Ms. Rae McQuade  
President  
North American Energy Standards Board  
1301 Fannin, Suite 2350  
Houston, Texas  77002

Dear Ms. McQuade:


I am writing to provide comments on behalf of the NERC Operating Committee’s Operating Reliability Subcommittee on NAESB Recommendation R04013A, “Version 0 Business Practice Standard Development of post-split Version 0 Transmission Loading Relief (TLR) Business Practice Standard.”

At its November 16–17, 2005 meeting, the Operating Reliability Subcommittee agreed to the following:

1. Based on industry comments, as well as its own deliberations, to withdraw its standards authorization request that would remove the business practices from NERC standard IRO-006-0, “Transmission Loading Relief,” and

2. To request that the North American Energy Standards Board discontinue developing the complementary business practice standards as described in its Recommendation R04013A, and

3. To request that the NAESB Business Practices Subcommittee work with the Operating Reliability Subcommittee on an on-going basis on all future changes to the TLR Procedure.

History — In August 2004, NERC and NAESB agreed to begin a joint effort to update the Eastern Interconnection TLR Procedure, as reflected in Attachment 1 to reliability standard IRO-006-0, to divide the reliability requirements and business practices, and to incorporate other necessary improvements to the TLR Procedure. In December 2004, NERC and NAESB formed the joint TLR Subcommittee to separate the TLR requirements that are necessary for reliability, as distinguished from those TLR requirements that are business practices, and provide recommendations to the NERC Operating Reliability Subcommittee and NAESB Business Practices Subcommittee.

As a result of the TLR Subcommittee’s agreements on July 14, 2005, the Operating Reliability Subcommittee submitted a standards authorization request to remove the business practices from NERC

**Industry Comments** — Of the twelve sets of industry comments that NERC received, six did not believe there was a reliability need for the proposed standard. Many of the comments cited the intimate connection between the curtailment process itself and the business practice rules that govern the curtailment order within that process. While splitting the reliability and business practices is possible, many do not believe it is worth the risks of confusing the system operators, who would need to consult separate standards as they work their way through the various TLR curtailment levels. Based on these comments, the Operating Reliability Subcommittee does not believe sufficient industry support exists to pursue separating the business practices from this reliability standard.

**Subcommittee Deliberations** — In addition to the industry comments, the subcommittee’s own discussions pointed out the complexities of keeping the Interchange Distribution Calculator (IDC) algorithms aligned with the curtailment order business practices and the FERC *pro forma* tariff. This is the responsibility of the NERC Interchange Distribution Calculator Working Group, Distribution Factors Working Group, and the IDC services vendor. The Operating Reliability Subcommittee relies on the expertise of all these groups when contemplating new algorithms, for either reliability or marketplace enhancements, to the TLR Procedure.

* * *

With these considerations in mind, the Operating Reliability Subcommittee decided to withdraw the IRO-006 standards authorization request and, therefore, requests that NAESB discontinue its work on complementary business practice R04013A.

The subcommittee is keenly aware that changes to the TLR procedure must have marketplace consideration and input. Therefore, the subcommittee supports the involvement of NAESB and its Business Practices Subcommittee on all future TLR procedure changes and enhancements. The NERC and NAESB staffs will ensure that the Business Practices Subcommittee, and other NAESB groups whose scope includes aspects of the TLR procedure, are invited to attend all ORS meetings, and that we provide sufficient time for discussion and standards drafting.

The Operating Reliability Subcommittee believes these recommendations will continue to provide the excellent reliability standards and complementary business practices that we need for the TLR procedure to work effectively.

Sincerely,

*Kim Warren*

Kim Warren
Vice Chairman
Operating Reliability Subcommittee

DMB:sbc

Attachment (Operating Reliability Subcommittee Roster)
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