

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY**

**Energy Information Administration Proposal to Create
Form EIA-930, "Balancing Authority Operations Report"**

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COMMENTS OF THE ISO/RTO COUNCIL

Pursuant to the Federal Register Notice ("Notice")¹ issued by the Department of Energy, the ISO/RTO Council ("IRC")² submits the following comments on the proposed new EIA reporting obligation that would be required pursuant to proposed Form EIA-930 - "Balancing Authority Operations Report." The EIA proposal was published on March 6, 2013, and public comments were requested by May 6, 2013.

Form EIA-930 is a new survey that would require Balancing Authorities, such as the IRC members, to provide hourly electric power operating data, including:

- Hourly demand;
- Hourly next-day demand forecast;
- Hourly net generation;
- Hourly actual interchange with each interconnected Balancing Authority.

These comments will address the EIA's tentative conclusions regarding the need for the data and, separately, the burden estimates associated with the provision of the data in the manner proposed in the rulemaking. The IRC also proposes changes to the proposed rule that will address the IRC's concerns with each of these issues.

I. Issues Concerning the Stated Purpose for Collecting the Data

The IRC members are not opposed in principle to providing the relevant data, subject to reasonable parameters and timelines. However, EIA's reporting proposal is premised on the interest of policymakers, legislators, industry researchers, among others, in electric systems operations and associated data. Given the stated purpose for the collection of the data, EIA has not explained why *near-real time reporting* of the information is necessary for the performance

¹ Notices, 78 Fed. Reg. 14521 (March 6, 2013).

² The IRC is comprised of the Alberta Electric System Operator, the California Independent System Operator Corporation, the Electric Reliability Council of Texas, Inc. the Independent Electricity System Operator, ISO New England, Inc., the Midcontinent Independent System Operator, Inc., the New York Independent System Operator, Inc., PJM Interconnection, L.L.C. and the Southwest Power Pool, Inc. The Alberta Electric System Operator and Independent Electricity System Operator are not subject to EIA reporting obligations and are not joining these comments.

of EIA's functions, and there is no evidence that EIA or any of the stated recipients of the proposed reports have failed to perform their functions to date due to an absence of this type of near real-time data. Stated another way, EIA has not provided a "business case" for the volumes of data and the timing of the posting requirements for the relevant reports that it proposes to collect except to state the agency wants to provide information to the public about the operation of the electric markets. For the reasons stated below, the requirements of the rule for near real-time transmittal of the data to EIA represent the most problematic part of the proposed form.

The Notice recognizes that this type of information is already publicly posted by RTOs and ISOs. Although EIA indicates that the purpose of the new requirement is to address an alleged need for a "central" source for hourly electric industry operating statistics, the IRC respects, but questions, the need for EIA to set up a separate reporting requirement given the availability of much of this data on the posted websites of the RTOs and ISOs.³ Under these circumstances, the IRC believes that the incremental value of the proposed informational reporting is outweighed by the burdensome requirements associated with the near real-time reporting mandates (discussed in Section II below), as well as the potential liability attendant to the proposed reporting requirements.⁴

For these reasons, the IRC requests that EIA reconsider the imposition of the proposed reporting obligations. If the EIA nonetheless elects to pursue a proposed reporting obligation for the type of data at issue, it should better define the intended use and benefits of the data, and then seek industry input on the most appropriate and least burdensome means of obtaining the information. If EIA elects to move forward with this particular proposal, it should consider modifying the proposal as described in Section III of these comments.

II. Issues Concerning the Proposed Timing of Submission of the Data to EIA.

While the timeliness of making the requested data available is relevant, the near real-time submission requirements of the proposed rule are not necessary to achieve the potential benefits of any of EIA's stated purposes. Contrary to the discussion in the notice, meeting the requirement to "*post hourly demand data at a web address in a standard format within ten minutes of the need of the reported hour*" could require diversion of RTO/ISO staff resources and present issues associated with data quality. Moreover, there are arguably no benefits gained, because near real-time posting is not necessary to provide the asserted benefits of the provision of data.

³ Over two-thirds of the load in the nation is covered by RTOs and ISOs, such that a review of a very limited number of websites would provide an extensive review of electricity demand in over two-thirds of the nation.

⁴ The RTOs/ISOs note that 15 USC Section 772 (i) may possibly subject Balancing Authorities to penalties associated with its provision of information to the EIA. Given that non-compliance may subject the reporting entities to penalties under this provision, the IRC questions the value of imposing such obligations where the intended value of the data would not be compromised by imposing more reasonable reporting timeframes. In addition, as discussed below, there are other potentially more efficient means of obtaining this data that utilize existing processes.

As EIA is aware, near real-time information is preliminary data, and, as the data represents an integration of metered data from thousands of buses and nodes across RTO/ISO systems, it is subject to review and revision to account for updated meter data or other technical issues.⁵ Although RTOs and ISOs ultimately “scrub” the data and post accurate results, in terms of the reporting timeframe at issue in the proposal, Balancing Authorities perform no quality control on the data.⁶ In fact, it is impractical to do so due to the volume and the proposed near-real time posting obligation.⁷

Accordingly, if EIA does not revisit the need for the proposal, or, at a minimum, the parameters and timeframes, the posted reports must state the data is not final and is subject to further review and correction, as necessary, by the reporting Balancing Authorities. Alternatively, as noted, EIA could revise the reporting timeframes. For example, the reports could be daily, monthly, quarterly or annually. This would reduce the burden and allow for the posting of final accurate data. Considering other, potentially more efficient means of obtaining the data outlined below is another possible option.

To address these matters, in accordance with the EIA’s invitation for the submission of comments “on alternatives or supplements to the web posting requirement and the format for the posted data,” the IRC proposes in Section III below alternative approaches that would, at least in part, address the IRC’s concerns and mitigate the penalty risk.

III. Alternative Means of Obtaining the Data

The proposed near real-time reporting obligation appears to be related to information that is already available to regulators and government officials from NERC via its situational awareness project. Consistent with this potential overlap, the IRC believes a better alternative would be for EIA to coordinate with NERC to obtain and make available the relevant information. This alternative would provide procedural and administrative efficiency benefits, while also mitigating data quality issues, resource burdens and penalty risk to the entities that would otherwise be subject to these reporting obligations. The IRC understands there may be potential issues related to the terms of the relevant

⁵ The IRC notes that this data should not be used to assess the state of the bulk power system as suggested in the announcement. In fact, the provision of this data should be accompanied by appropriate disclaimers, noting it is being provided for informational purposes only. For example, the posting should recognize that the data may be affected by computer or data issues within a given balancing authority, which could affect its accuracy and require that the information be updated.

⁶ Balancing Authorities do review the relevant data for accuracy, but that review takes time, and completion of that process occurs well after the relevant operating day. The IRC notes that the data is consistent with the functions of the Balancing Authorities as relevant in the performance of its operational and other relevant activities pursuant to applicable rules. However, for the intended purposes, none of which implicate real-time or near-real time operational functions, the data is not considered final and would be subject to review and potential correction.

⁷ Even assuming unlimited resources and that somehow the RTO/ISO was able to perform the quality review checks of the data prior to the proposed reporting timelines, such an expenditure of resources would still be imprudent, because the intended benefits outlined in the proposed rule can be achieved by more reasonable parameters and timelines.

information sharing agreements,⁸ but given the potential efficiencies to be gained from obtaining the data via this existing information sharing relationship, it is worthwhile to review those matters to determine if they can be resolved so that process can be considered as an alternative to achieve EIA's goals with respect to this proposal.

Another alternative would be to use the ICCP data stream that flows from Balancing Authorities to Reliability Coordinators to NERC. This data could be integrated or averaged to give hourly values of a quality comparable to what a Balancing Authority could provide shortly after the hour. Either NERC or one of its vendors that processes real-time data could perform this task more efficiently than the nearly 100 Balancing Authorities could do individually.

If DOE elects not to pursue the above alternative approaches, but rather retains the approach that would impose reporting obligations on each Balancing Authority, the IRC recommends alternative reporting timeframes. The IRC believes the timeline for posting should be driven by the need relative to the intended use and benefits, which should be better defined. As noted above, daily, monthly, quarterly or annual timeframes are all potentially relevant. However, at a minimum, the reporting timeframe should be no more frequent than daily. Again, the need, use and benefits should be more specifically defined before imposing the timeframe, but daily obligations are at least arguably reasonable.⁹ This should not undermine the intended value of providing this data for use by relevant entities.

IV. Miscellaneous Issues

Another potential issue EIA should be aware of is that sourcing the data solely from U.S. Balancing Authorities could lead to incorrect assumptions and conclusions regarding interchanges at the U.S. borders. Further, varying sign (+/-) conventions used by the Balancing Authorities could also impair public understanding.

The IRC also requests that the Final Rule contain explicit language that penalties under applicable statutes will not be triggered so long as there is a good faith attempt by the Balancing Authorities to meet the overall goals of timely posting of data consistent with the Final Rule.

V. IRC Responses to DOE Specific Questions

The IRC provides the following comments on the specific questions raised in the request for comments.

(a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;

⁸ For example, there may be confidentiality restrictions. However, if the data is already posted on ISO/RTO websites, with respect to that data at least, the applicable confidentiality requirements as they relate to this specific data set could be reviewed.

⁹ The daily obligations would not be for the prompt day (*i.e.*, the day that the data was produced), as that obviously implicates the near-real time problem. They could be for the prior and subsequent day loads and forecasts, as relevant.

While some forecast and ex-post data would be useful, as discussed, it is not clear why near real-time data is needed. The stated purposes in the notice and all associated benefits can be achieved under more reasonable reporting timelines. Although it appears that the intended benefits for all relevant entities are related to after the fact analysis, the IRC notes that any use by any entity to take near real-time action would be problematic. For example, if DOE is intending this effort to be used to send signals to smart grid providers on the need to take action, this would be a significant concern. All operational actions, including the need to implement load management, should be managed by the Balancing Authority. Each balancing authority has specific rules governing how market participants can interact with their markets in real time and provide data as part of their overall market design for exactly this purpose. The market participants in each region already have access to the data necessary for their activities in each market and for their interactions with the relevant Balancing Authorities.

EIA's rule proposing data reporting form should not become a vehicle for additional regulation of data retrieval and posting, as the information dissemination requirements governing Balancing Authorities are already regulated by NERC, FERC and Texas PUC regulations, as relevant. Given the primacy of the relevant functional entities in operating their respective systems, EIA should ensure that any information provided pursuant to the proposed reporting requirements is denominated as for informational purposes only.

(b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

The IRC members submit that EIA's specific assessments of the resource impact associated with the EIA proposal are understated. The impact could well be greater than the estimate presented in the EIA notice given the timing requirements of the proposal, and may differ among organizations based on differences, for instance, between systems, existing resources and processes. For example, complying with the obligations imposed by the proposed rule would require the development of additional posting procedures to accommodate the duplicative EIA request. This would involve a non-trivial effort and resource impact, potentially delaying other projects currently scheduled by some Balancing Authorities.

(c) ways to enhance the quality, utility, and clarity of the information to be collected; and

As discussed above, near-real time data will not be final, and, therefore, will be subject to flaws that will be corrected via the relevant review processes, which are performed subsequent to the operating day - to put this in perspective, settlement processes typically take up to two months to review and resolve any data issues.

This issue can be mitigated by using the alternatives suggested in Section III of these comments, or some other alternative that provides for reasonable parameters and reporting timeframes that accommodate appropriate review and correction. For example, data that has gone through the NERC inadvertent accounting verification (end of the next business day) will be higher quality. Also, longer reporting timeframes will mitigate this potential problem. And as noted, consideration of such alternatives should not undermine the purposes and intended benefits underlying the proposal.

(d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Please refer to the IRC's proposed alternatives in *Section III* in the General Comments section.

VI. Conclusion

The IRC questions the need for the form given the availability of this data to the public already. However, should the EIA insist on providing a function of "centralizing" the posting of this data, it should eliminate the ten-minute-after-the-hour reporting requirement and substitute a reporting requirement no more frequent than providing this data to EIA on a daily basis. The IRC also requests that the EIA revisit and reconsider the burden estimates and provide additional flexibility with respect to the reporting obligations given the intended uses of the data as outlined in the Notice.

The IRC respectfully requests that EIA give due consideration to these comments in reviewing the need for the proposed reporting obligation and, if EIA elects to move forward with the proposal, it should reconsider the proposed process in light of these comments.

Respectfully submitted,

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