**Summary Consideration:** The drafting team did not make any changes to FAC-008 or FAC-009 as a result of comments submitted with the first ballot of these standards.

**Comments about splitting the ballot:**

**Hydro One Networks Inc.**

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Although Hydro One has no particular issues related to this standard, we have concerns about the mode how the balloting is conducted. although the Facility Ratings standards originated from one single SAR, had one drafting team and were posted as a package and have a single ballot body, they have been unbundled for balloting purposes. This practice sets a bad precedent because these 3 standards are related. If only part of the standards are approved, there will be problems with the implementation plan and with the version 0 standards that are superceded.

Response: The drafting team does not see where the standards (FAC-008 through FAC-012) must all be implemented at the same time. While FAC-0012 does require that the Transfer Capability methodology developed ensure that SOLs are not exceeded, SOLs are developed and exist today and should be respected in the development of Transfer Capabilities, even if the proposed standard for the development of an SOL methodology is not approved. The reliability standards process is still a new process, and just because the Version 0 standards were balloted as a whole, this should not set a precedent that all sets of standards must be balloted as a whole. The drafting team does agree that if new standards have interdependencies, then those sets of interdependent standards should be balloted as a 'set' rather than individually. This is what the drafting team attempted to do in combining the ballot for FAC-008 with the ballot for FAC-009; and in combining the ballot for FAC-010 with that for FAC-011, etc.

**Nova Scotia Power NSPI**

The splitting of the 6 Facility Rating standards into 3 voting groups, after entities have reviewed them as a whole, has not left time to consider what interdependencies the sets may have, and what limitations are being imposed on future changes to the FAC-010,011 set, if a Yes vote is provided to the other four. Until these are reviewed again, the vote is No.

Response: Once approved, these standards are treated as individual standards. If someone sees a need to modify FAC-010, then that person may submit a SAR to make a modification to FAC-010. FAC-010 and FAC-011 were balloted together because FAC-011 cannot be implemented unless FAC-010 is also implemented.

**Northeast Power Coordinating Council**

The Determine Facility Ratings, Operating Limits and Transfer Capabilities Standards were developed and reviewed by the industry as a package. The separation of these proposed standards at ballot time does not afford the industry the opportunity to assess the potential impact of split votes on the underlying technical interrelationships or implementation plans.

Response: As these standards were developed, they were reviewed on an individual basis so that balloters should already be familiar with the content and interdependencies. The reliability standards process is still a new process, and just because the Version 0 standards were balloted as a whole, this should not set a precedent that all sets of standards must be balloted as a whole. The drafting team does agree that if new standards have interdependencies, then those sets of interdependent standards should be balloted as a 'set' rather than individually. This is what the drafting team attempted to do in combining the ballot for FAC-008 with the ballot for FAC-009; and in combining the ballot for FAC-010 with that for FAC-011, etc.

**New York Power Authority NYPA**

I don't believe the ballot should have been split at the eleventh hour.

Response: As these standards were developed, they were reviewed on an individual basis so that balloters should already be familiar with the content and interdependencies. The reliability standards process is still a new process, and just because the Version 0 standards were balloted as a whole, this should not set a precedent that all sets of standards must be balloted as a whole. The drafting team does

agree that if new standards have interdependencies, then those sets of interdependent standards should be balloted as a 'set' rather than individually. This is what the drafting team attempted to do in combining the ballot for FAC-008 with the ballot for FAC-009; and in combining the ballot for FAC-010 with that for FAC-011, etc.

## Comments about Category C Contingencies

**New Brunswick Power Transmission Corporation**

The current NERC Version 0 Reliability Standard TPL-003-0 defines the set of "Category C" contingencies as "Event(s) resulting in the loss of two or more (multiple) elements." These include the following nine contingencies: Single-Line-to-Ground Fault, with Normal Clearing: 1. Bus Section 2. Breaker (failure or internal Fault) Single-Line-to-Ground Fault or 3Ø Fault, with Normal Clearing, Manual System Adjustments, followed by another Single-Line-to-Ground Fault or 3Ø Fault, with Normal Clearing: 3. Category B (B1, B2, B3 or B4) contingency, manual system adjustments, followed by another Category B (B1, B2 B3, or B4) contingency Bipolar Block with Delayed Clearing: 4. Bipolar (dc) Line Fault (non-3Ø), with Normal Clearing: 5. Any two circuits of a multiple circuit towerline Single-Line-to-Ground Fault, with Delayed Clearing (stuck breaker or protection system failure): 6. Generator 7. Transformer 8. Transmission Circuit 9. Bus Section However, in the currently proposed draft for Standard FAC-010-1, "System Operating Limits Methodology," the imposition of multiple element "Category C" contingencies is not a requirement in establishing the operational System Operating Limit. The NPCC Task Force on Coordination of Operation believes that the omission of such a requirement is a clear deterioration of reliable operating standards, and accordingly suggests that the Working Group CP-09 recommend a negative vote be cast when the draft Standard is presented for ballot.

Response: This comment is not relevant to this ballot which is for FAC-008 and FAC-009 but will be considered with FAC-010.

**US Army Corp of Engineers Northwestern Division**
**California Energy Commission**
**Grant County PUD No.2 GCPD**
**Salt River Project SRP**
**Sacramento Municipal Utility District SMUD**

While the Interconnection Wide Regional Differences identified in FAC-010-1 adequately reflect the more stringent requirements in the Western Interconnection, for the good of the industry and the sake of reliability, the Standards Drafting Team consider modifying the requirements of the NERC Standard to require the consideration of credible multiple element contingencies, similar to those identified in the Western Interconnection Wide Regional Differences, in establishing System Operating Limits.

Response: This comment is not relevant to this ballot which is for FAC-008 and FAC-009 but will be considered with FAC-010.

## Comment Relative to Entity Registration

**FRCC**

These standards are applicable to transmission and generator owners. NERC needs to implement registration of these entities.

Response: The Registration process is outside the scope of the Drafting Team. The Drafting Team will pass this comment on to the SAC, the Director, Standards the Director, Compliance and the Functional Model Working Group for their consideration.

## Comment about time to respond to technical challenges

**MidAmerican Energy Company MEC**

MidAmerican continues to be concerned about the requirement to respond to written comments about facility rating methodology within 45 days. The Drafting Team had extended the time frame from 30 days

to 45 days in response to previous comments. We fail to see the reliablity implications of failing to respond to comments within 45 days. We are voting yes in spite of our concerns in this regard.
Response: The intent in setting a timeframe was to ensure that the timeframe was short enough that the comments would not linger without attention for too long, while also being long enough to provide the developer of the methodology an opportunity to research the validity of the comments.

**New York State Electric and Gas Corporation NYET**
**New York State Reliability Council**
The New York State Reliability Council (NYSRC) has voted NO on proposed Standards FAC-008-1, 009-1, 012-1, and 013-1 because of the concerns addressed below.
1. There are interrelations and dependencies between the three groups of DFR standards. For example, the Transfer Capability standard requires that "Transfer Capabilities must respect all applicable System Operating Limits (SOLs)". If the Transfer Capability standards were adopted without the SOL standards (FAC-010-1), there would be no NERC SOL methodology standard basis for determining Transfer Capabilities. Although the Regions may have their own SOL requirements, NERC has no compliance review requirements for such Regional requirements. Further, certain Regional SOL requirements may not require Category C Contingency assessments, that we believe would result in excessive Transfer Capabilities.
The drafting team does not see where the standards (FAC-008 through FAC-012) must all be implemented at the same time. While FAC-0012 does require that the Transfer Capability methodology developed ensure that SOLs are not exceeded, SOLs are developed and exist today and should be respected in the development of Transfer Capabilities, even if the proposed standard for the development of an SOL methodology is not approved. The reliability standards process is still a new process, and just because the Version 0 standards were balloted as a whole, this should not set a precedent that all sets of standards must be balloted as a whole. The drafting team does agree that if new standards have interdependencies, then those sets of interdependent standards should be balloted as a 'set' rather than individually. This is what the drafting team attempted to do in combining the ballot for FAC-008 with the ballot for FAC-009; and in combining the ballot for FAC-010 with that for FAC-011, etc.
FAC-008 and FAC-009 are basic and surely could move forward without any of the other standards in this series.

2. Implementation Plan. There is no indication of how NERC would revise the DFR implementation plan if only one or two of the DFR groups were adopted.
The implementation plan doesn't include any cross references between standards and therefore does not need to be modified if only one or two of the DFR sets of standards were adopted.

3. Lack of Review Time. Because of NERC's last minute voting group change there was insufficient time for RRS to completely review the above two issues. Also, the NYSRC was unable to provide NY voting entities balloting recommendations in time for their vote. If the decision to ballot the DFR standards in three groups had been made a few weeks earlier, the NYSRC would have had time to consider these issues.
The Standards Process Manual does not address this area, however as per the implementation plan there is no cross reference between the standards that should preclude approving one set with or without the other sets of standards.

4. Process Concerns. We believe that NERC's last minute announcement on October 4, 2005, the first day of balloting - to ballot the six DFR standards in three groups instead of one group as previously announced - was unacceptable. We believe that this action either violated NERC's own standard development procedure, or if not, circumvented the intent of the process.
The Standards Process Manual does not address this area and we do not believe there has been any violation of the process.

Please note that the following comments as to why the NYSRC voted NO on FAC-010-1 and 011-1 (mistakingly on entered on that ballot) are as follows: Our concerns specifically address standard FAC-

010-1, "System Operating Limits Methodology". These concerns were expressed in our comments on previous drafts to the DFR standard drafting team (SDT), and continue not to be addressed in Draft #5 that has been balloted. The fundamental issue is our concern that the required methodology in the standard for determining System Operating Limits (SOLs) does not include a requirement to consider credible multiple element contingencies. Similar concerns have been expressed by the Northeast Power Coordinating Council (NPCC) and other entities. The NYSRC believes that the proposed standard is not consistent with a critical recommendation in the Final Report on the August 14, 2003 Blackout in the United States and Canada, prepared by the U.S.-Canada Power System Outage Task Force. Recommendation #25 states that the NERC process to reevaluate its standards should "not dilute the content of the existing standards." The report's support for this recommendation uses a quote from a commenter on the Interim Report as follows: "A strong transmission system designed and operated in accordance with weakened criteria would be disastrous. Instead, a concerted effort should be undertaken to determine if existing reliability criteria should be strengthened…Only through strong standards and careful engineering can unacceptable power failures like August 14, 2003 be avoided in the future." Standard FAC-010-1, because it does not require consideration of credible multiple element contingencies, does not meet this principle, for the following reasons:

1. Section R2 of proposed standard FAC-010-1 states that the standard's required methodology "shall be applicable to development of SOLs during the planning horizon". However, the recently adopted Version 0 transmission system planning standard TPL-003-0, "System Performance Following Loss of Two or More BES Elements", includes a requirement to assess so-called Category C contingencies, i.e., events resulting in the loss of two or more (multiple) elements. Therefore, adoption of FAC-010-1 in its present form, without considering Category C contingencies, would be inconsistent with Standard TPL-003-0 and would thus result in a weakening of existing NERC standards.

2. Category C contingencies should be applied to the operation of the bulk electric system, as well as to planning. We are aware of the contention that in operations often there is a facility already out of service, and therefore consideration of multiple element contingencies, in addition, could be overly restrictive. We agree that there could be certain situations where consideration of Category C (multi-element) contingencies would result in unacceptable restrictions; however, if such a condition did arise an exception could always be requested.

3. NYSRC agrees that Category C contingencies need not be applied when key transmission elements are already out of service. Traditionally, NPCC members and many other systems have used "normal operating criteria," which include Category C contingencies, for determining SOLs when all key transmission elements are in service. When one or more key transmission elements are out of service, "emergency operating criteria," which do not include Category C (multi-element) contingencies, would be used. Since the latter condition would normally apply for only a small percentage of the total hours of the year, Category C (multi-element) contingencies would and should be used for determining SOLs most of the time.

4. Another reason for requiring Category C contingencies to apply to operations is that a system designed to these criteria should also be operated to it. It makes no sense to invest in and construct a transmission system based on Category C requirements in accordance with NERC transmission system planning standard TPL-003-0, and then operate the same system using weaker criteria as proposed in Standard FAC-010-1.

5. We recognize that the SDT has included a provision in section R4.4 that allows a Region to establish criteria requiring consideration of credible multiple element contingencies. However, we believe that reliability standards recognizing this class of contingencies should be maintained in all of North America, not only certain Regions. A weakening of reliability standards in any Region could adversely affect the reliability in another Region, even if the other Region has adopted more stringent standards. In conclusion, the NYSRC strongly believes that adoption of proposed standard FAC-010-1, as presently

proposed, would weaken present NERC criteria, and in light of 2003 Blackout lessons-learned, would result in an unacceptable reliability impact for the North American bulk electric system.
Response: These comments (1-5 above) are not relevant to this ballot which is for FAC-008 and FAC-009 but will be considered with FAC-010.