introduces significant revisions and improvements to the Transmission Planning Reliability Standards, including increased specificity of data required for modeling conditions, and requires planners to address the impact of the unavailability of long lead-time critical equipment in a manner consistent with the entity’s spare equipment strategy.¹ Further, according to NERC, the proposed Reliability Standard addresses twenty-seven

Commission directives set forth in Order No. 693 and subsequent Commission orders.² We agree with NERC that proposed TPL–001–2 includes specific improvements over the currently effective Transmission Planning Reliability Standards and, as discussed below, is responsive to certain Commission directives. However, the provision in the proposed Reliability Standard allowing for transmission planners to plan for non-consequential load loss following a single contingency without adequate safeguards undermines the potential benefits the proposed Reliability Standard may provide. Section 215(d)(4) requires that the Commission remand to the ERO for further consideration a Reliability Standard “that the Commission disapproves in whole or in part.”³ Thus, notwithstanding improvements contained in other provisions of proposed Reliability Standard TPL–001–2, our concerns regarding the stakeholder process set forth in Table 1, footnote 12 provides us no option other than to propose to remand the entire Reliability Standard.

3. We are concurrently issuing a Final Rule in Docket No. RM11–18–000 that remands a related Reliability Standard, TPL–002–0b, which contains the same objectionable stakeholder process provision in Table 1, footnote ‘b’.⁴ In the Final Rule in Docket No. RM11–18–000, the Commission urges NERC to employ its Expedited Reliability Standards Development Process to timely develop a modified provision regarding planned shedding of non-consequential load loss that satisfies the relevant Commission’s directives in Order No. 693 and the subsequent orders. A rapid resolution of this one matter will allow the industry, NERC and the Commission to go forward with the consideration of other improvements contained in proposed Reliability Standard TPL–001–2.

I. Background

4. Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, which are subject to Commission review and approval. Approved Reliability Standards are enforced by the ERO, subject to Commission oversight, or by the Commission independently.

5. Pursuant to section 215 of the FPA, the Commission established a process to

² *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).

³ 16 U.S.C. 824o(d)(4) (2006) (emphasis added).

⁴ *Transmission Planning Reliability Standards*, Order No. 762, 139 FERC ¶ 61,060 (2012).

¹ NERC Petition at 4.

select and certify an ERO⁵ and, subsequently, certified NERC as the ERO.⁶ On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards filed by NERC, including the existing TPL Reliability Standards. In addition, pursuant to section 215(d)(5) of the FPA,⁷ the Commission directed NERC to develop modifications to 56 of the 83 approved Reliability Standards, including the TPL Reliability Standards.⁸

A. Transmission Planning (TPL) Reliability Standards and Order No. 693 Directives

6. The currently-effective TPL Reliability Standards consists of four approved standards and are intended to ensure that the transmission system is planned and designed to meet an appropriate and specific set of reliability criteria. Transmission planning is a process that involves a number of stages including developing a model of the Bulk-Power System, using this model to assess the performance of the system for a range of operating conditions and contingencies, determining those operating conditions and contingencies that have an undesirable reliability impact, identifying the nature of potential options, and developing and evaluating a range of solutions and selecting the preferred solution, taking into account the time needed to place the solution in service.

7. In Order No. 693, the Commission accepted the Version 0 TPL Reliability Standards and directed NERC, pursuant to FPA section 215(d)(5), to develop modifications to TPL-001-0 through TPL-004-0 through the Reliability Standards development process. In addition, the Commission neither approved nor remanded two other planning Reliability Standards, TPL-005-0 and TPL-006-0, as these two Reliability Standards applied only to regional reliability organizations.⁹ The Commission encouraged the ERO to monitor a series of technical

conferences and regional meetings to obtain industry input to achieve the goal of regional planning and use the results as input to the standards development process to revise TPL-005-0 to address regional planning and related processes.¹⁰

8. With regard to Reliability Standard TPL-002-0b, Table 1, footnote 'b', the Commission directed NERC to clarify footnote 'b' regarding the loss of non-consequential load for a single contingency event. In a March 18, 2010 order, the Commission directed NERC to submit a modification to footnote 'b' responsive to the Commission's directive in Order No. 693, by June 30, 2010.¹¹ In a June 11, 2010 order, the Commission granted partial clarification to NERC and extended the compliance deadline until March 31, 2011.¹²

B. RM11-18-000 Proposed Remand of Footnote 'b'—Version 1

9. In response to the March 2010 and June 2010 Orders, on March 31, 2011, NERC submitted proposed TPL-002-1 (Version 1), which proposed to modify footnote 'b' to permit planned interruption of Firm Demand when documented and subject to an open stakeholder process. On October 20, 2011, the Commission issued a Notice of Proposed Rulemaking that proposed to remand to NERC the proposed modification to footnote 'b' because it does not adequately clarify or define the circumstances in which an entity can plan to use interruption of Firm Demand as a mitigation plan to resolve a single contingency.¹³ The Commission stated that the procedural and substantive parameters of NERC's proposal are too undefined to provide assurances that the process will be effective in determining when it is appropriate to plan for interrupting Firm Demand, do not contain NERC-defined criteria on circumstances to determine when an exception for planned interruption of Firm Demand is permissible, and could result in inconsistent results in implementation. In the Final Rule issued concurrently with the NOPR in the immediate proceeding, the Commission remanded proposed Reliability Standard TPL-002-0b.

¹⁰ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1841.

¹¹ Mandatory Reliability Standards for the Bulk Power System, 130 FERC ¶ 61,200 (2010) (March 2010 Order).

¹² Mandatory Reliability Standards for the Bulk Power System, 131 FERC ¶ 61,231 (2010) (June 2010 Order).

¹³ Transmission Planning Reliability Standards, 137 FERC ¶ 61,077 (2011).

C. NERC's Petition for Approval of TPL-001-2

10. On October 19, 2011, NERC filed a petition seeking approval of Reliability Standard TPL-001-2, the associated implementation plan and Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs), as well as five new definitions to be added to the NERC Glossary of Terms (Version 2). NERC also seeks approval of the retirement of the following four Reliability Standards: TPL-001-1 (System Performance Under Normal (No Contingency) Conditions (Category A)); TPL-002-1b (System Performance Following Loss of a Single Bulk Electric System (BES) Element (Category B)); TPL-003-1a (System Performance Following Loss of Two or More BES Elements (Category C)); and TPL-004-1 (System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Elements (Category D)). In addition, NERC requests to withdraw two pending Reliability Standards: TPL-005-0 (Regional and Interregional Self-Assessment Reliability Reports) and TPL-006-0.1 (Data from the Regional Reliability Organization Needed to Assess Reliability).

11. The Version 2 standard also includes language similar to NERC's Version 1 March 31, 2011, proposal to revise and clarify footnote 'b' of Table 1 applicable in four currently-effective TPL Reliability Standards "in regard to non-consequential firm load loss in the event of a single contingency."¹⁴ The proposed Reliability Standard TPL-001-2 (Version 2) expands upon NERC's proposed footnote 'b' (Version 1) and as a result, Version 2 replaces in its entirety the Version 1 footnote 'b.' In creating TPL-001-2, the proposed footnote 'b' in Version 1 was modified slightly and carried over as Steady State & Stability Performance Footnotes 9 and 12 in Version 2. In other words, footnote 'b' in Version 1 has been divided into two footnotes in Version 2, and the subject of the concerns raised by the Commission with respect to the Version 1 footnote 'b' are now contained in footnote 12 of Version 2. Footnote 12 in Version 2 is in all material respects the same as the portion of footnote 'b' in Version 1 that is the subject of the Final Rule issued today in Docket No. RM11-18-000.

D. Proposed Reliability Standard

12. As proposed by NERC, TPL-001-2 includes eight requirements and Table 1, summarized as follows:

¹⁴ NERC Petition at 11.

⁵ 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, order on reh'g, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

⁶ North American Electric Reliability Corp., 116 FERC ¶ 61,062, order on reh'g and compliance, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (DC Cir. 2009).

⁷ 16 U.S.C. 824o(d)(5).

⁸ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at PP 1691-1845.

⁹ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at PP 1840, 1845. The currently-effective versions of the TPL Reliability Standards are as follows: TPL-001-0.1, TPL-002-0b, TPL-003-0a, and TPL-004-0.

Requirement R1: Requires the transmission planner and planning coordinator to maintain system models and provides a specific list of items required for the system models and that the models represent projected system conditions. The planner is required to model the items that are variable, such as load and generation dispatch, based specifically on the expected system conditions.

Requirement R2: Requires each transmission planner and planning coordinator to prepare an annual planning assessment of its portion of the bulk electric system and must use current or qualified past studies, document assumptions, and document summarized results of the steady state analyses, short circuit analyses, and stability analyses. Requirement R2, Part 2.1.3 requires the planner to assess system performance utilizing a current annual study or qualified past study for each known outage with a duration of at least six months for certain events listed in Table 1, P1. NERC states that this requirement ensures planners evaluate every known outage with known duration of six months or more, even if the known outage is not within one of the study years selected by the planner. NERC states that the requirements and parts of proposed TPL-001-2 provide for what a valid study must entail, timeframes for use of past studies, minimum conditions, what needs to be included in the model, and what performance must be achieved. It also clarifies that qualified past studies can be utilized in the analysis while tightly defining the qualifications for those studies. The use of qualified past studies allows an entity to continue to use validated studies to complete its assessment. Requirement R2 includes a new part (2.7.3) that allows transmission planners and planning coordinators to utilize Non-Consequential Load Loss to meet performance requirements if the applicable entities are unable to complete a Corrective Action Plan due to circumstances beyond their control.

Requirements R3 and R4: Requirement R3 describes the requirements for steady state studies and Requirement R4 explains the requirements for stability studies. Requirement R3 and Requirement R4 also require that simulations duplicate what will occur in an actual power system based on the expected performance of the protection systems. These requirements are intended to ensure that if a protection system is designed to remove multiple elements from service for an event that the simulation will be run with all of those

elements removed from service. Requirement R3 and Requirement R4 also include new parts that require the planners to conduct an evaluation of possible actions designed to reduce the likelihood or the consequences of extreme events that cause cascading.

Requirement R5: Requirement R5 deals with voltage criteria and voltage performance. NERC proposes in Requirement R5 that each transmission planner and planning coordinator must have criteria for acceptable system steady state voltage limits, post-contingency voltage deviations, and the transient voltage response for its system. For transient voltage response the criteria must specify a low-voltage level and a maximum length of time that transient voltages may remain below that level. This requirement will establish more robust transmission planning for organizations and greater consistency as these voltage criteria are shared.

Requirement R6: Specifies that an entity must define and document the criteria or methodology used to identify system instability for conditions such as cascading, voltage instability, or uncontrolled islanding within its planning assessment.

Requirement R7: Mandates coordination of individual and joint responsibilities for the planning coordinator and the transmission planner which is intended to eliminate confusion regarding the responsibilities of the applicable entities and assures that all elements needed for regional and wide area studies are defined with a specific entity responsible for each element and that no gaps will exist in planning for the Bulk-Power System.

Requirement R8: Addresses the sharing of planning assessments with neighboring systems. The requirement ensures that information is shared with and input received from adjacent entities and other entities with a reliability related need that may be affected an entity's system planning.

Table 1: Similar to the existing TPL Standard, NERC's proposal contains a series of planning events and describes system performance requirements in Table 1 for a range of potential system contingencies required to be evaluated by the planner. Table 1 includes three parts: Steady State & Stability Performance Planning Events, Steady State & Stability Performance Extreme Events, and Steady State & Stability Performance Footnotes. Table 1 describes system performance requirements for a range of potential system contingencies required to be evaluated by the planner. The table categorizes the events as either

“planning events” or “extreme events.” The proposed table lists seven Contingency planning events (P1 through P7) that require steady-state and stability analysis as well as five extreme event contingencies—three for steady-state and two for stability. The proposed table also includes a no contingency “event” labeled as P0 which requires steady state analysis. Footnote 12 of Table 1 provides:

An objective of the planning process should be to minimize the likelihood and magnitude of Non-Consequential Load Loss following Contingency events. However, in limited circumstances Non-Consequential Load Loss may be needed to address BES performance requirements. When Non-Consequential Load Loss is utilized within the planning process to address BES performance requirements, such interruption is limited to circumstances where the Non-Consequential Load Loss is documented, including alternatives evaluated; and where the utilization of Non-Consequential Load Loss is subject to review in an open and transparent stakeholder process that includes addressing stakeholder comments.¹⁵

II. Discussion

13. The Commission proposes to remand proposed Reliability Standard TPL-001-2. The proposed footnote 12 included as part of Reliability Standard TPL-001-2, which is in all material respects the same as the Version 1 footnote ‘b’ proposal described in Docket No. RM11-18-000, is unjust and unreasonable, unduly discriminatory or preferential, and not in the public interest. Although there are many improvements in the proposed TPL-001-2, the presence of footnote 12 in proposed Reliability Standard TPL-001-2 requires that the Commission remand the entire proposed Reliability Standard.¹⁶

14. As described in the Final Rule in Docket No. RM11-18-000, the Commission believes that NERC's footnote ‘b’ proposal (footnote 12 in this NOPR proceeding) does not clarify or define the circumstances in which an entity can plan to interrupt Non-Consequential Load Loss for a single contingency. The Commission is concerned that footnote 12 is inadequate and fails to address the Commission's concerns for three reasons. First, proposed footnote 12 lacks adequate parameters. Second, the NERC proposal leaves undefined the circumstances in

¹⁵ NERC Petition at 12. In NERC's proposal in Docket No. RM11-18-000, Table 1, footnote ‘b’ planned load shed is called planned “interruption of Firm Demand.” In footnote 12, NERC has changed the term from “interruption of Firm Demand” to utilization of “Non-Consequential Load Loss.”

¹⁶ 16 U.S.C. 824o(d)(4).

which it is allowable to plan for Non-Consequential Load Loss to be utilized. The Commission believes that footnote 12 could function as a means to override the reliability objective and system performance requirements of the TPL Reliability Standard without any technical or other criteria specified to determine when planning to use Non-Consequential Load Loss to meet single contingency performance requirements would be allowable.¹⁷ While NERC expects that such determinations will be made in a stakeholder process, this provides no assurance that such a process will use technically sound means of approving or denying exceptions.¹⁸ Third, while the Commission recognizes that some variation among regions or entities is reasonable given varying grid topography and other considerations, there are no technical criteria to determine whether varied results are arbitrary or based on meaningful distinctions.¹⁹ The Commission, thus, concludes that NERC's proposal lacks safeguards to ensure against inconsistent results and arbitrary determinations to allow for the planned interruption of load shed.

15. While we propose to remand Reliability Standard TPL-001-2 because of footnote 12, the Commission sees improvements to the balance of the proposed Reliability Standard. The Commission recognizes the level of complexity and substantial revision that NERC undertook to consolidate the requirements in the four currently-effective TPL Reliability Standards into one standard, and that effort has yielded improvements relative to the current set of standards. The Commission, however, seeks comments from the ERO and other interested persons regarding the following important reliability issues to ensure that the proposed Reliability Standard adequately maintains reliability and that the directives have been met: (a) Planned Maintenance Outages, (b) Violation Risk Factors, (c) Protection System Failures versus Relay Failures, (d) Assessment of Backup or Redundant Protection Systems, (e) Single Line to Ground Faults, and (f) Order No. 693 Directives.

A. Planned Maintenance Outages

16. NERC proposed new language in TPL-001-2, Requirement R1 to remove an ambiguity in the current standard concerning what the planner needs to include in the specific studies. It also requires the planner to evaluate six-

month or longer duration outages within its system. NERC states that while Requirement R1.3.12 of the currently-effective TPL-002-0b, includes planned outages (including maintenance outages) in the planning studies and requires simulations at the demands levels for which the planned outages are performed, it is not appropriate to have the planner select specific planned outages for inclusion in their studies. Consequently, NERC proposes a bright-line test to determine whether an outage should be included in the system models. Specifically, NERC proposes that Requirement R1, Part 1.1.2 mandate that the system models "shall represent * * * known outage(s) of generation or Transmission Facility(ies) with a duration of at least six months."²⁰ NERC determined that, in the planning horizon, a six-month or longer outage duration would necessarily extend over a seasonal peak load period and should be included in the planning models. Therefore, NERC states that the specific elements selected to be evaluated are selected by the transmission planner or planning coordinator and must be acceptable to the associated regional reliability organization.²¹

17. In Order No. 693 the Commission stated that in the currently-effective TPL Reliability Standards a planner must demonstrate through a valid assessment that the transmission system performance requirements can be met. The TPL Reliability Standards require that planned outages of transmission equipment must be considered for those demand levels for which planned outages are performed. By modeling the planned transmission equipment outages and through the simulation of various contingency events, a planner must demonstrate that the system can be operated to supply projected customer demands for all maintenance outage conditions and that amongst other things, cascading or system instability will not occur.²²

18. For example, PJM has recently evaluated a Doubs-Mt. Storm project which includes the replacement of structures that have deteriorated beyond repair, which has resulted in the need to rebuild the transmission circuit. PJM indicates the maintenance outages will be scheduled in four month blocks, September–December and February–May, starting in 2011 through 2015. PJM's analysis indicates that a list of facilities has been determined that should not be scheduled out

concurrently with the Doubs-Mt. Storm project. Furthermore, PJM analysis indicated that if any outage on this list of identified facilities must be taken out of service, every effort shall be made to align them with the lightest load period possible.²³ Based on NERC's proposed Requirement R1, Part 1.1.2 and the Doubs-Mt. Storm example, it appears that this type of planned maintenance outage would be excluded from future planning assessments and its potential impact to bulk electric system reliability would be unknown because the outage duration in this example is less than six months.

19. The Commission seeks comment from the ERO and interested persons whether the six month threshold would materially change the number of planned outages as compared to the current standard. The Commission also seeks comment on whether the threshold would exclude almost all planned outages from future planning assessments, such as nuclear plant refueling, large fossil and hydro generating station maintenance, spring and fall transmission construction projects and items identified in correction actions plans of planning assessments including neighboring corrective action plans. The Commission also seeks comment on what alternative, whether based on outage duration shorter than six months or some other method, such as planners' accounting for planned maintenance outages of high capacity lines, critical transformers, or nuclear outages during non-peak load periods in their assessments, captures the appropriate number of planned outages and types of planned outages to ensure that the Bulk-Power System can be operated to meet system performance requirements during high maintenance periods like the spring and fall seasons. In addition to seasonal peaks, there have been significant system incidents which occur because of unusual weather events during non-seasonal peak periods. The Commission seeks comment on whether a six month outage window would sufficiently capture these events or if they would not be addressed in the proposed planning process. In addition, with respect to protection system maintenance, currently-effective Reliability Standard TPL-002-0, Requirement R1.3.12 requires the planner to "[i]nclude the planned (including maintenance) outage of any bulk electric equipment (including

¹⁷ Order No. 762, 139 FERC ¶ 61,160 at P 13.

¹⁸ *Id.* P 14.

¹⁹ June 2010 Order, 131 FERC ¶ 61,231 at P 21.

²⁰ NERC Petition at 35–36.

²¹ *Id.*

²² Order No. 693, FERC Stats. & Regs. ¶ 31,242 at PP 1772, 1799, 1827.

²³ See <http://www.pjm.com/-/media/committees-groups/committees/pc/20110203/20110203-item-12-doubs-mt-storm-impact-summary.ashx>.

protection systems or their components) at those demand levels for which planned (including maintenance) outages are performed.”²⁴ NERC did not carry over this language because protection system maintenance or other outages are not anticipated to last six months. The Commission, however, believes that it is critical to plan the system so that a protection system can be removed for maintenance and still be operated reliably. Therefore, the Commission seeks comment on its belief that protection systems are necessary to be included as a type of planned outage.

B. Violation Risk Factors

1. VRF for Proposed TPL-001-2, Requirement R1 VRF

20. NERC assigned a “Medium” VRF for proposed Reliability Standard TPL-001-2, Requirement R1 and its sub-requirements. NERC states each primary requirement in the proposed Reliability Standard TPL-001-2 is assigned a VRF considering the NERC guidelines and consistent with NERC’s August 10, 2009 informational filing.²⁵ NERC maintains that Requirements R1.3.5, R1.3.7, R1.3.8, and R1.3.9 of the currently-effective Reliability Standard TPL-001-0.1 carry a VRF of “Medium” and are similar in purpose and effect to proposed Reliability Standard TPL-001-2, Requirement R1. NERC states that the Requirements are similar because they refer to models that include firm transfers, existing and planned facilities, and reactive power requirements, and they refer to the Table 1 P0 condition. NERC believes that a “medium VRF for Requirement R1 is consistent with past Commission guidance.”²⁶

21. NERC stated in its filing that “Requirement R1 of the proposed TPL-001-2 explicitly requires the Transmission Planner and Planning Coordinator to maintain System models.”²⁷ The Commission believes that when the planning coordinator or the transmission planner are maintaining the system models to reflect the normal system condition, if the system models are not properly modeled or maintained, the analysis required in the Reliability Standard that uses the models in Requirement R1, such as Category P0 as the normal

System condition in Table 1, may lose their validity and “could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk-Power System instability, separation, or a cascading sequence of failures, or could place the Bulk-Power System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.”²⁸

22. Furthermore, Requirement R1 of the proposed Reliability Standard TPL-001-2 explicitly addresses the establishment of Category P0 as the normal system condition in Table 1, which creates the model of the normal system as the “Initial Condition” prior to any contingency.²⁹ Requirement R1 of the currently-effective Reliability Standard TPL-001-0, which has a VRF of “High,” explicitly establishes Category A as the normal system (all facilities in service) in Table 1, which also creates the model of the normal system prior to any contingency. The Commission believes that Requirement R1 of proposed Reliability Standard TPL-001-2 and Requirement 1 of currently-effective TPL-001-0 both establish the normal system planning model that serves as the foundation for all other conditions and contingencies that are required to be studied and evaluated in a planning assessment.

23. Consistent with Guideline 3 of the Commission’s VRF Guidelines, the Commission “expects the assignment of Violation Risk Factors corresponding to Requirements that address similar reliability goals to be treated comparably.”³⁰ The Commission seeks comment on why Requirement R1 of proposed Reliability Standard TPL-001-2 carries a VRF of “Medium” while Requirement R1 of the currently-effective Reliability Standard TPL-001-0 carries a VRF of “High.”

2. VRF for Proposed TPL-001-2, Requirement R6

24. NERC proposes to assign a “Low” VRF for Requirement R6 from the proposed Reliability Standard TPL-001-2 because “failure to have established criteria for determining System instability is an administrative requirement affecting a planning time

frame.”³¹ NERC explains that Requirement R6 is a new requirement and that violations would not be expected to adversely affect the electrical state or capability of the bulk electric system.

25. Requirement R6 requires planning coordinators and transmission planners to define and document the criteria or methodology used in their analyses to identify system instability for conditions such as cascading, voltage instability or uncontrolled islanding. The Commission recognizes that documenting criteria or methodology is an administrative act. However, defining the criteria or methodology to be used is not an administrative act. If the criteria or methodology used by planning coordinators and transmission planners are not defined properly, the analysis based on this criteria or methodology could lose its validity and “could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk-Power System instability, separation, or a cascading sequence of failures, or could place the Bulk-Power System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.”³²

26. Requirement R6 co-mingles a higher reliability objective (defining criteria or methodology) with a lower reliability objective (documentation). Consistent with Guideline 5 of the Commission’s VRF Guidelines, the Commission seeks to ensure that the assignment of Violation Risk Factors corresponding to co-mingled Requirements reflect the higher reliability objective of the co-mingled requirement.³³ The Commission seeks clarification from the ERO why the VRF level assigned to Requirement R6 is “Low” since it appears that Requirement R6 requires more than a purely administrative task.

C. Protection System Failures Versus Relay Failures

27. NERC states that its modification to the planning contingency categories in Table 1 of the proposed standard is intended to add clarity and consistency regarding how a delayed fault clearing will be modeled in planning studies. NERC states that the basic elements of any protection system design involve inputs (i.e., current and D/C and A/C voltage) to protective relays and outputs (i.e., trip signals, close signals, and

²⁴ Reliability Standard TPL-002-0, Requirement R1.3.12.

²⁵ Informational Filing of the North American Electric Reliability Corporation Regarding the Assignment of Violation Risk Factors and Violation Severity Levels, Docket Nos. RM08-11-000, RR08-4-000, RR07-9-000, and RR07-10-000 (August 10, 2009).

²⁶ NERC Petition at Exhibit C, Table 1.

²⁷ NERC Petition at 34.

²⁸ *North American Electric Reliability Corp., order on violation risk factors*, 119 FERC ¶ 61,145, at P 9 (2007), *order on reh’g and compliance filing*, 120 FERC ¶ 61,145 (2007).

²⁹ Proposed Reliability Standard TPL-001-2, Table 1.

³⁰ *North American Electric Reliability Corp., order on violation risk factors*, 119 FERC ¶ 61,145, at P 25 (2007), *order on reh’g and compliance filing*, 120 FERC ¶ 61,145 (2007).

³¹ NERC Petition, Exhibit C, at 110.

³² *North American Electric Reliability Corp., order on violation risk factors*, 119 FERC ¶ 61,145 at P 9.

³³ *Id.* P 32.

alarms) from protective relays and that reliability issues associated with improper clearing of a fault on the bulk electric system can result from the failure of hundreds of individual protection system components in a substation. However, NERC believes that while the population of components that could fail and result in improper clearing is large, that population can be reduced dramatically by eliminating those components which share failure modes with other components. NERC states that the critical components in protection systems are the protective relays themselves, and a failure of a non-redundant protective relay will often result in undesired consequences during a fault. According to NERC, other protection system components related to the protective relay could fail and lead to a bulk electric system issue, but the event that would be studied is identical, from both transient and steady state perspectives, to the event resulting from a protective relay failure if an adequate population of protective relays is considered.³⁴

28. In the currently-effective TPL Reliability Standards, Table 1 contingencies address the initiating event and contingency of a single line to ground (SLG) fault with delayed clearing (stuck breaker or protection system failure) for a generator, transformer, transmission circuit and bus section. For this initiating event and set of contingencies, the planner must demonstrate that Table 1 system performance criteria can be met.³⁵

29. Currently-effective Reliability Standard TPL-003-0, Requirement R1.3.1 states that current or past study and/or system simulation testing “[b]e performed and evaluated only for those Category C contingencies that would produce the more severe system results or impacts.”³⁶ Referring to Table 1, Category C6–C9, the initiating event and contingency is described as “SLG Fault, with Delayed Clearing (stuck breaker or protection system failure).”³⁷

30. Requirement R1.3.1 states that in the study and simulation of a protection system failure, the planner should assess the contingencies that produce the more severe system results.³⁸ If the

contingency is a protection system failure, delayed clearing is described as a fault due to the failure of any protection system component such as a relay, circuit breaker, or current transformer, and not because of an intentional design delay.³⁹

31. The Commission believes that based on various protection system as-built designs, the planner will have to choose which protection system component failure would have the most significant impact on the Bulk-Power System because as-built designs are not standardized and the most critical component failure may not always be the relay. For example, if a protection system design used one set of fuses to supply power to both the primary and breaker failure relays, failure of one fuse would be more severe than failure of either one of the relays. Similar dependencies can occur in specific designs in the implementation of microprocessor installations. As another example, if a protection system designed includes a shared voltage or current sensing device that provides input to relays for both the primary and backup protection systems, failure of this voltage sensing device would be more severe than failure of either one of the relays.

32. As a result, the planner’s selection of a protection system component failure may be influenced by the protection system as-built design. If one protection system component was an integral component of primary protection and breaker failure protection, then it is possible that the loss of that one component would produce the more severe system impact. If, in this example, the protection system component failure was not a relay component, as described in Category P5 of the proposed TPL Standard, it appears that this more severe contingency (loss of both the primary protection and breaker failure protection systems due to the loss of one protection system component) would not be assessed under the proposed TPL Reliability Standard.

33. The Commission seeks comments on whether the proposed TPL Reliability Standard, in the provisions pertaining to study of multiple contingencies, limits the planners’ assessment of a protection system failure because it only includes the contingency of a faulty relay component. The Commission also seeks comments on whether, based on protection system as-built designs, the relay may not always be the larger

contingency, and how the loss of protection system components that may be integral to multiple protection systems impacts reliability.

D. Assessment of Backup or Redundant Protection Systems

34. NERC states that proposed Reliability Standard TPL-001-2, Requirement R3, Part 3.3.1 and Requirement R4, Part 4.3.1 require that simulations faithfully duplicate what will happen in an actual power system based on the expected performance of the protection systems.⁴⁰ According to NERC, these requirements ensure that if a protection system is designed “to remove multiple Elements from service for an event that the simulation will be run with all of those Elements removed from service.”⁴¹ This proposal is intended to instill event-based analysis over simple element analysis which will provide for more accurate simulations.

35. The current TPL Reliability Standards state that a planner must include the effects of existing and planned protection systems, including any backup or redundant systems in its planning assessment.⁴² Specifically, Reliability Standard TPL-003-0, Requirement R1.3.10 requires the planner to “[i]nclude the effects of existing and planned protection systems, including any backup or redundant systems.”⁴³ For this requirement, the planner must include the effects all protection systems, including backup or redundant protection systems.

36. NERC states that Reliability Standard TPL-001-2, Requirement R3, Part 3.3.1 and Requirement R4, Part 4.3.1 require the planner to “[s]imulate the removal of all elements that the Protection System and other automatic controls are expected to disconnect for each Contingency without operator intervention.” The proposed NERC provision, however, does not explicitly refer to “backup or redundant systems” as in the currently effective TPL standards. The Commission seeks clarification from the ERO whether the proposed Requirements address all protection systems, including backup and redundant protection systems that can have an impact on the performance of the bulk electric system.

E. P5 Single Line to Ground Faults

37. Table 1 of the proposed Reliability Standard TPL-001-2 identifies the

³⁴ NERC Petition at 48.

³⁵ Currently-effective Reliability Standard TPL-004-0, Categories C1–C4 address the same initiating event and set of contingencies as currently-effective TPL-003-0, Categories C6–C9, but the system performance criteria are different for TPL-003-0 versus TPL-004-0.

³⁶ Reliability Standard TPL-003-0a.

³⁷ Reliability Standard TPL-003-0a (Category C).

³⁸ Requirement R1.3.1 is included in TPL-002-0b, TPL-003-0a and TPL-004-0.

³⁹ Reliability Standard TPL-003-0, Table 1, footnote e.

⁴⁰ NERC Petition at 20.

⁴¹ *Id.*

⁴² *E.g.*, Reliability Standards TPL-003-0, R1.3.10 and TPL-004-0, R1.3.7.

⁴³ Reliability Standard TPL-003-0, R1.3.10 and TPL-004-0, Requirement R1.3.7.

initiating contingencies that must be evaluated to ensure that the planned system meets the performance requirements. These proposed modifications to Table 1 include changing the classification of the events, clarifying events and fault types, and removing the ambiguity of performance requirements. NERC states the proposed Reliability Standard TPL-001-2, Table 1, P5 events are limited to the Single Line to Ground (SLG) Fault type consistent with the comparable C6-C9 events from Table 1 in the currently-effective TPL Reliability Standards. NERC treats SLG and three phase faults as different events even if an SLG event evolves into a three phase fault.⁴⁴

38. The proposed Reliability Standard TPL-001-2, Table 1 includes a column titled "fault type," which contains the specific designation of the fault type such as SLG or three-phase faults. "Fault type" is described as a SLG or three-phase fault types that must be evaluated in stability simulations for the event described. For example, a SLG fault could evolve into a 3-phase fault, but the initiating fault is the SLG fault and the associated SLG performance criteria must be applied, not the three-phase performance criteria. The Commission seeks clarification from the ERO whether "fault types" in Table 1 of the proposed Reliability Standard refers to the initiating event or initiating fault for the contingency rather than the type of fault in to which the initiating fault may evolve and how the clarification is consistent with the simulations being representative of what will occur in real-time.

F. Order No. 693 Directives

39. While the Commission proposes to remand based on the presence of footnote 12, the balance of proposed Reliability Standard TPL-001-2 appears responsive to the Order No. 693 directives regarding the TPL Reliability Standards. The Commission, however, seeks clarification and comment on the following.

1. Peer Review of Planning Assessments

40. In Order No. 693, the Commission stated that it "sees no reason why peer reviews should not be part of a Reliability Standard since TPL-001-0 through TPL-004-0 already include...a review of assessment by the associated regional reliability organization."⁴⁵

⁴⁴ NERC Petition at 49. Three phase events in the existing TPL standards are shown in Table 1, D1-D4 and are retained in TPL-001-2, Table 1, Extreme Events.

⁴⁵ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1755.

The Commission also stated that because neighboring systems may be adversely impacted by other neighboring systems, such systems should be involved in determining and reviewing system conditions and contingencies to be assessed under the currently-effective TPL Standards.⁴⁶ Furthermore, the peer review provides for a neighboring entity to identify possible interdependent or adverse impacts on its neighboring systems and thus, provides for an early opportunity to provide input and coordinate plans.⁴⁷

41. NERC states the proposed Reliability Standard does not include a "peer review" of planning assessments but instead includes "an equally effective and efficient manner to provide for the appropriate sharing of information with neighboring systems" with the incorporation of Requirement R3, Part 3.4.1, Requirement R4, Part 4.4.1, and Requirement R8.⁴⁸ Part 3.4.1 provides:

The Planning Coordinator and Transmission Planner shall coordinate with adjacent Planning Coordinators and Transmission Planners to ensure that Contingencies on adjacent Systems which may impact their Systems are included in the Contingency list.⁴⁹

NERC explains that "an entity may always decline an offer to participate in a peer review even when they should participate" and "the distribution approach means that the entity will always receive the Planning Assessment."⁵⁰ NERC further states in "the course of the continuing cycle of Planning Assessments, comments from other entities at the end of a planning cycle will be utilized at the beginning of the next cycle as the planner moves forward in time."⁵¹

42. The Commission seeks clarification on how the NERC proposal ensures the early input of peers into the planning assessments or any type of coordination amongst peers will occur. The Commission seeks comment on whether and how there is a sufficient level of evaluation and ability to provide feedback to the planners on the development and result of assessments. In addition, NERC states that that Requirement R8 "ensures that

⁴⁶ *Id.* P 1750.

⁴⁷ *Id.* P 1754.

⁴⁸ NERC Petition at 21.

⁴⁹ Proposed Reliability Standard, TPL-001-2, Requirement R3, Part 3.3.1. Part 4.4.1 is in all material respects the same as Part 3.3.1.

⁵⁰ NERC Petition at 22. Requirement R8 requires distribution to adjacent planning coordinators and transmission planners within 90 days and to others with a reliability related need that submits a request within 30 days of receiving such a request.

⁵¹ NERC Petition at 22.

information is shared with * * * adjacent entities" which "ensures * * * input received from adjacent entities."⁵² The Commission also seeks comment on whether Requirement R8 requires input on the comments to be included in the results or the development of the Planning Assessments.

2. Spare Equipment Strategy

43. In Order No. 693, the Commission directed NERC to develop a modification "to require assessments of outages of critical long lead-time equipment, consistent with the entity's spare equipment strategy."⁵³ In response, NERC developed proposed Requirement 2, Part 2.1.5 which addresses steady state conditions to determine system response when equipment is unavailable for prolonged periods of time. The studies must be performed for the P0, P1, and P2 categories in Table 1 "under the condition that the system is expected to experience during the possible periods of unavailability of the long lead-time equipment." NERC states that "[s]tability impacts related to outages of critical long lead-time equipment will not be addressed in a separated requirement but rather will be analyzed in the normal planning process."⁵⁴

44. NERC's spare equipment strategy appears to have limited the strategy to steady state analysis (excluded stability analysis).⁵⁵ While including a spare equipment strategy in the proposed Reliability Standard is an improvement, the Commission seeks clarification as to why stability analysis conditions were excluded from the spare equipment strategy.

3. Controlled Load Interruption

45. In Order No. 693, the Commission directed the ERO to modify footnote (c) of Table 1 to the Reliability Standard TPL-003-0a to clarify the term "controlled load interruption" to "ensure that third parties have access to the same options that the transmission owner uses to alleviate reliability constraints including those related to controlled load shedding."⁵⁶ NERC states in its petition that it excluded the term "controlled load interruption" in the proposed Reliability Standard TPL-001-2, but NERC does not explain the

⁵² *Id.* at 44.

⁵³ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1786.

⁵⁴ NERC Petition at 25.

⁵⁵ Proposed Reliability Standard TPL-001-2, Requirement R 2.1.5.

⁵⁶ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1818.

reason for its exclusion.⁵⁷ NERC added the term “Non-Consequential Load Loss” to the proposed Reliability Standard TPL–001–2, Table 1 and defined “Non-Consequential Load Loss” as: Non-Interruptible Load loss that does not include: (1) Consequential Load Loss, (2) the response of voltage sensitive Load, or (3) Load that is disconnected from the System by end-user equipment.⁵⁸ In addition, NERC added a new Requirement R2.1.4 for the Near-Term Transmission Planning Horizon portion of steady-state analysis that includes “Controllable Loads” as one of the conditions the planning assessment must vary in the sensitivity analysis for system peak load for year one or year two, and for year five and for system off-peak load for one of the five years.

46. The term “controlled load interruption” is found in footnote (c) which is applicable to “Loss of Demand or Curtailed Firm Transfers” in Table 1 of the existing TPL Reliability Standards. The term “Loss of Demand or Curtailed Firm Transfers” for controlled load interruptions in Table 1 of the current TPL Standards appears to be applicable to “Non-Consequential Load Loss Allowed” in Table 1 of the proposed TPL Standard. The Commission seeks clarification from the ERO if third-parties have access to the same options that the transmission owner has to alleviate reliability constraints including load shedding options for “Controllable Loads” in Requirement 2.1.4 and “Non-Consequential Load Loss Allowed” in Table 1 of the proposed Reliability Standard TPL–001–2.

4. Range of Extreme Events

47. In Order No. 693 the Commission directed the ERO to modify Reliability Standard TPL–004–0 to require that, in determining the range of the extreme events to be assessed, the contingency list of Category D would be expanded to include recent events such as hurricanes and ice storms. NERC’s proposed Reliability Standard TPL–001–2 appropriately expands the list of extreme event examples in Table 1, but the list limits these items to the loss of two generating stations under Item No. 3a.⁵⁹

48. The Commission seeks clarification from the ERO on

conditioning extreme events on the loss of two generating stations.⁶⁰ The Commission understands that there are scenarios where an extreme event can impact more than two generation stations that might not be captured due to the “two generation stations” restriction in Item No. 3a. For example, within the Florida peninsula, depending on the location within the state, either two or three main gas pipelines supply the majority of the generation for the area. In this scenario, the loss of one of the gas pipelines would result in the loss of more than two generation stations. The Commission seeks clarification regarding whether this scenario is otherwise covered under the catch-all provision in Item No. 3b which states “[o]ther events based upon operating experience that may result in wide area disturbances.”

5. Assessments and Documentation

49. The Commission seeks clarification from the ERO that planning assessments and associated documentation will include accurate representations of results on the bulk electric system with respect to the following.

a. Dynamic Load Models

50. In Order No. 693, the Commission directed “the ERO to modify the Reliability Standard to require documentation of load models used in system studies and the supporting rationale for their use.”⁶¹ Proposed Reliability Standard TPL–001–2, Requirement 2.4, Part 2.4.1 requires a load model which represents the expected dynamic behavior of loads that could impact a study area, considering the behavior of induction motor loads. NERC states that this addition to the proposed standard addresses the specifics of the Order No. 693 directive that requires “[d]ocument(ing) the load models used in system studies and the supporting rationale for their use.”⁶² Under the proposed Requirement R2, entities are required to document assumptions made in the planning assessments. The Commission seeks clarification on whether the documentation of the dynamic load models used in system studies and the supporting rationale for their use under Requirement 2.4, Part 2.4.1 will be included in the documented assumptions under Requirement R2.

b. Proxies To Simulate Cascade

51. In Order No. 693, the Commission observed that “if an entity models overload relays, undervoltage relays, all remedial action schemes including those of neighboring systems and has a good load representation, then proxies are not required. However, due to modeling and simulation limitations this is often not the case and planners invariably use proxies.”⁶³ Additionally, the Commission stated that sharing of proxies will improve knowledge and understanding and promote a more rigorous approach to analyzing cascading outages. Accordingly, the Commission directed the ERO to modify the Reliability Standard to require “definition and documentation of proxies necessary to simulate cascading outages.”⁶⁴

52. NERC states that proposed Requirement R6 “specifies that an entity must define and document the criteria or methodology used to identify system instability for conditions such as cascading, voltage instability, or uncontrolled islanding within its Planning Assessment.”⁶⁵ NERC adds that this specificity in identifying these “proxies” is an important clarification in the proposed revised standard and “will lead to greater transparency in the planner’s evaluation techniques.”⁶⁶ The Commission seeks clarification on whether Requirement R6 includes the documentation of proxies and that Requirement R8 includes the sharing of the documented proxies in the planning assessments.

c. Footnote ‘a’

53. In Order No. 693 the Commission directed NERC to modify “footnote (a) of Table 1 with regard to applicability of emergency rating and consistency of normal ratings and voltages with values obtained from other reliability standards.”⁶⁷ NERC notes that proposed Table 1, header note ‘e,’ which states planned system adjustments must be executable within the time duration applicable to facility ratings, and header note ‘f,’ which states applicable facility ratings shall not be exceeded, meets this directive thereby replacing footnote ‘a’ in the current standard.

54. The Commission observes that the proposed standard applies header note ‘e’ to “Steady State and Stability” while header note ‘f’ is excluded from “Stability” and only applies to “Steady

⁵⁷ NERC Petition at 28.

⁵⁸ In Order No. 693, the Commission explained that the term “consequential load loss” referred to “the load that is directly served by the elements that are removed from service as a result of the contingency.” Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1794 n.461.

⁵⁹ NERC Petition at 29–30.

⁶⁰ *Id.*

⁶¹ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1789.

⁶² NERC Petition at 26.

⁶³ Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1819.

⁶⁴ *Id.* P 1820.

⁶⁵ NERC Petition at 43–44.

⁶⁶ *Id.*

⁶⁷ *Id.* at 24.

State” studies. The Commission seeks clarification from the ERO regarding the rationale for excluding header note ‘f’ from “Stability” studies. Additionally, the Commission seeks clarification on which Reliability Standards the entities should utilize when obtaining the values to be used in their Planning Assessments. In addition, for Table 1, header notes ‘e’ and ‘f,’ the Commission seeks comment on whether the normal facility ratings align with, for example, FAC-008-1 and normal voltage ratings align with VAR-001-1. Furthermore, the Commission seeks clarification from the ERO whether facility ratings used in planning assessments align with other reliability standards such as NUC-001-2, BAL-001-0.1a and PRC Standards for UFLS and UVLS.

G. Commission Proposal

55. The Commission proposes to remand NERC’s proposed TPL Reliability Standard. While much of the proposed Reliability Standard TPL-001-2 appears just, reasonable, not unduly discriminatory or preferential, and in the public interest, we find that footnote 12, allowing for transmission planners to plan for non-consequential load loss following a single contingency without adequate safeguards, undermines the potential benefits the proposed Reliability Standard may provide. This is consistent with the Commission’s Final Rule in Docket No. RM11-18-000 remanding footnote ‘b,’ which is substantially the same as footnote 12. Thus, the Commission proposes to remand the proposed Reliability Standard TPL-001-2 to NERC.

III. Information Collection Statement

56. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting and recordkeeping (collections of information) imposed by an agency.⁶⁸ The information contained here is also subject to review under section 3507(d) of the Paperwork Reduction Act of 1995.⁶⁹

57. As stated above, the subject of this NOPR is NERC’s proposed modifications to the TPL Reliability Standards. This NOPR proposes to remand the proposed revisions to NERC. By remanding the proposal, the applicable Reliability Standards and any information collection requirements are unchanged. Therefore, the Commission will submit this NOPR to OMB for informational purposes only.

58. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, email: data.clearance@ferc.gov, phone: (202) 502-8663, or fax: (202) 273-0873].

IV. Regulatory Flexibility Act

59. The Regulatory Flexibility Act of 1980 (RFA)⁷⁰ generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The RFA mandates consideration of regulatory alternatives that accomplish the stated objectives of a proposed rule and that minimize any significant economic impact on a substantial number of small entities. The Small Business Administration’s (SBA) Office of Size Standards develops the numerical definition of a small business.⁷¹ The SBA has established a size standard for electric utilities, stating that a firm is small if, including its affiliates, it is primarily engaged in the transmission, generation and/or distribution of electric energy for sale and its total electric output for the preceding twelve months did not exceed four million megawatt hours.⁷² The RFA is not implicated by this NOPR because the Commission is remanding the proposed TPL Reliability Standard and not proposing any modifications to the existing burden or reporting requirements. With no changes to the Reliability Standards as approved, the Commission certifies that this NOPR will not have a significant economic impact on a substantial number of small entities.

V. Comment Procedures

60. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due 60 days from publication in the **Federal Register**. Comments must refer to Docket No. RM12-1-000, and must include the commenter’s name, the organization they represent, if applicable, and their address in their comments.

61. The Commission encourages comments to be filed electronically via the eFiling link on the Commission’s Web site at <http://www.ferc.gov>. The Commission accepts most standard

word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

62. Commenters that are not able to file comments electronically must send an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE., Washington, DC 20426.

63. All comments will be placed in the Commission’s public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VI. Document Availability

64. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC’s Home Page (<http://www.ferc.gov>) and in FERC’s Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street NE., Room 2A, Washington DC 20426.

65. From FERC’s Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

66. User assistance is available for eLibrary and the FERC’s Web site during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

By direction of the Commission.
Commissioner Norris is concurring in part with a separate statement attached.

Kimberly D. Bose,
Secretary.

Norris, Commissioner, *concurring in part:*

In today’s order, the Commission proposes to remand proposed Transmission Planning Reliability Standard TPL-001-2 to NERC, based on the decision by the Commission to remand proposed TPL-002-0b in the concurrently-issued *Transmission Planning*

⁶⁸ 5 CFR 1320.11.

⁶⁹ 44 U.S.C. 3507(d).

⁷⁰ 5 U.S.C. 601-612.

⁷¹ 13 CFR 121.201.

⁷² *Id.*

*Reliability Standards.*¹ For the reasons articulated in my separate statement in Order No. 762, I agree with the decision here to remand proposed TPL-001-2, but I do not fully agree with the basis identified by the majority in their decision.

Thus, I respectfully concur in part.

John R. Norris,
Commissioner

[FR Doc. 2012-10943 Filed 5-4-12; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

49 CFR Part 661

[Docket No. FTA-2012-0009]

Notice of Proposed Buy America Waivers

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice of proposed Buy America waivers and request for comments.

SUMMARY: The Federal Transit Administration (FTA) received several requests to waive its Buy America requirements for products used in ticket vending machines—the Mars Electronics International (MEI) Sodeco BNA57/542 Bill Handling Unit, and BNR3-XX, BNR4-XX and BNR5-XX Bank Note Recycler product; and the Nextek Corporation (Nextek) BV-6000AG (BV-6000) Currency Validator Tekpak. FTA seeks public comment before deciding whether to grant the requests.

DATES: Comments must be received by June 6, 2012. Late filed comments will be considered to the extent practicable.

ADDRESSES: Please submit your comments by only one of the following means, identifying your submissions by docket number FTA-2012-0009. All electronic submissions must be made to the U.S. Government electronic site at www.regulations.gov. Commenters should follow the instructions below for mailed and hand delivered comments.

(1) *Web site:* www.regulations.gov. Follow the instructions for submitting comments on the U.S. Government electronic docket site;

(2) *Fax:* (202) 493-2251;

(3) *Mail:* U.S. Department of Transportation, 1200 New Jersey Avenue SE., Docket Operations, M-30, Room W12-140, Washington DC, 20590-0001.

(4) *Hand Delivery:* Room W12-140 on the first floor of the West Building, 1200

New Jersey Avenue SE, Washington, DC 20590, between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays.

Instructions: All submissions must refer to the “Federal Transit Administration” and include docket number FTA-2012-0009. Due to security procedures in effect since October 2001, mail received through the U.S. Postal Service may be subject to delays. Parties making submissions responsive to this notice should consider using an express mail firm to ensure the prompt filing of any submissions not filed electronically or by hand. Note that all submissions received, including any personal information therein, will be posted without change or alteration to www.regulations.gov. For More information, you may review DOT’s complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477), or visit www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Jayme L. Blakesley at (202) 366-0304 or jayme.blakesley@dot.gov.

SUPPLEMENTARY INFORMATION: The purpose of this notice is to seek public comment on whether the Federal Transit Administration should continue to waive its Buy America requirements for two years for Mars Electronics International (MEI) Sodeco BNA57/542 Bill Handling Unit BNR3-XX, BNR4-XX and BNR5-XX Bank Note Recycler products, and the Nextek Corporation’s (Nextek) BV-6000AG (BV-6000) Currency Validator Tekpak, or whether FTA should extend the non-shift approach adopted in its 2007 Final Rule (72 FR 53688, September 20, 2007) to the procurement of such devices.

Waiver Request: MEI Sodeco BNA57/542 Bill Handling Unit

MEI requested an extension of the Buy-America non-availability component waiver under CFR 661.7(g) for the MEI Sodeco BNA57/542 Bill Handling Units. The FTA granted the initial waiver for these products on July 21, 2000, and has extended the waiver periodically ever since, on December 10, 2003, November 12, 2004, October 20, 2006, and February 23, 2009.

Buy America requires, with few exceptions, that all steel, iron and manufactured goods used in FTA-funded projects be produced in the United States. One such exception is that of non-availability, that in some instances steel, iron, and goods produced in the United States are not produced in the United States in sufficient and reasonably available

quantities or are not of a satisfactory quality. Therefore, Congress authorized FTA to waive the above requirement and allow, based on non-availability, the use in an FTA-funded project of steel, iron or manufactured goods produced outside the United States.

According to MEI, the Sodeco BNA57/542 Bill Handling Units includes a multiple bill escrow (up to 15 bills) that enables return of the customer’s inserted bills in situations where the transaction is not complete. The unit has the ability to identify, validate and accept multiple note denominations (US \$1, \$5, \$10, \$20, \$50, \$100) utilizing all optical recognition, and allowing for the acceptance of bills in a face up or face down orientation. It also supports remote download, giving a transit agency the option of downloading new bill recognition software (bill variants) via network from one central location.

MEI’s customers include the Washington Metropolitan Area Transit Authority (WMATA), New York City Transit (MTA), and the Bay Area Rapid Transit Authority (BART).

In 1999, to support its initial waiver request, MEI performed a market research study. It found no equivalent products manufactured within the United States. In preparation of the instant waiver request, MEI reviewed its earlier findings and compared them with the known providers of payment systems to the transit market. They found no US manufacturers of functionally equivalent products. Companies they identified who supply a similar product—GAO/Geiseke & Deviran (G&D), Toyocom, and Cashcode—all manufacture their products outside of the United States.

Waiver Request: MEI BNY3-XX & BNR5-XX Bank Note Recycler Products

In a letter dated February 28, 2011, MEI requested an extension of the Buy America non-availability component waiver under CFR 667.7(g) for BNY3-XX & BNR5-XX Bank Note Recycler products. The initial waiver was granted by FTA on October 20, 2008. The Bank Note Recycler (BNR) can accept and validate bank notes and pay them back out as change. The unit has the ability to identify, validate and accept multiple bank note denominations (US \$1, \$5, \$10, \$20, \$50, \$100) utilizing all optical recognition. This allows for the acceptance of bank notes in a face-up or facedown orientation. The unit has multiple-note escrow function (up to 15 Bank notes) that enables return of the customer’s inserted bank notes, in situations where the transaction is not complete, or presentation of bank notes

¹ Order No. 762, 139 FERC ¶ 61,060 (2012).