

Summary of Federal Energy Regulatory Commission Order 676

Order 676, issued by the Federal Energy Regulatory Commission (FERC) on April 25, 2006, incorporates by reference the following standards developed by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB):

- business practices for open access same-time information systems (OASIS);
- business practices for OASIS standards and communications protocols;
- OASIS data dictionary;
- coordinate interchange;
- area control error equation special cases;
- manual time error correction; and
- inadvertent interchange payback.

The commission also required public utilities to modify their open access transmission tariffs (OATTs) to include the WEQ standards the next time they make any unrelated filing to revise their OATTs.

On **inadvertent interchange payback**, the commission said, "We are concerned that, as reported by NAESB, the existing inadvertent interchange payback standards are susceptible to abuse for financial gain, particularly if such abuse can lead balancing authorities to create imbalances that may jeopardize reliability." It urged NAESB and the North American Electric Reliability Council (NERC) "to continue to work cooperatively to revise these standards to ensure that inadvertent interchange payback cannot be abused and that reliability is not jeopardized by such actions."

FERC said that it expects that "given the ever-changing nature of the industry," the WEQ will revise its standards on **coordinate interchange** when appropriate.

“In fact, the WEQ is already in the process of revising the coordinate interchange standards, including Appendix A,” the commission said. “We encourage the ISO/RTO Council to participate in the development of revised standards.”

While it accepted the **definitions** in the four NAESB standards that complement NERC’s Version 0 reliability standards—coordinate interchange, area control error equation special cases, manual time error correction, and inadvertent interchange payback—the commission said it agreed with comments filed by the ISO/RTO Council that these definitions differ somewhat from NERC’s definitions and that in the future there should be a single definition of reliability terms. “It is appropriate that NERC take the lead on defining these terms, as they are reliability related, and that these same definitions be used by the WEQ in its standards,” the commission said.

FERC said it would not adopt OASIS standard 001-9.7, to facilitate the **redirect of transmission services**, noting that it could be interpreted to mean that “the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights in the redirect path even when such rights are available.” This is inconsistent with the pro forma OATT and commission policies, the order said. The commission offered guidance to the WEQ in developing an acceptable standard.

The commission declined to incorporate by reference the WEQ’s **standards of conduct** for electric transmission providers because they duplicate the commission’s regulations. It noted that NAESB has said it will review the standards of conduct approved by the Wholesale Gas Quadrant to prepare comparable standards for the WEQ, and stated, “We look forward to reviewing this work product when it is completed.

FERC “is pleased that the WEQ has begun the process of developing business practice and communication standards for the electric industry. Standardization of business practices and communications processes will benefit the electric industry by providing for uniform method of doing business with different transmission providers,” the order stated. It said that since the electric industry “relies heavily on natural gas as a fuel source, it is becoming increasingly important for the business practices and communications protocols of these industries to work together efficiently. Because NAESB develops business practice and communications standards for the wholesale and retail natural gas and electric industries, NAESB standards will enable participants in these industries to better coordinate their activities and improve their communications.”

The commission also commended NAESB and NERC for developing new procedures to coordinate the development of standards that affect both reliability and business practices.