



August 11, 2015

**VIA ELECTRONIC FILING**

The Honorable Kimberly D. Bose  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: *Western Electricity Coordinating Council*, Docket No. EL13-52-\_\_\_\_  
*Western Electricity Coordinating Council*, Docket No. RR13-12-\_\_\_\_  
**Informational Filing of Peak Reliability**

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("FERC" or "Commission") December 6, 2013 order in the above-referenced proceedings,<sup>1</sup> Peak Reliability ("Peak") hereby submits this informational filing to report to the Commission on its new funding arrangements that will begin on January 1, 2016. As discussed below, the scope of this filing is limited to reporting on Peak's new funding arrangements.

**I. BACKGROUND**

On June 20, 2013, the Commission conditionally approved Federal Power Act ("FPA") Section 215 funding for Peak's reliability coordinator and interchange authority functions.<sup>2</sup> At the same time, the Commission encouraged Peak and entities in the Western Interconnection to continue alternative funding discussions as Peak's formation continued to solidify.<sup>3</sup> The Commission also noted that Peak's Bylaws required it to develop, by the end of its second year

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<sup>1</sup> *North American Elec. Reliability Corp.*, 145 FERC ¶ 61,202 (2013) ("December 6 Order"). Peak Reliability is the company referred to therein as "RC Company."

<sup>2</sup> *Western Elec. Coordinating Council*, 143 FERC ¶ 61,239 ("June 20 Order"), *reh'g denied*, 145 FERC ¶ 61,202 (2013), *compliance*, 146 FERC ¶ 61,092 (2014), *appeal docketed sub nom. Edison Electric Institute v. FERC*, No. 14-1012 (D.C. Cir. Jan 27, 2014).

<sup>3</sup> June 20 Order at P 42.

of operations, an alternative funding proposal for its members' consideration,<sup>4</sup> and directed Peak to inform the Commission of changed circumstances with respect to its funding mechanism after the second year of operations, *i.e.*, January 1, 2016 and following.<sup>5</sup>

The purpose of this informational filing is to notify the Commission, in accordance with the December 6 Order, that Peak and its members have reached agreement on an alternative funding mechanism, to take effect on January 1, 2016.

## II. DISCUSSION

Since its formation, Peak has pursued funding discussions with its members in the Western Interconnection. These negotiations and collaborative efforts by Peak and its members resulted in development of an alternative funding arrangement to be implemented on a contractual basis through the Reliability Coordinator Funding Agreement ("RC Agreement"). The RC Agreement is a multi-year contract under which Peak will provide reliability coordinator and other services to balancing authorities and transmission operators in the Western Interconnection and will be compensated by those same entities for providing these services (the "Funding Parties").<sup>6</sup>

The RC Agreement was approved by Peak and its members consistent with the process set forth in the Peak Bylaws.<sup>7</sup> Peak's Board of Directors unanimously approved the RC Agreement on May 11, 2015. On June 10, 2015 it was approved by the Peak membership. The RC Agreement provides that, if Funding Parties representing at least 90 percent of the Net Energy for Load for the US portion of the Western Interconnection have tendered an executed counterpart of the RC Agreement by August 7, 2015, Peak shall execute the RC Agreement and notify FERC on or before August 14, 2015 that its provision of RC Services to the Funding Parties will be funded solely through the RC Agreement. This condition has been met. Accordingly, beginning on January 1, 2016, Peak will begin providing RC Services in the

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<sup>4</sup> December 6 Order at P 51, *citing* Peak Bylaws § 13.3.

<sup>5</sup> December 6 Order at P 51.

<sup>6</sup> The services funded under the RC Agreement are Peak's reliability coordinator function, the Tagging Authority Service software and the Western Interchange Tool. For simplicity, Peak's reliability coordinator, Tagging Authority and Western Interchange Tool functions are collectively referred to as its "RC Services." The RC Agreement has a five year initial term, which can be renewed for subsequent five-year terms. The RC Agreement is publicly available at: <https://www.peakrc.com/aboutus/Board/Lists/Calendar/Attachments/16/6-10-15%20Peak%20Board%20and%20Member%20Approved%20Final%20Agreement.pdf>

<sup>7</sup> Peak Bylaws § 13.3 ("Any decision to fund Peak Reliability through a Tariff or Contract shall first be made by the Board and then submitted to the Members for approval.").

Western Interconnection pursuant to, and will be compensated for these services under, the RC Agreement.<sup>8</sup>

Because Peak's RC Services will be funded under the RC Agreement beginning in 2016, it will not seek, and will no longer rely on, funding under FPA Section 215 after 2015.<sup>9</sup> Accordingly, Peak does not require any Commission approvals in connection with its provision of RC Services. This informational filing is intended only to comply with the Commission's December 6 Order directive to report to the Commission on Peak's new funding arrangement under the RC Agreement, which will commence on January 1, 2016.

Respectfully submitted,

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<sup>8</sup> Peak and the Western Electricity Coordinating Council will separately submit to the Commission a filing to terminate their Reliability Coordinator and Interchange Authority Agreement. *See North American Elec. Reliability Corp.*, 146 FERC ¶ 61,092 (2014) (accepting the Reliability Coordinator and Interchange Authority agreement).

<sup>9</sup> Earlier this year, while approval of the RC Agreement was pending, Peak developed a 2016 Business Plan and Budget for possible submission under the FPA Section 215 budget process. However, with the subsequent approval of the RC Agreement, Peak will not seek approval of this Business Plan and Budget or approval for FPA Section 215 funding.

## **CERTIFICATE OF SERVICE**

I hereby certify that on this day I have served the foregoing document upon each person designated on the official service list compiled by the Secretary for these proceedings.

Dated this 11th day of August, 2015.

/s/ Diana Jeschke

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