

July 8, 2013

NERC Fines Generator for Violations Related to Lead Line Operations

Filing reminds generators with significant high-voltage tie lines that they can be subject to Reliability Standards typically applied to transmission owners and transmission operators.

On June 27, the North American Electric Reliability Corporation (NERC) submitted a Notice of Penalty regarding Milford Wind Corridor Phase I, LLC, a Utah-based generator that provides intermittent wind generation, assessing a penalty of \$81,000 for 15 alleged Reliability Standards violations.¹ Milford's generation connects to the bulk power system through a 345 kV tie line that was found to qualify as a transmission line, despite its radial nature. As the owner and operator of this transmission line, Milford is a transmission owner and transmission operator and is therefore subject to compliance with transmission-related Reliability Standards.²

Through its compliance enforcement process, Western Electricity Coordinating Council (WECC), the Regional Entity responsible for enforcing compliance with Reliability Standards in the Western Interconnection, identified the following violations:

- Milford did not have a restoration plan that would allow it to reestablish its transmission system in an orderly manner if its transmission system shut down in whole or in part, in violation of Reliability Standard EOP-005-1. As a result, Milford also did not undertake an annual review of or periodically test its restoration plan, periodically test its telecommunication facilities, or provide training to its personnel on the restoration plan.
- In violation of Reliability Standard FAC-001-0, Milford did not have documented facility connection requirements that provided a written summary of its plans to avoid adverse system performance throughout the planning horizon.
- Milford did not prepare and keep current a formal transmission vegetation management program or implement an annual plan for vegetation management work to ensure the reliability of the bulk power system, in violation of Reliability Standard FAC-003-1.
- In violation of Reliability Standards PER-002-0 and PER-003-0, Milford did not have a training program for operating personnel covered by PER-002-0 or have personnel fully certified by NERC in the operations covered by PER-003-0.
- Not all of Milford's transmission operators had clear decision-making authority to take all appropriate actions to ensure the reliability of Milford's area, in violation of TOP-001-1.
- Milford did not have formal policies and procedures to provide for transmission reliability, in violation of TOP-004-2.

WECC determined that the violations posed a minimal risk to the bulk power system due to the nature of Milford's facilities. Milford's generation is not base-load generation, and its transmission facilities are limited in use. For all of the violations noted above, WECC determined that, in the event Milford is unable to deliver its generation, the Balancing Authority could find replacement generation without adversely affecting the reliability of the bulk power system.

1. NERC Full Notice of Penalty regarding Milford Wind Corridor Phase I, LLC, Docket No. NP13-40-000 (June 27, 2013).

2. Cedar Creek Wind Energy, LLC and Milford Wind Corridor Phase I, LLC, 139 FERC ¶ 61,241 (2012).

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Milford and WECC entered into a settlement agreement on April 29, 2013, under which Milford agreed to pay a penalty of \$81,000 for violations of these Reliability Standards. Milford did not admit or deny the alleged violations.

Generators with significant lead lines may be subject to registration as a transmission owner or transmission operator and, following registration, would be subject to enforcement for noncompliance with Reliability Standards typically applied to transmission owners and transmission operators.

Contacts

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