

Consideration of Comments on Initial Ballot of Revisions to FAC-010, FAC-011, FAC-014 for Order 705

Summary Consideration: The drafting team did not make any modifications based on comments submitted with the initial ballot for the modifications to these three standards.

Some balloters proposed modifications to the standards that involve modifications outside the drafting team's control. One balloter proposed modifying several sets of VSLs to treat each of the subrequirements as though they were of equal weight in contributing to the requirement. The drafting team gave serious consideration to the contribution of each subrequirement in achieving the objective of the associated requirement – and the team does not believe that all subrequirements are of equal weight. For example, if the Planning Authority is required to have a methodology for developing SOLs, and the methodology that is developed is not suitable for use in the planning horizon, then the methodology can't be used for its intended purpose – and the intent of the requirement has been totally missed, which meets the criteria for a "Severe" Violation Severity Level. If the VSLs were modified as proposed, missing this subrequirement would be classified as a "Lower" Violation Severity Level.

One balloter suggested that the proposed dates in the implementation plan for the Version 2 standards could be confusing as entities wouldn't know which requirements to comply with. The drafting team noted that there will only be one standard in place at a time, and since the requirements in the proposed standards are the same as those in the already approved "Version 1" standards, it should not be difficult to know what performance is required.

One balloter proposed changes to improve the readability or to move some of the VSLs from one category to another. The drafting team did not make any of these changes as they do not seem warranted based on the high level of approval achieved during the initial ballot.

Two balloters highlighted typographical errors in the posted versions of the standards, and these will be corrected and noted before the recirculation ballot is conducted. These errors were in FAC-011-2 and include the following:

- R4 Severe VSL should reference the "Reliability Coordinator" rather than the "Planning Authority."
- R4 Severe VSL should have the word, "OR" between the two paragraphs
- Footnote 1 should reference FAC-011, not FAC-010

Segment:	3
Organization:	Duke Energy Carolina
Member:	Henry Ernst-Jr
Comment:	<p>1)VSLs for FAC-010-2 - It's unclear what your VSL is if your methodology didn't address R2.1 and R2.2</p> <p>2)VSLs for FAC-011-2</p> <ul style="list-style-type: none"> ▪ 2a-VSLs aren't aligned with the severity of the sub-requirements. Suggest moving the "Moderate" VSL language to "Lower" and make the "moderate" VSL "N/A". "High" VSL should apply for failing to address either R1.1 or R1.3. "Severe" VSL should apply only if the RC has no documented SOL Methodology. ▪ 2b-Under the "Severe" VSL for R4, the reference to "Planning Authority" should instead be to the "Reliability Coordinator". ▪ 2c-Under the "Severe" VSL for R4, there should be an "OR" after the first paragraph and before the last paragraph. <p>3)VSLs for FAC-014-2</p> <ul style="list-style-type: none"> ▪ 3a-"Severe" VSLs for R1 - R4 should have the following lead-in phrase added "No SOLs have been established for the Reliability Coordinator's Area, OR..." ▪ 3b-The "Moderate", "High" and "Severe" VSLs for R5 should identify that "the supporting information provided "by the Reliability Coordinator" with the IROLs does not address 5.1.4, 5.1.3, 5.1.1, 5.1.2" ▪ 3c-Entity references in R3 and R4 should be made consistent with the Functional Model definitions. <p>4)FAC-014-2 Requirement R5 is extremely confusing, since the RC, TO, PA and TP are all responsible for communicating SOLs and IROLs to each other and adjacent entities.</p>
Response:	<p>1 – The compliance enforcement authority has latitude in determining which VSL is most applicable to any given situation. It isn't practical to develop a set of VSLs that covers all possible findings of non-compliance. In the example provided, the compliance enforcement authority may determine that the entity's violation is either Moderate or High.</p> <p>2a– The drafting team used the following philosophy when developing the VSLs for R1:</p> <ul style="list-style-type: none"> ▪ If the methodology is not applicable for use in the operations horizon, then the Reliability Coordinator and Transmission Operator can't use it – therefore the intent of the requirement has not been met at all, and the violation is severe. ▪ The statement that Facility Ratings will be respected is intended to provide the facility owner with some assurance that the system operating limits developed in accordance with the methodology will not violate the ratings

	<p>established by the owner. The Violation Severity Level Guidelines document developed by the VSL Drafting Team proposed that a violation that included at least one significant element within the requirement should be at least a “Moderate” VSL.</p> <p>2b – You are correct, the reference should be to the Reliability Coordinator, not the Planning Coordinator – we will fix this before we conduct the recirculation ballot.</p> <p>2c – You are correct, there should be an “OR” between the last two paragraphs of the Severe VSL for FAC-011-2 R4 – we will fix this before we conduct the recirculation ballot.</p> <p>3a – There is always an SOL – at a minimum, the Facility Rating would be the SOL.</p> <p>3b – The drafting team envisioned the situation where some of the supporting information was missing – note that the failure to address 5.1.4 is already covered in the “Moderate” VSL – failure to address 5.1.3 is covered in the “High” VSL – failure to address 5.1.1 and 5.1.2 are addressed in the “Severe” VSL.</p> <p>3c – The drafting team made the fewest changes possible to this set of standards. The Functional Model Working Group has confirmed that the Planning Authority and Planning Coordinator are the same. When this set of standards was originally started, the term used in the Functional Model was, “Planning Authority.”</p> <p>4 – The drafting team did not modify R5. The original drafting team could not identify a way of simplifying the requirement without duplicating much of the information several times. While the requirement is complex, the drafting team believes that each responsible entity can comprehend the portions of the requirement that are applicable.</p>
Segment:	1, 3, 5, 6
Organization:	Manitoba Hydro
Member:	Michelle Rheault, Ronald Dacombe, Mark Aikens, Daniel Prowse
Comment:	<p>MH does not see a reliability need to define SOLs in the planning horizon and believes the Standard FAC-010 should be withdrawn. As Operators do not use SOLs developed for the planning horizon in real time operations there is no benefit from the extra work required to comply with this standard. Accordingly, MH believes Standard FAC-014 should be modified to only require the establishment and communication of SOLs in the operating horizon (ie. remove Transmission Planner and planning authority from the Applicability section, remove Requirements R3, R4, R5.3, R5.4 and R6 and remove Planning Authority from the Measures section).</p> <p>The VSLs are unrealistic for SOLs in the planning horizon and consequently, FAC-010 and the planning requirements for FAC-014 cannot be supported.</p>
Response:	The ballot for this set of standards is for the modifications that were made to address some of the directives in FERC Order 705. The need for SOLs for use in the planning horizon was established with stakeholders during the initial development of this set of standards.

	Without additional details, the drafting team cannot address your concern about the VSLs being unrealistic. The drafting team developed the VSLs using the VSL Guidelines Criteria. The VSLs categorize the degree to which the performance that was assessed missed being fully compliant, with the “Lower” VSL describing performance that is close to being fully compliant, and the “Severe” VSL describing performance that mostly or totally misses achieving the intent of the requirement.
Segment:	1
Organization:	New York State Electric & Gas Corp.
Member:	Henry G. Masti
Comment:	I think there may be a typo in footnote #1 on FAC 011? " The Contingencies identified in FAC-010[FAC-010 should be FAC-011??] R2.2.1 through R2.2.3 are the minimum contingencies that must be studied but are not necessarily the only Contingencies that should be studied." thanks hgm
Response:	You are correct, the reference in the footnote should be to “FAC-011” – we will fix this before we conduct the recirculation ballot.
Segment:	3
Organization:	Ameren Services Company
Member:	Mark Peters
Comment:	<p>Applicable to all:</p> <ol style="list-style-type: none"> 1. The red-line changes are an improvement to the earlier drafts, but it is still not clear how any of these standards are going to ensure reliability. If the real purpose behind these standards is to better align planning and operating, it appears the drafting team has again has missed the mark. With two entities, the PA and RC, developing separate SOL methodologies, there is the potential for conflict, inconsistency, and no coordination. 2. We continue to struggle with the concept of operating limits in the planning horizon and the need for multiple types of studies to satisfy the TPL-001 through 004 standards and the FAC-010, 011, and 014 standards. Yes, there are system limits in planning studies, but they are not operating limits. Violations of the TPL performance standards would require a corrective plan for a system upgrade, topology change, operating procedure, etc. to meet compliance requirements. Does this mean that every TPL violation would result in an SOL? Perhaps, but these are not the only limits that need to be recognized and many of the limits would be fixed before they are observed in the operating horizon. The SOL methodology needs to recognize both NERC reliability standards and local planning criteria.

3. Operating personnel need to be aware of the fast acting multiple contingencies that do not allow time for system operators to react including Table 1 Category C1 bus faults, C2 breaker failures, and C5 double-circuit tower outages, in addition to their planning for the next single contingency.

FAC-010-2

1. In R2.1, "steady-state stability" needs to be included in the second line to ensure that oscillations are well damped. Also, at what transfer levels must the system meet the performance standards and who determines what level is too much? The TPL standards only specify those levels to cover the net scheduled interchange (base case). In operations, a wider envelope of transfer capability needs to be recognized to cover imports, exports, and extreme system bias conditions based on FCITC analyses. Incremental transfer capability should be included in the SOL methodologies.

2. In R2.2, the specific types of contingencies that should be considered in the methodology are identified. Why not include a reference to TPL-002-0 and Table 1 similar to what is included in R2.5? In the event that standards TPL-001 through 004 are revised, the contingencies listed in FAC-010 need to follow the revision.

3. As written, FAC-010-2 is applicable to the Planning Authority. Has the PA performed any of the studies to support the TPL standards? Has the PA performed any incremental transfer capability analysis? Has the PA recognized and honored local area planning criteria? If not, where is the PA going to get its information to develop its SOL methodology for FAC-010? We do not believe that the PA can adequately provide such a methodology unilaterally.

FAC-011-2

1. What on-line stability tools are being employed to demonstrate stability for R2.1 and R2.2?

2. What is the pre-contingency state in the operating horizon, and why do they bother to study those conditions? There is always something broke and/or out of service in the operating horizon. Shouldn't the pre-contingency state be reclassified as the operating state? The operating state should then have to meet the conditions of all loadings within normal ratings and all voltages within limits and be able to handle the next contingency.

3. Why is there no requirement for establishing SOLs for operating conditions with two contingencies as required in TPL-003-1 or FAC-010-2? This appears to be another inconsistency between planning and operating.

FAC-014-2

	<p>1. Does this standard achieve its purpose? Other than the auditors, who checks the SOLs developed by the TP and TOP to see that they are consistent with the methodologies of the PA and RC? How is it determined that all of the SOLs are identified? How does this contribute to reliability or is this just another item to be audited?</p> <p>2. Both the TOP and the TP are each establishing SOL in R2 and R4 based on the methodologies of the RC and PA, respectively. The TOP has to follow the RC methodology and the TP has to follow the PA methodology. Are these methodologies consistent? Who provides/ensures coordination between entities?</p>
Response:	This ballot is for the modifications made to the three standards to comply with some of the directives in FERC Order 705. Those modifications are limited to the red line changes that were posted for review. None of the comments provided address the modifications that are the subject of the ballot. If the balloter believes that the set of standards need wholesale revision, the balloter can submit a SAR with a proposal for revisions.
Segment:	5
Organization:	Orlando Utilities Commission
Member:	Richard Kinias
Comment:	FAC-010 requirement 2.3 - no requirement should ever have the word "may" in it - may is a suggestion not a requirement VSL should be clearer, as an example Moderate VLS for R2 is: Presented: The Planning Authority's SOL Methodology requires that SOLs are set to meet BES performance in the precontingency state and following single contingencies, but does not address multiple contingencies. (R2.5-R2.6) Recommended: Entity did not completely address one or more of the following: R2.5, R2.6
Response:	This ballot is for the modifications made to the three standards to comply with some of the directives in FERC Order 705. Those modifications are limited to the red line changes that were posted for review. The drafting team agrees that the language in the VSLs could be simplified – however in their current state they are understandable and seem to be supported by most balloters – so no changes were made.
Segment:	1
Organization:	American Transmission Company, LLC
Member:	Jason Shaver
Comment:	ATC is balloting negative on these standards in order to have the SDT address our concerns with the implementation schedule. The SDT needs to clarify the retirement dates of the three existing version 1 standards. (FAC-010-1, FAC-011-1 and FAC-014-1 see implementation plan)

	<p>Per the implementation plan the existing standards will not be retired until the proposed new standard become effective. (FAC-010-2 eff. July 1, 2008, FAC-011-2 eff. Oct. 1, 2008, and FAC-014-2 eff. Jan. 1, 2009)</p> <p>FAC-010 This standard is scheduled to be effective on July 1, 2008 and it is very likely that the version 2 will not be approved by FERC before the July 1 effective date. Therefore the version 2 standard should become effective 30 day's following FERC approval to allow for any modifications to documents and distribution. The version 1 standard should be retired on the same day that version 2 standard becomes mandatory and enforceable. ATC is concerned that the proposed effective date will be back dated when version 2 is approved by the BOT and FERC and potentially making entities non-compliant.</p> <p>FAC-011 and FAC-014 It is very likely that the NERC BOT and FERC will approve the version 2 standard before the October 1 and January 1 effective dates but until FERC approves the standard the RC has to start working on compliance to the version 1s. It seems that the SDT is confusion the retirement date of the version 1 standards with the effective date of the version 2 standards. Version 1 standards need to be retired immediately following FERC approval so that the version 2s can become effective on October 1 2008 and January 1, 2009. NOTE: For those entities that do not report to FERC the version one standards should be retired immediately following the NERC BOT approval of the version 2 standards. Since FAC-010-1 is scheduled to be effective on July 1 these entities should be given an additional 30 days to become compliant with FAC-010-2.</p>
<p>Response:</p>	<p>The drafting team selected retirement dates that coincide with the effective dates already approved by FERC so that there will only be one version of each standard in effect at any point in time. Since the Commission directed NERC to submit the VSLs for the standards before the standards become effective, we believe that the Commission will act quickly to approve the revisions to the already approved versions of the standards.</p> <p>To meet the administrative needs of the compliance program, new or revised standards will become effective on the first day of a calendar quarter. Therefore, the team cannot support the proposal to modify the effective date for FAC-010 as proposed. The implementation plan is clear that the already approved standards will be retired when the new versions of the standards become effective.</p> <p>Version 2 of FAC-010, FAC-011, and FAC-014 do not contain any new requirements that weren't also included in the first version of these standards, so there should not be any issues associated with compliance to the requirements. If an entity were compliant with Version 1 of FAC-010, FAC-011, FAC-014, that entity should also be compliant with Version 2 of those same standards.</p>

Segment:	10
Organization:	Southwest Power Pool
Member:	Charles H. Yeung
Comment:	<p>SPP's ORWG submitted comments regarding the VSLs for these standards. Because many of those recommendations were not incorporated, SPP cannot support the proposed FAC 010,011, and 014 standards. We reiterate the numerous outstanding concerns here.</p> <p>FAC-010-2:</p> <p>R1 - Clarify which subrequirement is more critical by revising to: "The PA has a documented SOL Methodology but is missing one of the subrequirements. Assign to the Lower category. Substitute two subrequirements for one and assign a Moderate category. And substitute three subrequirements for one and assign a Higher category." Also remove the first paragraph (above the 'or') in the Severe category.</p> <p>R2 - reword the VSLs to make them similar to the VSLs for R3. As written, the VSLs imply that one of the subrequirements is more important than another.</p> <p>R4 - these VSLs add an additional requirement to R4 by stipulating a specific time reference for the requirement. Eliminate the timing aspects and revise the VSLs to parallel what we propose for the VSLs for R1.</p> <p>R5 - delete the phrase '...but less than 60 calendar days.' from the Lower VSL. Recommend the following language for the Moderate category: 'The Planning Authority in their response did not include statements regarding changes or no changes to their SOL methodology.' Delete the first paragraph (above the 'or') of the VSL in the Higher category and keep the second paragraph (below the 'or'). Replace the entire Severe category to the following: 'The Planning Authority failed to respond.'</p> <p>FAC-011-2: R1 - Clarify which subrequirement is more critical by revising to: "The PA has a documented SOL Methodology but is missing one of the subrequirements. Assign to the Lower category. Then, substitute two subrequirements for one and assign a Moderate category. Finally, substitute three subrequirements for one and assign a Higher category." Also, remove the first paragraph (above the 'or') in the Severe category.</p> <p>R2 - reword the VSLs to make them similar to the VSLs for R3. As written, the VSLs imply that one of the subrequirements is more important than another.</p>

	<p>The VSLs for R4 add an additional requirement to R4 by stipulating a specific time reference for the requirement. Eliminate the timing aspects and revise the VSLs to parallel what we proposed for the VSLs for R1. Change the VSLs for R5 to match those we proposed in R5 of FAC-010 except replace Planning Authority with Reliability Coordinator.</p> <p>FAC-014: The VSLs for R5 introduce a specific timing requirement that is not included in R5. This should be deleted. R5 - Clarify which of the subrequirements is more critical than the other. We recommend the VSLs be revised to the following: "The responsible entity has communicated its SOL Methodology but is missing one of the subrequirements. This would be assigned the Lower category. Then, substitute two subrequirements for one and assign a Moderate category. Substitute three subrequirements for one and assign a Higher category. Finally, substitute four subrequirements for one and assign a Severe category."</p> <p>R6 - move the Higher category VSL to the empty Moderate category. Move the second paragraph of the Severe category to the Higher category. Leave the first paragraph of the Severe category as the only entry for the Severe category. In addition, SPP supports the comment on FAC-014 R6 submitted by the IRC Standards Review Committee and is concerned with the the SDT response: "The intent of Requirement R6 is not for the Planning Coordinator to identify the stability-related limits – the intent of this requirement is to deliver these limits to the Reliability Coordinator. If the Planning Coordinator develops the stability-related limits but never delivers them to the Reliability Coordinator, then the Reliability Coordinator does not have the limits to use in its real-time operation and the intent of the requirement is not met at all." If the PC fails to identify the multiple contingencies associated with the stability limit, it should weigh much higher than a failure to provide the list and the limit to more than one RC (note that the VSL is Severe for failing either condition, hence the SRC's original comment to disagree with the proposed VSLs). The SDT's rationale that not delivering the information to the RC would leave the RC without limits for use in real-time operation is flawed. RCs develop limits themselves, and according to the FAC standards, would take the multiple contingencies identified by the PC, or use its own, in a limit calculation.</p>
<p>Response:</p>	<p>FAC-010-2: VSLs for R1 – The drafting team does not agree with the proposed modification as the subrequirements are not of equal weight – for example, if the methodology is not applicable for use in the planning horizon, the product fails to meet the intent of the requirement – and this qualifies as a Severe VSL. Under the VSL proposed, this would be a “Lower” VSL.</p>

VSLs for R2 - The drafting team does not agree with the proposed modification as the subrequirements are not of equal weight – a methodology that doesn't address the most frequently occurring types of contingencies (single contingencies) is less useful than a methodology that doesn't address the pre-contingency state.

VSLs for R4 - The requirement states that the distribution must take place, “prior to the effectiveness of the change”. This is a “timing” component that was carried over to the VSLs so that if the distribution hasn't taken place before the change, but did take place, there is a category of VSL to capture the noncompliant performance.

VSLs for R5 - The drafting team considered using the phrase, “The Planning Authority failed to respond” but envisioned the situation where the auditor requests evidence of a response, and the entity claims that the response is under development but hasn't been completed and delivered – the outer boundary of 90 calendar days was intended to clarify that if the response hasn't been provided within 90 days, then it can be considered to have not been provided.

FAC-011-2:

VSLs for R1 - The drafting team does not agree with the proposed modification as the subrequirements are not of equal weight – for example, if the methodology is not applicable for use in the operations horizon, the product fails to meet the intent of the requirement – and this qualifies as a Severe VSL. Under the VSL proposed, this would be a “Lower” VSL.

VSLs for R2 - The drafting team does not agree with the proposed modification as the subrequirements are not of equal weight – a methodology that doesn't address the most frequently occurring types of contingencies (single contingencies) is less useful than a methodology that doesn't address the pre-contingency state.

VSLs for R4 - The requirement states that the distribution must take place, “prior to the effectiveness of the change”. This is a “timing” component that was carried over to the VSLs so that if the distribution hasn't taken place before the change, but did take place, there is a category of VSL to capture the noncompliant performance.

VSLs for R5 - The drafting team considered using the phrase, “The Reliability Coordinator failed to respond” but envisioned the situation where the auditor requests evidence of a response, and the entity claims that the response is under development but hasn't been completed and delivered – the outer boundary of 90 calendar days was intended to clarify that if the response hasn't been provided within 90 days, then it can be considered to have not been provided.

FAC-014

VSLs for R5 - The requirement states that the entity requesting the limits must deliver limits to those entities that request

them and provide a “a schedule for delivery of those limits.” The measure requires evidence that the limits were delivered as requested. This is a “timing” component that was carried over to the VSLs so that if the distribution hasn’t taken place “as scheduled,” but did take place, there is a category of VSL to capture the noncompliant performance.

The drafting team does not agree with the proposed modification as the subrequirements are not of equal weight – providing the IROL T_v contributes more to meeting the intent of the requirement than providing the type of limitation represented by the IROL.

VSLs for R6 – The drafting team did not adopt the proposed modifications. The balloter has provided no justification for the proposed modifications. The drafting team continues to believe that if the Planning Authority fails to distribute the stability-related limits to a Reliability Coordinator, then a serious aspect of the requirement has not been met, and warrants a , “High” VSL.