950. We do not share TAPS' concern regarding LSEs initiating load shedding as their own control action to respect IROLs or SOLs. The appropriate control actions to respect IROLs and SOLs are the responsibilities of a reliability coordinator and transmission operator. If load shedding is required, it is the responsibility of a reliability coordinator or a transmission operator to direct the appropriate entities including LSEs to carry it out. However, we urge the ERO to provide further clarification in this regard and include TAPS' concern in developing the modification of this Reliability Standard.

951. Accordingly, the Commission approves Reliability Standard IRO-005-1 as mandatory and enforceable. Further, because IRO-005-1 has no Measures or Levels of Non-Compliance, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to IRO-005-1 through the Reliability Standards development process that includes Measures and Levels of Non-Compliance. The Commission further directs that the Measures and Levels of Non-Compliance specific to IROL violations must be commensurate with the magnitude, duration, frequency and causes of the violations and whether these occur during normal or contingency conditions. Finally, the Commission directs the ERO to conduct a survey on IROL practices and actual operating experiences by requiring reliability coordinators to report any violations of IROL, their causes, the date and time, the durations and magnitudes in which actual operations exceeds IROLs to the ERO on a monthly basis for one year beginning two months after the effective date of the Final Rule. We may propose further modifications to IRO-005-1 based on the survey results.

f. Reliability Coordination – Transmission Loading Relief (IRO-006-3)

952. IRO-006-3 ensures that a reliability coordinator has a coordinated method to alleviate loadings on the transmission system if it becomes congested to avoid limit violations. IRO-006-3 establishes a detailed Transmission Loading Relief (TLR) process for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions based on their priorities and according to different levels of TLR procedures.[305] The proposed Reliability Standard includes a regional difference for reporting market flow information to the Interchange Distribution Calculator rather than tagged transaction information for the MISO and PJM areas. It also includes by reference the equivalent Interconnection-wide congestion management methods used in the WECC and ERCOT regions.

[305] The equivalent Interconnection-wide transmission loading relief procedures for use in WECC and ERCOT are known as "WSCC Unscheduled Flow Mitigation Plan" and Section 7 of the "ERCOT Protocols," respectively.

953. In the NOPR, the Commission proposed to approve Reliability Standard IRO-006-3 as mandatory and enforceable. In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission proposed to direct NERC to submit a modification to IRO-006-3 that: (1) includes a clear warning that a TLR procedure is an inappropriate and ineffective tool to mitigate IROL violations; (2) identifies in a Requirement the available alternatives to use of the TLR procedure to mitigate an IROL violation and (3) includes Measures and Levels of Non-Compliance that address each Requirement. In addition, the Commission proposed to approve the WECC and ERCOT load relief procedures as superior to the national standard.

i. Comments

954. APPA agrees that IRO-006-3 is sufficient for approval as a mandatory Reliability Standard. It suggests that the ERO should consider development of detailed Measures and Levels of Non-Compliance that address each Requirement in IRO-006-3. Until then, penalties should not be imposed except for egregious violations and the associated penalties should be imposed by the Commission.

955. APPA, Entergy and MidAmerican agree that the TLR procedure is an inappropriate and ineffective tool to mitigate actual IROL violations and that a clear warning to that effect should be included. MidAmerican specifically suggests that the warning must also apply to actual emergency situations in addition to actual IROL violations.

956. Similarly, ISO-NE supports the Commission's conclusions with regard to reliance on TLRs to address actual IROL violations. Further, it supports the Commission's proposal that the ERO should modify the Reliability Standard to provide flexibility for ISOs and RTOs to rely on redispatch as a means to mitigate an IROL violation.

957. Xcel suggests that instead of the proposed modification of a clear warning, it should include a requirement that TLR procedures should not be used for alleviating actual IROL violations. It asserts that the latter approach would be more measurable than the Commission's proposed modification.

958. Entergy and MidAmerican believe that TLR procedures can be an effective mechanism to avoid potential SOL and IROL violations or potential emergency situations.

959. In contrast, Progress Energy disagrees with the Commission's reasoning on the ineffectiveness of using TLR procedures to alleviate actual IROL violations.

ii. Commission Determination

960. The Commission approves IRO-006-3 as mandatory and enforceable. In addition, we direct the ERO to develop modifications to the Reliability Standard as discussed below.

961. The Commission remains convinced, based on Blackout Recommendation No. 31,[306] the submissions from APPA, Entergy, MidAmerican, ISO-NE and Xcel, and NERC's comments on the Staff Preliminary Assessment,[307] that proposed directives to include a clear warning that a TLR procedure is an inappropriate and ineffective tool to mitigate IROL violations and to identify the available alternatives to use of the TLR procedure to mitigate an IROL violation are the appropriate improvements to address the deficiencies in using TLR procedures to mitigate actual IROL violations or actual emergency situations. The Commission endorses Blackout Recommendation No. 31.

962. The Commission agrees with Entergy and MidAmerican that TLR procedures can be an effective mechanism to avoid potential IROL violations and potential emergencies. Regarding this, we reiterate that our concerns have always been on the use of TLR to mitigate actual IROLs or actual emergencies, and not on potential IROLs or emergencies, as indicated in the Blackout Report, Staff Assessment and the NOPR.

963. We do not understand Progress Energy's disagreement because no reason is provided.

964. Accordingly, in addition to approving the Reliability Standard, the Commission directs the ERO to develop a modification to IRO-006-3 through the Reliability Standards development process that (1) includes a clear warning that the TLR procedure is an inappropriate and ineffective tool to mitigate actual IROL violations and (2) identifies in a Requirement the available alternatives to mitigate an IROL violation other than use of the TLR procedure. In developing the required modification, the ERO should consider the suggestions of MidAmerican and Xcel. In addition, the Commission

---

[306] Blackout Recommendation No. 31, at 163 is to "Clarify that the transmission loading relief (TLR) process should not be used in situations involving an actual violation of an Operating Security Limit."

[307] The NERC comments to Staff Assessment at 49 state that "NERC agrees that the TLR procedure alone is usually not effective as a control measure to mitigate an IROL violation and explains that the TLR procedure was not intended to be effective in this manner."

approves the WECC and ERCOT load relief procedures as superior to the national Reliability Standard. As identified in the NOPR, the Commission directs the ERO to modify the WECC and ERCOT procedures to ensure consistency with the standard form of the Reliability Standards including Requirements, Measures and Levels of Non-Compliance.[308]

g. Regional Difference to IRO-006-3: PJM/MISO/SPP Enhanced Congestion Management (Curtailment/Reload/Reallocation)

i. Background

965. As explained in the NOPR, IRO-006-003 provides for a regional difference for MISO, PJM and SPP.[309] According to NERC, the regional difference is needed to allow RTO market practices, simplify transaction information requirements for market participants, and provide reliability coordinators with appropriate information for security analysis and curtailments, reloads, reallocations and redispatch requirements.

966. The regional difference to IRO-006-3 applies the congestion management process included in Joint Operating Agreements filed by MISO, PJM and SPP and specified in seams agreements reached among MISO, PJM, and their neighboring non-market areas during the RTOs' market formation and expansions. Under the congestion management process in the waiver, each RTO calculates an amount of energy (market flow) flowing across coordinated flowgates. These market flows are separated into their appropriate priorities based on the RTO's schedules and reservations and are available for curtailment under the appropriate TLR Levels in the NERC interchange distribution calculator. Under the TLR method for curtailing interchange transactions and in the per generator method for generation-to-load impacts, NERC uses a five percent curtailment threshold, but in the waiver, the RTO's market flows with an impact of greater than zero percent on a coordinated flowgate are represented and made available for curtailment under the appropriate TLR priorities.

967. In their comments on the Staff Preliminary Assessment, MISO-PJM contended that there is unduly discriminatory treatment of the market flows of MISO and PJM versus the generation-to-load impacts of non-market entities because the waiver subjects

[308] See NOPR at P 564-65.

[309] NOPR at P 568.

the RTOs to curtailment (and the corresponding redispatch costs) in circumstances where the non-market entities would not be subject to curtailment.

968. In the NOPR, the Commission did not propose to approve or remand this regional difference.

ii. Comments

(a) Application of the Regional Difference

969. MISO-PJM contends that there is unduly discriminatory treatment against market flows of MISO and PJM during the application of the TLR Standard. The RTOs argue that NERC should modify IRO-006-3 and the MISO and PJM regional difference to require modifying the market flow threshold used by the interchange distribution calculator to assign relief obligations to MISO, PJM, and SPP from zero to a standard percentage that is technically feasible to implement on a non-discriminatory basis, netting of market flow impacts, tag impacts, and generation-to-load impacts, and reporting to the interchange distribution calculator all net generation-to-load impacts for both market and non-market transmission providers. Constellation supports MISO-PJM's argument that there is unduly discriminatory treatment of the MISO and PJM market flows compared to the generation-to-load impacts of non-market entities in the application of the TLR standard.

970. MISO-PJM indicates that they have raised the equity issue with the NERC Operating Reliability Subcommittee (Operating Subcommittee), that their markets currently are being asked to curtail market flow impacts down to zero percent while tagged transactions and generation-to-load impacts during TLR 5 are being asked to curtail impacts that are five percent or greater. MISO-PJM states that the NERC Operating Subcommittee has indicated that they will address reliability issues only and that they are not the appropriate group to address equity issues.

(b) Seams Agreements

971. Several entities argue that the Commission should not overturn the existing IRO-006-3 regional difference. MidAmerican states that MISO and PJM should continue to pursue a negotiated solution to the issues outlined in MISO-PJM's filings. Mid-Continent states that the Commission should reject the MISO-PJM proposal to require NERC to allow them to report only the transactions with five percent or greater impacts on flowgates rather than report all transactions for curtailments, since MISO and PJM offered to report all transactions to avoid negative impacts on the reliability of the transmission system. Mid-Continent argues that not doing so would impact the reliability of the transmission system.

972. Mid-Continent asks the Commission to not implement MISO and PJM's proposal to modify NERC's proceduresand to not override seams agreements. MidAmerican claims that MISO-PJM comments amount to an abrogation of existing seams agreements. MidAmerican states that the seams agreements were negotiated in a give-and-take process between the parties resulting in the existing waiver which was proposed by PJM and MISO in response to Commission orders. MidAmerican states that if any changes are sought to these waivers, they should be addressed in negotiation with the appropriate parties. MidAmerican suggests that any changes should be requested by way of the NERC process for developing Reliability Standards and that any negotiated agreements should be presented to the Commission for approval. Mid-Continent claims that MISO-PJM have not provided valid reasons to replace the current Reliability Standards or to take actions that would modify existing seams agreements signed by MISO and PJM. Mid-Continent asks the Commission not to short-circuit the NERC Reliability Standards process which will give full consideration to the reliability implications of MISO's and PJM's proposal.

973. APPA agrees with the Commission's proposed approach in allowing MISO, PJM, NERC and other "relevant entities" to continue their negotiations regarding this regional difference. APPA cautions that any agreement reached by NERC and approved by the Commission regarding a regional difference for this Reliability Standard should be governed by reliability considerations and should not permit market design considerations to override NERC's Reliability Standards. MidAmerican suggests a process where the RTOs invite parties to reconsider the seams agreements, the parties negotiate changes, the Commission approves new agreements and waivers are then sought from NERC to the extent necessary. MidAmerican argues that since the RTOs do not allege any reliability problem there is no need to reject or upend the existing NERC waiver.

(c) Modifying the Congestion Management Process and Alternatives for Temporary Application of the Waiver

974. Mid-Continent states that it agrees with the Commission's proposal to not adopt MISO and PJM's request to instruct NERC to modify the current waiver to the TLR in the RTOs and believes that instead the Commission should direct NERC to address these issues through the Reliability Standards development process with input from neighboring systems. Mid-Continent states that changes to the waiver must not discriminate against non-market regions; must not negatively impact the reliability of neighboring systems and must be consistent with seams agreements signed by the RTOs.

975. NRECA claims that issues associated with market flows and generation-to-load impacts have not been resolved and is concerned that MISO-PJM's suggestion that

"consensus" has been reached on the issues is premature. NRECA is also concerned that implementation of the MISO and PJM proposal could increase reliance on TLRs. NRECA urges the Commission to not short circuit or circumvent the Reliability Standards development process or the RTO stakeholders process and states that the Commission should permit the stakeholders to reach full consensus.

976. MISO-PJM indicates that they have been working with both the NERC Operating Subcommittee and the Congestion Management Process Working Group (Congestion Working Group) to achieve a consensus on these changes, and that based on this, the Commission stated in the NOPR that it prefers that MISO, PJM and others continue negotiations to resolve these issues rather than imposing a solution on market participants. MISO-PJM state that they have held extensive discussions with a group composed of NERC Operating Subcommittee and Congestion Working Group participants. MISO-PJM indicates that detailed analyses has been performed to evaluate the effect of changing the market flow threshold from zero percent to five percent in one percent increments and that the NERC Operating Subcommittee has recommended that the market flow threshold used by the interchange distribution calculator to assign relief obligations to the MISO, PJM, and SPP be changed from zero percent to three percent for a 12 month interim period. MISO-PJM assert that at the end of the 12 months, a decision will be made whether to recommend a permanent change to the market flow threshold from zero percent to three percent or a change to some other value. MISO-PJM state that according to the NERC Operating Subcommittee, this recommendation is to only address the reliability issue raised by MISO, PJM and SPP so that they are able to meet their relief assignment during TLR.

977. MISO-PJM also state sthat to receive congestion management process Council endorsement and support for the change being developed by the NERC Operating Subcommittee group, it requires unanimous approval by the congestion management process Council and that, though the 12 month field test to change the market flow threshold from zero percent to three percent has the support of MISO, PJM, SPP and TVA, it does not have the unanimous approval of all signatories to the seams agreements. MISO-PJM states that MAPPCOR (MAPP) has not agreed to the field test recommended by the NERC Operating Subcommittee and that MAPP has asserted that MISO should continue to honor their contractual obligation and report market flow impacts down to zero percent for relief assignments as specified in the MISO-MAPP Seams Operating Agreement. MISO is concerned that once the field test is complete and the NERC Operating Subcommittee recommends the use of a three percent threshold or some other threshold to address the reliability issue, the MISO may still have a contractual obligation with MAPP to use market flows down to zero percent for relief assignments. MISO-PJM states that this contractual obligation can only be altered if MISO and MAPP can agree on a change to the Seams Operating Agreement but expects resistance to change the

Seams Operating Agreement. MISO and PJM do not believe they can address the equity issue by continuing discussions with the NERC Operating Subcommittee.

978. MISO-PJM also state that by continuing to use market flows down to zero percent for relief assignments on reciprocally coordinated flowgates between MISO and MAPP, there will be situations where MISO is unable to meet its relief obligation. MISO-PJM states that they have sought unsuccessfully to execute redispatch agreements with those parties who have direct counter-flow on the identified flowgates where the MISO is unable to meet its relief obligation. MISO-PJM believe that the Commission should address this continuing discriminatory treatment of the market impacts on flowgates. MISO-PJM state that of the three areas where MISO-PJM raised comments on discriminatory treatment of the markets, only one area (changing the market flow threshold for a 12 month field test) has resulted in steps being taken to address the discriminatory treatment and that even this one area can only be considered a partial success because there is only a solution to address the reliability issue, but not the equity issue.

979. MISO-PJM explain in their supplemental comments that NERC has demonstrated a willingness to consider the reliability issue by authorizing a 12 month field test allowing PJM, MISO and SPP market flows to use a three percent threshold, to observe the impact on reliability, but will not address what it refers to as "equity issues." MISO-PJM explains the field test has been approved by all the reciprocal entities that have signed seams agreements except MAPP. MISO-PJM state that, at the end of the 12 months, a decision will be made whether to use a three percent threshold or some other threshold to address the reliability concerns. MISO-PJM explain that the same entities that make up the Mid-Continent objected to the field test because they asserted MISO has a contractual obligation under the MAPP Seams Operating Agreement to continue reporting its market flows down to zero percent. MISO-PJM contend that because the MISO has agreed to honor its contractual obligation during the field test and will continue to use a zero percent threshold for all flowgates that are reciprocal between MISO and MAPP, this means that the flowgates under the control of the Mid-Continent parties will not participate in the field test and NERC will have no data to show the impact of changing the market flow threshold to three percent on these flowgates.

980. MISO-PJM state that as long as the regional difference does not become a mandatory standard during the field test, they are satisfied that appropriate steps are being taken to address reliability.

(d) Reporting of Generator to Load Impacts by Non Market Areas

981. MISO-PJM supports modifications to the TLR process that would require all participants (both market and non-market) to report their market flow impacts and generator-to-load impacts to the interchange distribution calculator and honor their allocations when they report their firm versus their non-firm usage. MISO-PJM believes that taking this step would also address the threshold equity issue and the netting issue because all entities would be subject to the same treatment. MISO-PJM requests that the Commission to either direct NERC to initiate a process to modify the interchange distribution calculator such that market flows and generator-to-load impacts from non-market areas are both reported to the interchange distribution calculator and are subject to curtailment based on their priorities from the allocations or that the Commission take action to do so.

982. MISO-PJM states that the reporting of generator-to-load impacts by the non-market entities is the one area that is not currently under discussion with a stakeholder group. MISO-PJM explains that both the market and non-market entities receive an allocation on flowgates and that both the market entities and the non-market entities use the allocations when selling firm transmission service. MISO-PJM states that only the market entities report their market flows to the interchange distribution calculator and use their allocations to determine what portion of market flows will be considered firm and believe that the non-market entities could also report their firm and non-firm generator-to-load usage to the interchange distribution calculator and receive relief assignments based on this usage. MISO-PJM indicates that this would remove the assumption that all generator-to-load impacts from the non-market entities represent firm usage. MISO-PJM states that reporting relief obligations by one group of participants and not reporting by the other results in conflicting actions during the TLR process because market entities suffer the financial consequences of redispatch at the same time reliability is not being accomplished due to off-setting actions by non-market entities.

983. MISO-PJM states that, to address the discriminatory treatment of the markets, the Commission could order the TLR Reliability Standard to be modified to have the market entities discontinue reporting their market flows to the interchange distribution calculator. MISO-PJM believes that instead of this order, the preference is to have the market entities continue reporting their market flow impacts and the non-market entities report their generator-to-load impacts to the interchange distribution calculator. The allocations would be used to set the priority of these impacts.

984. Mid-Continent states that the regional difference requiring PJM and MISO to report all flows instead of net flows was part of the commitments MISO and PJM made to meet NERC's tagging requirements. Mid-Continent contends that it is appropriate to

treat MISO-PJM market flows differently because they are greater than the system flows that resulted from control area-based system operation. Mid-Continent further claims that MISO cannot achieve the redispatch the interchange distribution calculator requires because of MISO's own actions since MISO does not report actual flows to the interchange distribution calculator and MISO and PJM's congestion management tools do not utilize all redispatch options.

(e) Accounting for Counter Flows during TLR

985. MISO-PJM state that there have been discussions at the NERC Operating Subcommittee about taking into account counter-flows during TLR when assigning relief. MISO-PJM contend sthat by considering counter-flows, those entities that are responsible for the loading problem on a net basis will be responsible for fixing the loading problem during TLR. MISO-PJM states that the MISO, PJM and SPP markets operate on a net flow basis and, therefore, have additional reasons for wanting to consider counter-flows. MISO-PJM expects that by summer 2007, the Task Force will have a recommendation on netting in the interchange distribution calculator for the NERC Operating Subcommittee to consider. MISO-PJM state that it is premature to speculate on the outcome of the discussions with the NERC Operating Subcommittee at this time. MISO-PJM clarifies that they are not asking the Commission to take any action on this issue but to let the NERC Operating Subcommittee address the technical merits of netting impacts in the interchange distribution calculator.

986. Mid-Continent states that eliminating the requirements to report flows in both directions may adversely impact reliability because the interchange distribution calculator will not have enough information to assign responsibilities to the contributors of a constraint.

iii. Commission Determination

987. The Commission will not approve or remand this regional difference. The treatment of the market flows of MISO-PJM versus the generation-to-load impacts of non-market entities in the application of the TLR standard has been addressed by the Commission in a number of cases.[310] In approving the plans of various transmission owning utilities to join PJM, the Commission attached several conditions including a requirement that certain non-market utilities be held harmless from effects of loop flow

[310] See Alliance Companies, 100 FERC ¶ 61,137 (2001) and Midwest Independent Transmission System Operator, Inc. and PJM Interconnection, L.L.C., 106 FERC ¶ 61,251 (2004).

and congestion resulting from the utilities' RTO choices.[311] Further, during MISO's market start up,[312] the Commission determined that the markets could not start without the MISO having at least a specific, transparent plan for how it will handle the interface of multiple transmission tariffs and market-to-non-market seams[313] and required the MISO to file any resolution of seams, or a status report of progress on seams resolution including detailed plans as to how MISO will address seams absent agreements, within 60 days of the date of the order. The regional difference to IRO-006-3 applies the congestion management process that was included in the Joint Operating Agreement filed by MISO, PJM and SPP and that was specified in the seams agreements reached between MISO, PJM, and their neighboring non-market areas in order to meet the Commission's requirements described above.[314]

988. The Commission recognizes MISO-PJM's concerns that: (1) the congestion management process process could be placing an undue burden on the RTO regions to provide redispatch especially on remote flowgates where an RTO's dispatch has a small impact and (2) under the congestion management process, the calculation of market flows for relief assignments on Reciprocal Coordinated Flowgates between the MISO and MAPP could create situations where MISO is unable to meet its relief obligation without curtailing load. We also understand that these concerns are exacerbated by the possibility of civil penalties for non-compliance with the requirement to use market flows down to zero percent for relief assignments on reciprocal coordinated flowgates between MISO and MAPPCOR. Especially during transitions when markets with multiple control areas are started up, markets are expanded to include other control areas, or non-market control areas are consolidated, this can have an effect on the loop flows experienced by

[311] Commonwealth Edison Company and American Electric Power Service Corporation, 106 FERC ¶ 61,250 (2004). This order required ComEd to demonstrate that its proposal held utilities in Wisconsin and Michigan harmless from all adverse impacts associated with loop flow or congestion that would result from its choice to join PJM.

[312] See Midwest Independent Transmission System Operator, Inc., 108 FERC ¶ 61,163 (2004).

[313] To resolve this issue, the Commission encouraged market participants to use the PJM-Midwest ISO joint operating agreement as a model or starting point for seams agreements, particularly with respect to the seams with the various utilities in the MAPP region.

[314] See Midwest Independent Transmission System Operator, Inc., 110 FERC ¶ 61,290 (2005).

neighboring regions and the redispatch required by the neighboring regions due to fewer tagged transactions reported to the interchange distribution calculator. The Commission recognizes that there are concerns by neighboring entities to be held harmless from increased redispatch responsibility caused by these transitions.

989. The Commission concludes that the issues described by MISO-PJM (i.e., defining the obligation of a certain region to provide redispatch when a flowgate becomes congested) are best handled through seams agreements rather than being subject to the NERC processes. We recognize that the two areas of seams agreements and Reliability Standards could overlap if the agreements reached do not allow for reliable outcomes where parties can achieve the relief assigned. As such, the Commission will neither approve nor remand the waiver of the regional difference to IRO-006-3 while the 12 month field test allowing PJM, MISO and SPP market flows to use a three percent threshold is being conducted. After the 12 month field test is complete, the Commission will reexamine approving the waiver as a mandatory and enforceable Reliability Standard.

990. The Commission instructs the RTOs to continue working with the non-market regions to develop revised seams agreements that allow for equitable and feasible treatment of market flows in the NERC TLR/redispatch process. The solution should not harm system reliability and should not subject either non-RTO transmission owners or the RTO markets to unreasonable redispatch responsibilities. We note that if consensus cannot be reached, the RTOs may file a section 205 or section 206 proposal to revise the terms and conditions of the congestion management process if the terms agreed on in the seams agreements and Joint Operating Agreement have become unjust or unreasonable or may file to terminate the agreements as allowed in the seams agreements.

991. The Commission will not adopt MISO-PJM's proposal to require non-market entities to report their generator-to-load impacts to the interchange distribution calculator with the allocations used to set the priority of these impacts in this Reliability Standards process. If NERC determines that this information and corresponding curtailment options are needed for reliability, NERC should file to modify IRO-006-3 to include these additions. However, the economic implications of the reporting of generator-to load impacts by non-market entities are not in the scope of the reliability process and are better addressed on a case-by-case basis or, as appropriate, in the proceeding on RTO Border Utility Issues.[315]

[315] See RTO Border Utility Issues, Notice of Technical Conference on Seams Issues for RTOs and ISOs in the Eastern Interconnections (Docket No. AD06-9-000) (issued Jan. 25, 2007).

992. In addressing MISO-PJM's claim that the ERO should modify IRO-006-3 and the MISO-PJM regional difference to require netting generation-to-load impacts to recognize counterflow, we will let the ERO Operating Subcommittee address the technical merits of netting flow impacts in the interchange distribution calculator.

h. Procedures, Processes, or Plans to Support Coordination between Reliability Coordinators (IRO-014-1)

993. The stated purpose of IRO-014-1 is to ensure that each reliability coordinator's operations are coordinated so that they will not have an adverse reliability impact on other reliability coordinator areas and to preserve the reliability benefits of interconnected operation. Specifically, IRO-014-1 ensures energy balance and transmission by requiring a reliability coordinator to have operating procedures, processes or plans for the exchange of operating information and coordination of operating plans.

994. In the NOPR, the Commission proposed to approve IRO-014-1 as mandatory and enforceable.

i. Comments

995. APPA agrees with the Commission's proposed approval of IRO-014-1 as mandatory and enforceable.

ii. Commission Determination

996. For the reasons stated in the NOPR, the Commission approves IRO-014-1 as mandatory and enforceable.

i. Notifications and Information Exchange between Reliability Coordinators (IRO-015-1)

997. IRO-015-1 establishes Requirements for a reliability coordinator to share and exchange reliability-related information among its neighbors and participate in agreed-upon conference calls and other communication forums with adjacent reliability coordinators.

998. In the NOPR, the Commission proposed to approve IRO-015-1 as mandatory and enforceable.

i. Comments

999. APPA agrees with the Commission's proposed approval of IRO-015-1 as mandatory and enforceable.