



**NERC Standard: IRO-001-1.1, Requirement 8**  
**NERC Standard: IRO-004-1, Requirement 7**  
**NERC Standard: TOP-001-1, Requirement 4**

**Acceptable Corroborating Evidence:  
“Reliability Directives Issued by the  
Reliability Coordinator Are Not Applicable to  
Load-Serving Entities, Purchasing-Selling  
Entities or Transmission Service Providers  
in New England.”**

ISO New England Inc.

Reliability & Operations Compliance

Corroborating Evidence Interpretation No. 1, Revision 1

Effective Date – January 8, 2010

## **Background:**

ISO New England Inc. (“ISO-NE”) is the not-for-profit corporation responsible for the reliable operation of New England’s bulk power generation and transmission system. It also administers the region’s wholesale electricity markets and manages the comprehensive planning of the regional bulk power system. ISO-NE is an organization that has registered with the North American Electric Reliability Corporation (“NERC”) as a Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Operator, Transmission Service Provider, Planning Authority, Resource Planner, and Transmission Planner.

The Northeast Power Coordinating Council (“NPCC”) is NERC’s delegated authority for the administration of the NERC Compliance Monitoring and Enforcement Program (CMEP) within NPCC’s boundaries of Eastern North America.

NPCC, in its role of administering the CMEP, performs periodic audits of registered entities that are users, owners, or operators of the New England Bulk Power System. In the conduct of such audits the NPCC auditors have frequently sought corroborating evidence or other information from ISO-NE, based on ISO-NE’s substantial authorities and responsibilities as both a Regional Transmission Organization (“RTO”) and as defined by its aforementioned registrations with NERC. The corroborating evidence sought by NPCC is used to determine that the entity undergoing the audit has complied with certain requirements of the NERC Reliability Standards that specify a required action on the part of the New England based entity relative to the rules and procedures emanating from ISO-NE’s FERC approved Transmission Tariff (“ISO Tariff”).

Given the repetitive nature of many of these requests, NPCC and ISO-NE have joined to provide an agreed to set of “Corroborating Evidence Interpretations” in order to satisfy the requirements of applicable NERC Reliability Standards. These interpretations do not preclude other evidence that may be introduced by the registered entity and accepted by the NPCC auditing body. In addition, these interpretations may not be construed as modifying or contradicting any part of any ISO Procedure or any part of the ISO’s Tariff. In the event that a Participant believes that any part of these Interpretations does conflict with the ISO’s Procedures or Tariff, the ISO urges the Participant to bring that matter to its attention immediately.”

## **Document Control:**

As a minimum, all Corroborating Evidence Interpretations will be reviewed on an annual basis. Any required updates, annual or otherwise, will be processed in accordance with the following:

The Corroborating Evidence Interpretations shall be given a Revision Number and an Effective Date. The current Revision will remain in effect until such time as ISO-NE and NPCC agree to updates of these documents. At the time of the update a new Revision Number and Effective Date will be assigned.

**Relevant NERC Standards:**

**NERC Standard:** IRO-001-1.1 — Reliability Coordination — Responsibilities and Authorities

**R8.** Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing-Selling Entities shall comply with Reliability Coordinator directives unless such actions would violate safety, equipment, or regulatory or statutory requirements. Under these circumstances, the Transmission Operator, Balancing Authority, Generator Operator, Transmission Service Provider, Load-Serving Entity, or Purchasing-Selling Entity shall immediately inform the Reliability Coordinator of the inability to perform the directive so that the Reliability Coordinator may implement alternate remedial actions.

**NERC Standard:** IRO-004-1 — Reliability Coordination — Operations Planning

**R7.** Each Transmission Operator, Balancing Authority, and Transmission Service Provider shall comply with the directives of its Reliability Coordinator based on the next day assessments in the same manner in which it would comply during real time operating events.

**NERC Standard:** TOP-001-1 — Reliability Responsibilities and Authorities

**R4.** Each Distribution Provider and Load Serving Entity shall comply with all reliability directives issued by the Transmission Operator, including shedding firm load, unless such actions would violate safety, equipment, regulatory or statutory requirements. Under these circumstances, the Distribution Provider or Load Serving Entity shall immediately inform the Transmission Operator of the inability to perform the directive so that the Transmission Operator can implement alternate remedial actions.

**Explanation of Why These Requirements Do Not Apply to Load-Serving Entities, Purchasing-Selling Entities and Transmission Service Providers in New England**

For the purposes of addressing these Standards it should be noted that ISO-NE is registered with NERC and acts as the sole Reliability Coordinator and Balancing Authority within the New England Area. In addition, ISO-NE is registered as a Transmission Operator and a Transmission Service Provider in New England and provides transmission service over the regional network, high-voltage transmission facilities of the New England Transmission Owners (i.e., the Pool Transmission Facilities (“PTF”), which also includes non-Bulk facilities 69 kV and above) in the form of what is known as Network Service (“RNS”). RNS is the service over the PTF provided by the ISO to Network Customers to serve their Regional Network Load. RNS does not use advanced reservations, does not distinguish between “firm” and “non-firm” service, and does not have any unauthorized use penalties associated with it.

Access to certain other Transmission facilities that interconnect New England with other Control Areas that are not defined as part of the PTF in New England [Merchant Transmission Facilities (“MTF”) Service (provided under Schedule 18 for the Cross Sound Cable) and Other Transmission Facilities (“OTF”) Service (provided under schedule 20A for the Hydro-Quebec Phase II tie)] is available to allow the transmission customer to utilize those transmission facilities to serve their load from Network Resources or allow power from the Network Resources to be delivered to the PTF and load.

ISO-NE, as the Reliability Coordinator and Transmission Operator in New England, does not directly contact Load-Serving Entities, Purchasing-Selling Entities or other Transmission Service Providers to

take real-time operations actions. As a general rule, ISO-NE only issues operating instructions to its Local Control Centers (Transmission Operators) or to Generator Operators.<sup>1</sup>

The transmission services offered under the Commission-approved ISO-NE Tariff contain terms and conditions which differ from the transmission services in the *pro forma* OATT.<sup>2</sup> ISO-NE's business model and regional transmission services differ from the business model and transmission services described in the *pro forma* OATT. ISO-NE schedules and curtails External Transactions on the PTF, MTF and OTF using a Commission-approved security-constrained, economic merit order system.

A Load-Serving Entity or Purchasing-Selling Entity that receives transmission service under the ISO-NE Tariff (for PTF, MTF or OTF) and submits an external transaction that is scheduled, but then curtailed, in-hour, by ISO-NE would have its transaction modified automatically, through ISO-NE's Scheduling Transmart/EES-MOI software. In this situation, ISO-NE would modify the E-tags to reflect the curtailment. Also, ISO-NE would post this information on the OASIS page maintained by ISO-NE. Should ISO-NE curtail a transaction, the affected entity will have documented evidence on OASIS.

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<sup>1</sup> ISO-NE Operating Procedure No. 1, *Central Dispatch Operating Responsibility and Authority of ISO New England, the Local Control Centers and Market Participants* states that ISO-NE's "responsibility and authority extends to include decisions, instructions, and orders issued to Local Control Centers and Market Participant facilities electronically, verbally or in writing, as required for day-to-day, minute-to-minute operation of both Resources and transmission facilities under normal and emergency conditions and in compliance with NERC, NPCC and ISO policies."

<sup>2</sup> See generally Order No. 890 Compliance Filing, at pp. 17-20 <[http://www.iso-ne.com/regulatory/ferc/filings/2007/oct/er08-54-000\\_10-11-07\\_amendments\\_transmission\\_markets\\_services.pdf](http://www.iso-ne.com/regulatory/ferc/filings/2007/oct/er08-54-000_10-11-07_amendments_transmission_markets_services.pdf)>