



# Reliability Standard Audit Worksheet<sup>1</sup>

## VAR-002-2b – Generator Operation for Maintaining Network Voltage Schedules

*This section must be completed by the Compliance Enforcement Authority.*

**Registered Entity:**

**NCR Number:**

**Applicable Function(s):** GO, GOP

**Compliance Assessment Date:**

**Compliance Monitoring Method:**

**Names of Auditors:**

<sup>1</sup> NERC developed this Reliability Standard Audit Worksheet (RSAW) language in order to facilitate NERC’s and the Regional Entities’ assessment of a registered entity’s compliance with this Reliability Standard. The NERC RSAW language is written to specific versions of each NERC Reliability Standard. Entities using this RSAW should choose the version of the RSAW applicable to the Reliability Standard being assessed. While the information included in this RSAW provides some of the methodology that NERC has elected to use to assess compliance with the requirements of the Reliability Standard, this document should not be treated as a substitute for the Reliability Standard or viewed as additional Reliability Standard requirements. In all cases, the Regional Entity should rely on the language contained in the Reliability Standard itself, and not on the language contained in this RSAW, to determine compliance with the Reliability Standard. NERC’s Reliability Standards can be found on NERC’s website. Additionally, NERC Reliability Standards are updated frequently, and this RSAW may not necessarily be updated with the same frequency. Therefore, it is imperative that entities treat this RSAW as a reference document only, and not as a substitute or replacement for the Reliability Standard. It is the responsibility of the registered entity to verify its compliance with the latest approved version of the Reliability Standards, by the applicable governmental authority, relevant to its registration status.

The NERC RSAW language contained within this document provides a non-exclusive list, for informational purposes only, of examples of the types of evidence a registered entity may produce or may be asked to produce to demonstrate compliance with the Reliability Standard. A registered entity’s adherence to the examples contained within this RSAW does not necessarily constitute compliance with the applicable Reliability Standard, and NERC and the Regional Entity using this RSAW reserves the right to request additional evidence from the registered entity that is not included in this RSAW. Additionally, this RSAW includes excerpts from FERC Orders and other regulatory references. The FERC Order cites are provided for ease of reference only, and this document does not necessarily include all applicable Order provisions. In the event of a discrepancy between FERC Orders, and the language included in this document, FERC Orders shall prevail.

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**Subject Matter Experts**

Identify Subject Matter Expert(s) responsible for this Reliability Standard. (Insert additional rows if necessary)

**Registered Entity Response (Required):**

SME Name	Title	Organization	Requirement(s)

**R1 Supporting Evidence and Documentation**

**R1.** The Generator Operator shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (automatic voltage regulator in service and controlling voltage) unless the Generator Operator has notified the Transmission Operator of one of the following: *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*

- That the generator is being operated in start-up<sup>2</sup> or shutdown<sup>3</sup> mode pursuant to a Real-time communication or a procedure that was previously provided to the Transmission Operator; or
- That the generator is not being operated in the automatic voltage control mode for a reason other than start-up or shutdown.

**Question:** Has the Generator Operator operated each generator connected to the interconnected transmission system in the automatic voltage control mode throughout the audit period? If No, provide evidence of notification to the Transmission Operator based on the reasons listed in R1.

**Registered Entity Response to Question (Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

<sup>2</sup> Start-up is deemed to have ended when the generator is ramped up to its minimum continuously sustainable load and the generator is prepared for continuous operation.

<sup>3</sup> Shutdown is deemed to begin when the generator is ramped down to its minimum continuously sustainable load and the generator is prepared to go offline.

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**Registered Entity Evidence (Required):**

Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

**Audit Team Evidence Reviewed (This section must be completed by the Compliance Enforcement Authority):**


**Compliance Assessment Approach Specific to VAR-002-2b, R1**

*This section must be completed by the Compliance Enforcement Authority*

Review the evidence to verify the Registered Entity has:

	Provided a list of all Generators and its AVR status during the audit period.
	Responded 'Yes' to the Question that it operated each generator connected to the interconnected transmission system in the automatic voltage control mode (automatic voltage regulator in service and controlling voltage) throughout the audit period.
Or	
	Responded 'No' to the Question and provided evidence of compliance that the entity notified the Transmission Operator of one of the following reasons why the entity did <b>not</b> operate each generator in the automatic voltage control mode:
	The generator is being operated in start-up or shutdown mode pursuant to a real-time communication or a procedure that was previously provided to the Transmission Operator; or
	The generator is not being operated in the automatic voltage mode for a reason other than start-up or shutdown.
<b>Note to Auditor:</b> Review the footnotes referring to start-up and shutdown mode for generators as applicable. If a generator is being started up or shut down with the automatic voltage control off, verify evidence of notification to the Transmission Operator for each applicable generator, or that a procedure has been provided to the Transmission Operator prior to start up or shut down with the automatic voltage control off.	

**Auditor Notes:**

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**R2 Supporting Evidence and Documentation**

**R2.** Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power schedule<sup>4</sup> (within applicable Facility Ratings<sup>5</sup>) as directed by the Transmission Operator. [Violation Risk Factor:Medium] [Time Horizon: Real-time Operations]

**R2.1.** When a generator’s automatic voltage regulator is out of service, the Generator Operator shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.

**R2.2.** When directed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.

**Question:** As a Generation Operator, have you operated the generator with the AVR out of service? If Yes, provide evidence of notification to the Transmission Operator and the method used to maintain the voltage or Reactive Power schedule.

**Registered Entity Response to Question (Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

**Audit Team Evidence Reviewed (This section must be completed by the Compliance Enforcement Authority):**

<sup>4</sup> The voltage or Reactive Power schedule is a target value communicated by the Transmission Operator to the Generator Operator establishing a tolerance band within which the target value is to be maintained during a specified period.  
<sup>5</sup> When a Generator is operating in manual control, reactive power capability may change based on stability considerations and this may lead to a change in the associated Facility Ratings.

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**Compliance Assessment Approach Specific to VAR-002-2b, R2**

***This section must be completed by the Compliance Enforcement Authority***

Review the evidence to verify the Registered Entity has:

	Provided a list of all generators , including identification of all generators that have been exempted from maintaining a generator voltage schedule or reactive power schedule.
	For each generator that was not exempted:
	Verify the Generator Operator maintained the generator voltage or Reactive Power schedule as directed by the Transmission Operator (within applicable Facility Ratings).
Or	
	Responded 'Yes' to the Question regarding the generator was operated with the AVR out of service and provided evidence of Transmission Operator notification that:
	(R2.1) The Generator Operator used an alternative method to control the generator voltage and reactive power output to meet the voltage or Reactive Power schedule as directed by the Transmission Operator
	(R2.2) The Generator Operator provided an explanation of why a voltage schedule cannot be met when directed to modify voltage.
<b>Note to Auditor:</b>	

**Auditor Notes:**

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**R3 Supporting Evidence and Documentation**

**R3.** Each Generator Operator shall notify its associated Transmission Operator as soon as practical, but within 30 minutes of any of the following: [*Violation Risk Factor: Medium*] [*Time Horizon: Real-time Operations*]

**R3.1.** A status or capability change on any generator Reactive Power resource, including the status of each automatic voltage regulator and power system stabilizer and the expected duration of the change in status or capability.

- Reporting of status or capability changes is not applicable to the individual dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition.

**R3.2.** A status or capability change on any other Reactive Power resources under the Generator Operator's control and the expected duration of the change in status or capability.

**Question:** As a Generation Operator, have you had a status or capability change as specified in R3.1 or R3.2? If Yes, provide evidence of Transmission Operator notification.

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**Registered Entity Response to Question (Required):**

[Blank response area]

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

[Blank response area]

**Registered Entity Evidence (Required):**

Provide the following for all evidence submitted (Insert additional rows if necessary):  
File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

File Name	File Extension	Document Title	Revision	Date	Page(s)	Section(s)	Section Title(s)	Description

**Audit Team Evidence Reviewed (This section must be completed by the Compliance Enforcement Authority):**

[Blank table for Audit Team Evidence Reviewed]

**Compliance Assessment Approach Specific to VAR-002-2b, R3**

***This section must be completed by the Compliance Enforcement Authority***

Review the evidence to verify the Registered Entity has:

	Responded 'Yes' to the applicability Question that a status or capability change of a Reactive Resource occurred during the audit period and provided evidence of compliance of the following:
	(R3.1) Documented the time of all status or capability changes during the audit period on any Reactive Resource within the Generator Operator's control
	(R3.1) Documented the time the Transmission Operator was notified of any Reactive Resource status or capability change
	Notified its associated Transmission Operator of each status or capability change within 30 minutes.
	(R3.2) Included the expected duration of the status or capability change in the notification to its associated Transmission Operator.

**Note to Auditor:** If there has not been a change in status or capability of Reactive Resources during the audit period, no further compliance assessment is required.

Requirement R3.1 is not applicable to individual dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition. Entity assertions regarding applicability of Requirement

R3.1 should be supported by evidence such as one-line diagrams, nameplate ratings, manufacturer information, or BES inclusion documentation available at the Regional Entity.

**Auditor Notes:**

**R4 Supporting Evidence and Documentation**

**R4.** The Generator Owner shall provide the following to its associated Transmission Operator and Transmission Planner within 30 calendar days of a request. *[Violation Risk Factor: Lower] [Time Horizon: Real-time Operations]*

**R4.1.** For generator step-up transformers and auxiliary transformers<sup>6</sup>-with primary voltages equal to or greater than the generator terminal voltage:

**R4.1.1.** Tap settings.

**R4.1.2.** Available fixed tap ranges.

**R4.1.3.** Impedance data.

**R4.1.4.** The +/- voltage range with step-change in % for load-tap changing transformers

**Question:** As a Generation Owner, have you received a request for the data specified in R4.1 and sub-requirements? If Yes, provide evidence of compliance.

**Registered Entity Response to Question (Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

<sup>6</sup> For dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition, this requirement applies only to those transformers that have at least one winding at a voltage of 100 kV or above.

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**Registered Entity Evidence (Required):**

Provide the following for all evidence submitted (insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

**Audit Team Evidence Reviewed (This section must be completed by the Compliance Enforcement Authority):**


**Compliance Assessment Approach Specific to VAR-002-2b, R4**

*This section must be completed by the Compliance Enforcement Authority*

Review the evidence to verify the Registered Entity has:

	Responded 'Yes' to the applicability Question regarding a request received for the data in R4.1 and provided evidence of compliance of the following :
	(R4.1) Provided the following information for generator step-up transformers and auxiliary transformers with primary voltages equal to or greater than the generator terminal voltage:
	(R4.1.1) Tap settings
	(R4.1.2) Available fixed tap ranges
	(R4.1.3) Impedance data
	(R4.1.4) The +/- voltage range with step-change in % for load-tap changing transformers
	Provided the requested information to its associated Transmission Operator and Transmission Planner within 30 calendar days of a request.

**Note to Auditor:** Consider contacting associated Transmission Operator(s) to verify if any requests for the data specified in R4.1 were made during the audit period.

Requirement R4.1 is not applicable to auxiliary transformers without at least one winding at a voltage of 100 kV or above at dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition. Entity assertions regarding applicability of Requirement R4.1 should be supported by evidence such as one-line diagrams, nameplate ratings, manufacturer information, commissioning tests, etc.

**Auditor Notes:**

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**R5 Supporting Evidence and Documentation**

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**R5.** After consultation with the Transmission Operator regarding necessary step-up transformer tap changes, the Generator Owner shall ensure that transformer tap positions are changed according to the specifications provided by the Transmission Operator, unless such action would violate safety, an equipment rating, a regulatory requirement, or a statutory requirement. *[Violation Risk Factor: Medium]*  
*[Time Horizon: Real-time Operations]*

**R5.1.** If the Generator Operator can't comply with the Transmission Operator's specifications, the Generator Operator shall notify the Transmission Operator and shall provide the technical justification.

**Question:** As a Generation Operator, have you been requested to change the step-up transformer tap positions according to the specifications provided by the Transmission Operator? If Yes, provide evidence of change in transformer tap positions, If Yes, and transformer tap position changes could not be made according to the Transmission Operator's specifications, provide evidence of Transmission Operator notification and technical justification.

**Registered Entity Response to Question (Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

Provide the following for all evidence submitted (Insert additional rows if necessary):

File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description

**Audit Team Evidence Reviewed (This section must be completed by the Compliance Enforcement Authority):**


**Compliance Assessment Approach Specific to VAR-002-2b, R5**

***This section must be completed by the Compliance Enforcement Authority***

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Review the evidence to verify the Registered Entity has:

	Responded 'Yes' to the applicability Question that a request was made by the Transmission Operator and that the Registered Entity responded in one of the following ways:
	Changed the transformer tap positions according to the specification provided by the Transmission Operator, when requested to do so.
Or:	
	(R5.1) The entity could not change the transformer tap positions according to the Transmission Operators specifications and made notification to the Transmission Operator of the appropriate technical justification.
<b>Note to Auditor:</b> Consider contacting associated Transmission Operator(s) to verify if any requests for changing transformer tap positions were made during the audit period.	

**Auditor Notes:**

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**Compliance Finding Summary**

*This section must be completed by the Compliance Enforcement Authority*

Req.	NF	PV	OEA	NA	Statement
1					
2					
3					
4					
5					

**Additional Information:**

**Reliability Standard**

**A. Introduction**

1. **Title:** Generator Operation for Maintaining Network Voltage Schedules
2. **Number:** VAR-002-2b
3. **Purpose:** To ensure generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.
4. **Applicability**
  - 4.1. Generator Operator.
  - 4.2. Generator Owner.
5. **Effective Date:** In those jurisdictions where regulatory approval is required, this standard shall become effective on the first day of the first calendar quarter after applicable regulatory approval or as otherwise made effective pursuant to the laws applicable to such ERO governmental authorities. In those jurisdictions where no regulatory approval is required, this standard shall become effective on the first day of the first calendar quarter after Board of Trustees approval.

**B. Requirements**

- R1. The Generator Operator shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (automatic voltage regulator in service and controlling voltage) unless the Generator Operator has notified the Transmission Operator of one of the following: *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
  - That the generator is being operated in start-up<sup>1</sup> or shutdown<sup>2</sup> mode pursuant to a Real-time communication or a procedure that was previously provided to the Transmission Operator; or
  - That the generator is not being operated in the automatic voltage control mode for a reason other than start-up or shutdown.
- R2. Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power schedule<sup>3</sup> (within applicable Facility Ratings<sup>4</sup>) as directed by the Transmission Operator. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*

<sup>1</sup> Start-up is deemed to have ended when the generator is ramped up to its minimum continuously sustainable load and the generator is prepared for continuous operation.

<sup>2</sup> Shutdown is deemed to begin when the generator is ramped down to its minimum continuously sustainable load and the generator is prepared to go offline.

<sup>3</sup> The voltage or Reactive Power schedule is a target value communicated by the Transmission Operator to the Generator Operator establishing a tolerance band within which the target value is to be maintained during a specified period.

<sup>4</sup> When a Generator is operating in manual control, reactive power capability may change based on stability considerations and this may lead to a change in the associated Facility Ratings.

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- R2.1.** When a generator’s automatic voltage regulator is out of service, the Generator Operator shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.
- R2.2.** When directed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.
- R3.** Each Generator Operator shall notify its associated Transmission Operator as soon as practical, but within 30 minutes of any of the following: *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
  - R3.1.** A status or capability change on any generator Reactive Power resource, including the status of each automatic voltage regulator and power system stabilizer and the expected duration of the change in status or capability.
  - R3.2.** A status or capability change on any other Reactive Power resources under the Generator Operator’s control and the expected duration of the change in status or capability.
- R4.** The Generator Owner shall provide the following to its associated Transmission Operator and Transmission Planner within 30 calendar days of a request. *[Violation Risk Factor: Lower] [Time Horizon: Real-time Operations]*
  - R4.1.** For generator step-up transformers and auxiliary transformers with primary voltages equal to or greater than the generator terminal voltage:
    - R4.1.1.** Tap settings.
    - R4.1.2.** Available fixed tap ranges.
    - R4.1.3.** Impedance data.
    - R4.1.4.** The +/- voltage range with step-change in % for load-tap changing transformers.
- R5.** After consultation with the Transmission Operator regarding necessary step-up transformer tap changes, the Generator Owner shall ensure that transformer tap positions are changed according to the specifications provided by the Transmission Operator, unless such action would violate safety, an equipment rating, a regulatory requirement, or a statutory requirement. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
  - R5.1.** If the Generator Operator can’t comply with the Transmission Operator’s specifications, the Generator Operator shall notify the Transmission Operator and shall provide the technical justification.

**C. Measures**

- M1.** The Generator Operator shall have evidence to show that it notified its associated Transmission Operator any time it failed to operate a generator in the automatic voltage control mode as specified in Requirement 1. If a generator is being started up or shut down with the automatic voltage control off and no notification of the automatic voltage regulator status is made to the Transmission Operator, the Generator Operator will have evidence that it notified the Transmission Operator of its procedure for placing the unit into automatic voltage control mode. Such evidence must include, but is not limited to, dated evidence of transmittal of the procedure such as an electronic message or a transmittal letter with the procedure included or attached.
- M2.** The Generator Operator shall have evidence to show that it controlled its generator voltage and reactive output to meet the voltage or Reactive Power schedule provided by its associated Transmission Operator as specified in Requirement 2.

- M3.** The Generator Operator shall have evidence to show that it responded to the Transmission Operator’s direction as identified in Requirement 2.1 and Requirement 2.2.
- M4.** The Generator Operator shall have evidence it notified its associated Transmission Operator within 30 minutes of any of the changes identified in Requirement 3.
- M5.** The Generator Owner shall have evidence it provided its associated Transmission Operator and Transmission Planner with information on its step-up transformers and auxiliary transformers as required in Requirements 4.1.1 through 4.1.4
- M6.** The Generator Owner shall have evidence that its step-up transformer taps were modified per the Transmission Operator’s documentation as identified in Requirement 5.
- M7.** The Generator Operator shall have evidence that it notified its associated Transmission Operator when it couldn’t comply with the Transmission Operator’s step-up transformer tap specifications as identified in Requirement 5.1.

**D. Compliance**

**1. Compliance Monitoring Process**

**1.1. Compliance Monitoring Responsibility**

For entities that do not work for the Regional Entity, the Regional Entity shall serve as the Compliance Enforcement Authority.

For functional entities that work for their Regional Entity, the ERO or a Regional Entity approved by the ERO and FERC or other applicable governmental authorities shall serve as the Compliance Enforcement Authority.

**1.2. Data Retention**

The following evidence retention periods identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

The Generator Operator shall maintain evidence needed for Measure 1 through Measure 4 and Measure 7 for the current and previous calendar year.

The Generator Owner shall keep its latest version of documentation on its step-up and auxiliary transformers. (Measures 5 and 6)

The Compliance Monitor shall retain any audit data for three years.

**1.3. Compliance Monitoring and Enforcement Processes:**

**The following processes may be used:**

**Compliance Audit**

**Self-Certification**

**Spot Checking**

**Compliance Investigation**

**Self-Reporting**

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**Complaint**

**1.4. Additional Compliance Information**

None

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**2. Violation Severity Levels**

R #	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1.	N/A	N/A	N/A	The responsible entity did not operate each generator in the automatic voltage control mode and failed to notify the Transmission Operator as identified in R1.
R2.	When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for up to and including 45 minutes.	When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 45 minutes up to and including 60 minutes. OR When a generator's automatic voltage regulator is out of service, the Generator Operator failed to use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator. OR The Generator Operator failed to provide an explanation of why the voltage schedule could not be met.	When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 60 minutes up to and including 75 minutes.	When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 75 minutes. OR When a generator's automatic voltage regulator is out of service, the Generator Operator failed to use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator and the Generator Operator failed to provide an explanation of why the voltage schedule could not be met.
R3.	N/A	N/A	The Generator Operator failed to notify the Transmission Operator within 30 minutes of	The Generator Operator failed to notify the Transmission Operator within 30 minutes of

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			the information as specified in either R3.1 or R3.2	the information as specified in both R3.1 and R3.2
R4.	The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner one of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4 OR The information was provided in more than 30, but less than or equal to 35 calendar days of the request.	The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner two of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4 OR The information was provided in more than 35, but less than or equal to 40 calendar days of the request.	The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner three of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4 OR The information was provided in more than 40, but less than or equal to 45 calendar days of the request.	The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner any of the types of data as specified in R4.1.1 and R 4.1.2 and 4.1.3 and 4.1.4 OR The information was provided in more than 45 calendar days of the request.
R5.	N/A	N/A	N/A	The responsible entity failed to ensure that transformer tap positions were changed according to the specifications provided by the Transmission Operator when said actions would not have violated safety, an equipment rating, a regulatory requirement, or a statutory requirement.
R5.1.	N/A	N/A	N/A	The responsible entity failed to notify the Transmission Operator and to provide technical justification.



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**E. Regional Differences**

None identified.

**F. Associated Documents**

1. Appendix 1 — Interpretation of Requirements R1 and R2 (August 1, 2007).

*Version History of VAR-002-2b*

<b>Version</b>	<b>Date</b>	<b>Action</b>	<b>Change Tracking</b>
1	May 15, 2006	Added "(R2)" to the end of levels on non-compliance 2.1.2, 2.2.2, 2.3.2, and 2.4.3.	July 5, 2006
1a	December 19, 2007	Added Appendix 1 – Interpretation of R1 and R2 approved by BOT on August 1, 2007	Revised
1a	January 16, 2007	In Section A.2., Added "a" to end of standard number. Section F: added "1."; and added date.	Errata
1.1a	October 29, 2008	BOT adopted errata changes; updated version number to "1.1a"	Errata
1.1b	March 3, 2009	Added Appendix 2 – Interpretation of VAR-002-1.1a approved by BOT on February 10, 2009	Revised
2b	TBD	Revised R1 to address an Interpretation Request. Also added previously approved VRFs, Time Horizons and VSLs. Revised R2 to address consistency issue with VAR-001-2, R4.	Revised
2b	August 16, 2012	Adopted by Board of Trustees	
2b	April 16, 2013	FERC Order issued approving VAR-002-2b	

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## Appendix 1 of VAR-002-2b

### Interpretation of Requirements R1 and R2

#### Request:

Requirement R1 of Standard VAR-002-1 states that Generation Operators shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (*automatic voltage regulator in service and controlling voltage*) unless the Generator Operator has notified the Transmission Operator.

Requirement R2 goes on to state that each Generation Operator shall maintain the generator voltage *or Reactive Power output* as directed by the Transmission Operator.

The two underlined phrases are the reasons for this interpretation request.

Most generation excitation controls include a device known as the Automatic Voltage Regulator, or AVR. This is the device which is referred to by the R1 requirement above. Most AVR's have the option of being set in various operating modes, such as constant voltage, constant power factor, and constant Mvar.

In the course of helping members of the WECC insure that they are in full compliance with NERC Reliability Standards, I have discovered both Transmission Operators and Generation Operators who have interpreted this standard to mean that AVR operation in the constant power factor or constant Mvar modes complies with the R1 and R2 requirements cited above. Their rationale is as follows:

- The AVR is clearly in service because it is operating in one of its operating modes
- The AVR is clearly controlling voltage because to maintain constant PF or constant Mvar, it controls the generator terminal voltage
- R2 clearly gives the Transmission Operator the option of directing the Generation Operator to maintain a constant reactive power output rather than a constant voltage.

Other parties have interpreted this standard to require operation in the constant voltage mode only. Their rationale stems from the belief that the purpose of the VAR-002-1 standard is to insure the automatic delivery of additional reactive to the system whenever a voltage decline begins to occur.

The material impact of misinterpretation of these standards is twofold.

- First, misinterpretation may result in reduced reactive response during system disturbances, which in turn may contribute to voltage collapse.
- Second, misinterpretation may result in substantial financial penalties imposed on generation operators and transmission operators who believe that they are in full compliance with the standard.

In accordance with the NERC Reliability Standards Development Procedure, I am requesting that a formal interpretation of the VAR-002-1 standard be provided. Two specific questions need to be answered.

- First, does AVR operation in the constant PF or constant Mvar modes comply with R1?
- Second, does R2 give the Transmission Operator the option of directing the Generation Owner to operate the AVR in the constant Pf or constant Mvar modes rather than the constant voltage mode?

#### Interpretation:

1. First, does AVR operation in the constant PF or constant Mvar modes comply with R1?

NERC Reliability Standard Audit Worksheet

Compliance Enforcement Authority: \_\_\_\_\_

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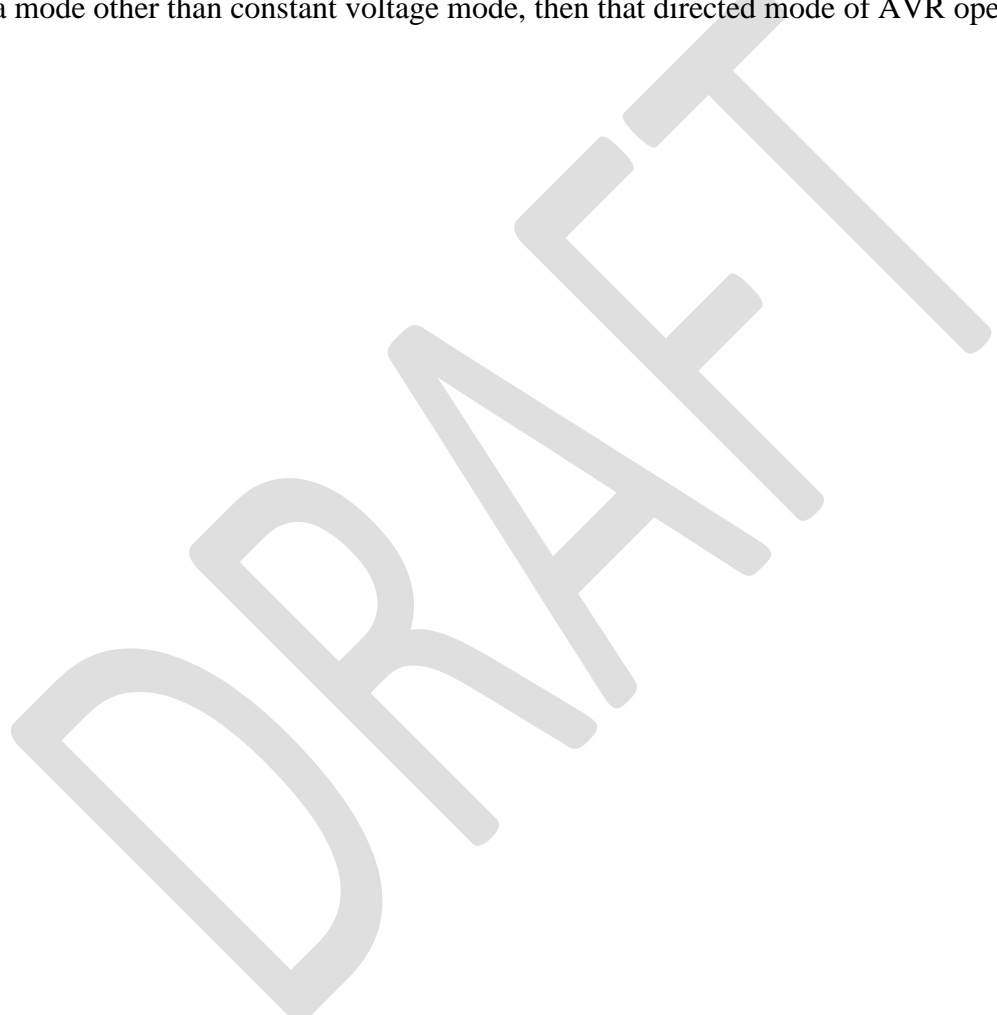
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**Interpretation:** No, only operation in constant voltage mode meets this requirement. This answer is predicated on the assumption that the generator has the physical equipment that will allow such operation and that the Transmission Operator has not directed the generator to run in a mode other than constant voltage.

- 2. Second, does R2 give the Transmission Operator the option of directing the Generation Owner (sic) to operate the AVR in the constant Pf or constant Mvar modes rather than the constant voltage mode?

**Interpretation:** Yes, if the Transmission Operator specifically directs a Generator Operator to operate the AVR in a mode other than constant voltage mode, then that directed mode of AVR operation is allowed.



Appendix 2 of VAR-002-1a

Interpretation of VAR-002-1a

**Request:**

VAR-002 — Generator Operation for Maintaining Network Voltage Schedules, addresses the generator’s provision of voltage and VAR control. Confusion exists in the industry and regions as to which requirements in this standard apply to Generator Operators that operate generators that do not have automatic voltage regulation capability.

The Standard’s requirements do not identify the subset of generator operators that need to comply – forcing some generator operators that do not have any automatic voltage regulation capability to demonstrate how they complied with the requirements, even when they aren’t physically able to comply with the requirements. Generator owners want clarification to verify that they are not expected to acquire AVR devices to comply with the requirements in this standard.

Many generators do not have automatic voltage regulators and do not receive voltage schedules. These entities are at a loss as to how to comply with these requirements and are expending resources attempting to demonstrate compliance with these requirements. A clarification will avoid challenges and potential litigation stemming from sanctions and penalties applied to entities that are being audited for compliance with this standard, but who do not fall within the scope or intent of the standard itself.

Please identify which requirements apply to generators that do not operate generators equipped with AVRs.

**Response:** All the requirements and associated subrequirements in VAR-002-1a apply to Generator Owners and Generator Operators that own or operate generators whether equipped with an automatic voltage regulator or not. The standard is predicated on the assumption that the generator has the physical equipment (automatic voltage regulator) that is capable of automatic operation. A generator that is not equipped with an automatic voltage regulator results in a functionally equivalent condition to a generator equipped with an automatic voltage regulator that is out of service due to maintenance or failure.

There are no requirements in the standard that require a generator to have an automatic voltage regulator, nor are there any requirements for a Generator Owner to modify its generator to add an automatic voltage regulator. Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings) as directed by the Transmission Operator.

**Sampling Methodology**

Sampling is essential for auditing compliance with NERC Reliability Standards since it is not always possible or practical to test 100% of either the equipment, documentation, or both, associated with the full suite of enforceable standards. The [Sampling Methodology Guidelines and Criteria](#), or sample guidelines, provided by

the Electric Reliability Organization help to establish a minimum sample set for monitoring and enforcement uses in audits of NERC Reliability Standards.

There are two approaches to sampling: statistical and non-statistical, and choosing which to use depends on the objectives for sampling. (When the population sample to be reviewed is documentation, a statistical approach using [RAT-STATS](#) is expected.) Both are represented in the sample guideline in line with standard practices for their use. The Audit Team Lead may determine if the scope of the audit samples should be reduced to levels below those established in the sample guideline. In doing so, the audit team will document the rationale for reducing the scope of the of sample population in the RSAW or audit report.

Additionally, separate from the audit, the registered entity may use this methodology to determine the sample population to test in order to provide themselves reasonable assurance that management's expectations are being met by the organization.

Regulatory Language for Reference Purposes Only (through May 22, 2013)

Order Approving Reliability Standard, 143 FERC ¶ 61,045 (April 16, 2013).

FERC approves the revised Reliability Standard VAR-002-2b – Generator Operation for Maintaining Network Voltage Schedules, the associated Violation Severity Levels (VSL) and Violation Risk Factors (VRF), and the implementation plan, which would retire Reliability Standard VAR-002-1.1b when VAR-002-2b becomes effective.

FERC found that the revisions to Requirement R1 of the Reliability Standard represents an improvement by allowing the generator operator to focus on controlling a unit during start-up or shutdown. FERC also find that it is reasonable that, because a generator operator already notifies a transmission operator about a start-up or shutdown, additional communication would impose a redundant task when the generator operator needs to focus on controlling the unit and ensuring reliability. And FERC agreed with NERC's explanation that it is preferable for the generator operator to manually control the generating unit during startup and shutdown rather than utilize the automatic voltage regulator. In addition, FERC found that the inclusion of what constitutes a start-up and shutdown in the context of the Reliability Standard provides additional clarity in the requirement and consistency across the regions.

VAR-002-2b will be effective on the first day of the first calendar quarter following Commission approval (July 1, 2013). FERC approved the Reliability Standard VAR-002-1 in Order No. 693.

NERC Reliability Standard Audit Worksheet

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**DRAFT NERC Reliability Standard Audit Worksheet Template**

**Revision History**

Version	Date	Reviewers	Revision Description
1	June 2013	RSAW Working Group	New Document
<u>2</u>	<u>June 2014</u>	<u>NERC Compliance</u>	<u>Revised to reflect changes to the Reliability Standard related to dispersed power resources.</u>

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NERC Reliability Standard Audit Worksheet  
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