

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Registration of Inverter-Based Resources | Docket No. RD22-4-000

**COMMENTS OF THE AMERICAN PUBLIC POWER
ASSOCIATION, THE EDISON ELECTRIC
INSTITUTE, THE LARGE PUBLIC POWER
COUNCIL, AND THE TRANSMISSION ACCESS
POLICY STUDY GROUP**

Pursuant to the Commission’s February 16, 2023, Combined Notice of Filings #1, March 14, 2023, Combined Notice of Filings #1, and Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214, the American Public Power Association (“APPA”), the Edison Electric Institute (“EEI”), the Large Public Power Council (“LPPC”), and the Transmission Access Policy Study Group (“TAPS”) (collectively, “Trade Associations”) submit comments regarding the North American Electric Reliability Corporation’s (“NERC”) February 15, 2023, Request for Approval of the Inverter Based Resources (“IBR”) Work Plan¹ and March 13, 2023, Amendment and Errata.²

I. COMMENTS

A. Trade Associations Support NERC’s Work Plan to Develop Criteria for Registering IBRs.

NERC proposes to modify its Rules of Procedure (“ROP”) to include a new function composed of owners of IBRs interconnected to the Bulk-Power System (“BPS”).

¹ North American Electric Reliability Corporation Request for Approval of the Inverter Based Resources Work Plan and Request for Expedited Review (Feb. 15, 2023), eLibrary No. 20230215-5191 (“IBR Work Plan” or “Work Plan”).

² North American Electric Reliability Corporation Amendment to Inverter-Based Resources Work Plan and Errata to Whitepaper (Mar. 13, 2023), eLibrary No. 20230313-5249 (“Amendment”).

NERC's Work Plan reflects initial parameters for the new class of entity that owns IBRs.³ Trade Associations support the concept of the Work Plan. As NERC emphasizes in the Amendment, the Work Plan is conceptual and subject to ongoing refinement.⁴ Trade Associations underscore that fact because the initial criteria raise a number of questions that warrant discussion among stakeholders. For example, as discussed below, as part of the stakeholder process there will need to be a discussion of how to distinguish IBRs connected at the distribution level (IBR-DERs) from BPS-connected IBRs. These discussions may result in changes to the initial criteria offered by NERC. The Commission evidently envisioned that there would be such ongoing development of the Work Plan inasmuch as the Registration Order⁵ directed NERC to update the Work Plan every 90 days to reflect continuing refinement of the Work Plan concepts. It is in the context of these 90-day updates that questions and issues such as those raised here can be discussed as part of the evolution of the Work Plan.

B. The Commission should refrain from accepting particular registration thresholds or language set out in the Work Plan.

Although, as indicated above, the Work Plan includes initial parameters for the GO-IBR registration category, NERC appropriately notes that “[p]roposed revisions to the Registry Criteria would be developed through the process applicable under the ROP, NERC Bylaws, and applicable Commission regulation.”⁶ It thus appears that NERC does not seek Commission acceptance of the GO-IBR registration category as described in the

³ Work Plan, attach. 1 at 2.

⁴ See, e.g., Amendment at 3-4.

⁵ Registration of Inverter-Based Resources, 181 FERC ¶ 61,124 (2022) (“IBR Registration Order”).

⁶ Work Plan, attach. 1 at 2.

Work Plan; instead, the description simply illustrates NERC's current thinking. Consequently, the Commission has no reason to accept these thresholds at this time: neither the thresholds nor the language used to describe them have been vetted adequately, and significant issues will need to be addressed as NERC's Work Plan evolves.

As one example of the further thinking required, NERC states that the Work Plan "does not address IBR-DERs,"⁷ i.e., IBRs connected to the distribution system,⁸ and that the GO-IBR category would consist of "owners of unregistered IBRs *interconnected to the BPS.*"⁹ But the Work Plan's description of the GO-IBR category is not limited to BPS-connected IBRs; it includes, *inter alia*, "owners of IBRs which have aggregate nameplate capacity of greater than or equal to 20 MVA interconnected at a voltage *less than* 100 kV."¹⁰ Although ultimately, "the jurisdictional question of whether facilities are used in local distribution should be decided by the Commission,"¹¹ any new GO-IBR registration category can and should be framed in a way that does not inadvertently sweep in large numbers of IBR-DERs. The Trade Associations look forward to working with NERC on fine-tuning the GO-IBR category to address this and other issues as NERC implements the Work Plan.

⁷ Work Plan at 3; *see also* IBR Registration Order P 1, n.1 ("This order does not address IBRs connected to the distribution system").

⁸ Work Plan at 2.

⁹ Work Plan, attach. 1 at 2 (emphasis added); *see also Reliability Standards to Address Inverter-Based Resources*, 181 FERC ¶ 61,125, P 5 n.15 (2022) ("IBR NOPR") (distinguishing between IBRs "connected directly to the Bulk-Power System but not registered with NERC and therefore not subject to the Reliability Standards (unregistered IBRs), and those connected to the distribution system (IBR-DER)."

¹⁰ Work Plan, attach. 1 at 2 (emphasis added).

¹¹ *Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure*, Order No. 773, 141 FERC ¶ 61,236, P 66 (2012), *clarified on reh'g*, Order No. 773-A, 143 FERC ¶ 61,053, *clarified*, 144 FERC ¶ 61,174 (2013), *review denied sub nom. New York v. FERC*, 783 F.3d 946 (2d Cir. 2015).

C. *The Work Plan should be revised to account for necessary revisions to standards.*

The timeline set out in the Work Plan does not account adequately for the need to revise reliability standards. The discussion in the Work Plan seems to leave open the possibility of developing or revising reliability standards, stating that “in revising its Registration Program, NERC would consider whether it is appropriate to apply a subset list of Reliability Standards to the GO-IBR function, or if there is a need to develop new Reliability Standards,”¹² and that “[a]ctivity in connection with IBR affiliated Reliability Standards would . . . consider whether it is appropriate to add the new GO-IBR function to the applicability of certain NERC Reliability Standards or use some other approach.”¹³ But NERC’s proposed timeline would, as a practical matter, preclude revising reliability standards by postponing any consideration of standards until too late in the process. Standards are not mentioned in the timeline until months 10 through 12, at which point NERC proposes that the “ERO Enterprise . . . consider GO-IBR applicable Reliability Standards including a possible subset list of Standards, as appropriate.”¹⁴ And in months 13 and 14, the ERO Enterprise would “develop [an] approach for implementation of GO-IBR registration and applicable Reliability Standards, including a possible subset list of Standards, as appropriate.”¹⁵ No mention is made of initiating the standards development process.

¹² Work Plan, attach. 1 at 3 (footnote omitted).

¹³ *Id.*

¹⁴ *Id.* attach. 1 at 4.

¹⁵ *Id.* attach 1 at 5.

Moreover, while the Work Plan contemplates the possibility of revising the definition of Bulk Electric System (“BES”),¹⁶ it does not include milestones to at a minimum assess changes to the BES definition.¹⁷ Given the inextricable link between the BES definition and the Registry Criteria, as well as the definition’s central role in the scope of the standards, an essential addition to the Work Plan is a review of the BES definition in the narrow respects relevant to the Commission’s registration objectives. Employing changes effectuated through the Registry Criteria only, without looking at such changes through the lens of the BES definition, is inconsistent with the longstanding view that the definition and NERC’s registration process together are intended to provide as much certainty as possible regarding the applicability to and the responsibility of specific entities to comply with the Reliability Standards. We further note that at paragraphs 21 and 33 of the Registration Order, FERC contemplated that NERC could proceed with revisions to the registration criteria in conjunction with changes to the BES definition.

The Work Plan’s references to a “subset list” of standards,¹⁸ and the omission of the standards development process from NERC’s proposed timeline, suggest that NERC may not intend to propose revisions to reliability standards, and would instead rely solely on the provision of Appendix 5B of its Rules of Procedure that allows NERC to “limit the compliance obligations of . . . a similarly situated class of entities, as warranted based on the particular facts and circumstances, to a sub-set list of Reliability Standards.”¹⁹ NERC should not do so. Such an approach would significantly expand the applicability of existing

¹⁶ *Id.* attach. 1 at 3.

¹⁷ *Id.* at 7.

¹⁸ *See, e.g.*, att. 1 at 2-5.

¹⁹ NERC Rules of Procedure, App. 5B, § V; *see also* Work Plan, attach, 2, n.12, quoting this provision.

stakeholder-drafted and -approved standards, through a procedural mechanism that would inappropriately circumvent the standards development process, and instead require only nonbinding opportunities for stakeholder comment. If NERC believes that the Commission's deadlines cannot be met via the standards development process, it should request an extension to allow time for the appropriate stakeholder process. But the Trade Associations are confident that if the standards process is initiated promptly, the applicable deadlines are achievable.

In any event, regardless of the appropriateness of NERC's proposal or the time required to revise appropriate reliability standards, a "sub-set list" approach alone simply will not work: even if NERC were to revise the Registry Criteria to make reliability standards applicable to the *owners* of the IBRs at issue here, many standards define "applicable facilities" and must be modified if they are to apply to the IBR facilities themselves. For example, if NERC were to use a sub-set list approach to make GO-IBRs subject to PRC-019-2, these newly-registered entities would have no compliance responsibilities under the standard, because their generating facilities would not be "applicable Facilities" as set out in PRC-019-2.²⁰ NERC's claim that "[r]egistering GO-IBR entities will lead to application of results-based Reliability Standards to address issues such as facility interconnection, data sharing, modeling, ride-through, and performance"²¹

²⁰ NERC Standard PRC-019-2 (Coordination of Generating Unit or Plant Capabilities, Voltage Regulating Controls, and Protection) § 4.2); *see also, e.g.*, PRC-024-3 (Frequency and Voltage Protection Settings for Generating Resources) § 4.2 (applicability limited to BES generators; as noted above, NERC does not propose to modify the BES definition). The Trade Associations take no position at this time on the standards that should apply to GO-IBRs.

²¹ Work Plan, attach. 1 at 2.

is thus incomplete; to address the issues noted in the IBR Registration Order, registration of GO-IBR entities must be paired with revisions to applicable standards.

Given the need for prompt action, the Trade Associations suggest that the standards process be initiated as soon as possible following Commission acceptance of the Work Plan. This standards revision effort will need to be closely coordinated with the development of the proposed new registration category and potential changes to the BES definition.

II. CONCLUSION

For the reasons set forth above, the Trade Associations respectfully request that the Commission accept the Work Plan in concept; refrain from endorsing registration thresholds or criteria at this time; and, as part of NERC's first 90-day update to the Commission, direct NERC to submit a revised timeline that accounts for the need to revise appropriate reliability standards.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated on this 20th day of March, 2023.

/s/ Rebecca J. Baldwin

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