

Violation Risk Factor and Violation Severity Level Justifications

PER-005-2 – Operations Personnel Training

This document provides the Standard Drafting Team's (SDT) justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in PER-005-2 – Operations Personnel Training. Each requirement is assigned a VRF and a VSL. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the Electric Reliability Organizations (ERO) Sanction Guidelines. The SDT applied the following NERC criteria and FERC Guidelines when proposing VRFs and VSLs for the requirements under this project. To review the VRFs and VSLs for PER-005-2, please go to the standards webpage ([PER-005-2 Standard Webpage link](#)).

NERC Criteria - Violation Risk Factors

High Risk Requirement

A requirement that, if violated, could directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

Medium Risk Requirement

A requirement that, if violated, could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System. However, violation of a medium risk requirement is unlikely to lead to Bulk Electric System instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to Bulk Electric System instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

Lower Risk Requirement

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System; or, a requirement that is administrative in nature and a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System.

FERC Violation Risk Factor Guidelines**Guideline (1) – Consistency with the Conclusions of the Final Blackout Report**

The Commission seeks to ensure that Violation Risk Factors assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System. In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities

- Appropriate use of transmission loading relief.

Guideline (2) – Consistency within a Reliability Standard

The Commission expects a rational connection between the sub-Requirement Violation Risk Factor assignments and the main Requirement Violation Risk Factor assignment.

Guideline (3) – Consistency among Reliability Standards

The Commission expects the assignment of Violation Risk Factors corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

Guideline (4) – Consistency with NERC’s Definition of the Violation Risk Factor Level

Guideline (4) was developed to evaluate whether the assignment of a particular Violation Risk Factor level conforms to NERC’s definition of that risk level.

Guideline (5) – Treatment of Requirements that Co-mingle More Than One Obligation

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

NERC Criteria - Violation Severity Levels

Violation Severity Levels (VSLs) define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

Violation severity levels should be based on NERC’s overarching criteria shown in the table below:

Lower VSL	Moderate VSL	High VSL	Severe VSL
The performance or product measured almost meets the full intent of the requirement.	The performance or product measured meets the majority of the intent of the requirement.	The performance or product measured does not meet the majority of the intent of the requirement, but does meet some of the intent.	The performance or product measured does not substantively meet the intent of the requirement.

FERC Order of Violation Severity Levels

FERC’s VSL guidelines are presented below, followed by an analysis of whether the VSLs proposed for each requirement in the standard meet the FERC Guidelines for assessing VSLs:

Guideline 1 – Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance

Compare the VSLs to any prior levels of non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when levels of non-compliance were used.

Guideline 2 – Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties

A violation of a “binary” type requirement must be a “Severe” VSL.
Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

Guideline 3 – Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement

VSLs should not expand on what is required in the requirement.

Guideline 4 – Violation Severity Level Assignment Should Be Based on a Single Violation, Not on a Cumulative Number of Violations

... unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

VRF Justification – PER-005-2 Requirement R1	
Proposed VRF	Medium
NERC VRF Discussion	<p>A VRF of Medium is consistent with the NERC VRF definition. Requirement R1 requires that Reliability Coordinators (RCs), Balancing Authorities (Bas) and Transmission Operators (TOPs) train their System Operators and prescribes that they use a systematic approach when developing a training program for their System Operators. While a violation of this requirement is unlikely to directly lead to Bulk Electric System instability, separation, or a cascading sequence of failures, a failure to adequately train System Operators could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System.</p> <p>Additionally, the Medium VRF is consistent with the prior version of Requirement R1 in the currently effective version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
FERC VRF G1 Discussion	<p>Guideline 1 – Consistency with Blackout Report: While the Blackout report identified training for operator personnel to have a severe VRF, it is unlikely that failure to use a systematic approach to develop and implement training for System Operators would directly lead to bulk power system instability, separation or cascading failures or hinder restoration to a normal condition. Therefore, the Medium VRF assignment is appropriate.</p>
FERC VRF G2 Discussion	<p>Guideline 2 – Consistency within a Reliability Standard: The Medium VRF is applicable to all parts of Requirement R1 and is consistent with other requirements in the Reliability Standard.</p>
FERC VRF G3 Discussion	<p>Guideline 3 – Consistency among Reliability Standards: The Medium VRF is consistent with the prior version of Requirement R1 in the currently effective version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
FERC VRF G4 Discussion	<p>Guideline 4 – Consistency with NERC Definitions of VRFs:</p>

	The VRF is consistent with the NERC definition because developing a training program for System Operators could be conducted without the use of a systematic approach. Therefore, a violation of this requirement is unlikely to lead to Bulk Electric System (BES) instability, separation, or a cascading sequence of failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the BES.
FERC VRF G5 Discussion	Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to develop and implement training using a systematic approach - and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.

VSL Justification – PER-005-2 Requirement R1	
NERC VSL Guidelines	Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.
FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	The current level of compliance is not lowered by the proposed Medium VSL.
FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties	The proposed VSL is written to ensure uniformity and consistency in the determination of penalties. Guideline 2a: The proposed VSL is not binary. Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.

<p>Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent</p> <p>Guideline 2b: VSL Assignments that contain ambiguous language</p>	
<p>FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is consistent with the corresponding requirements.</p>
<p>FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The proposed VSL is not based on a cumulative number of violations.</p>

<p>VRF Justification – PER-005-2 Requirement R2</p>	
<p>Proposed VRF</p>	<p>Medium</p>

<p>NERC VRF Discussion</p>	<p>A VRF of Medium is consistent with the NERC VRF definition. Requirement R2 prescribes a certain process for Transmission Owners to use when developing a training program for its local control center operator personnel, and training could be conducted without the use of a systematic approach. Therefore, a violation of this requirement is unlikely to lead to BES instability, separation, or a cascading sequence of failures. While a failure to adequately train Transmission Owners could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES, the requirement for applicable entities to use a systematic approach to develop and implement a training program requires that each applicable entity:</p> <ul style="list-style-type: none"> • Assess training needs (analysis) • Conduct the training activity (design, develop and implement) • Evaluate the training activity (evaluate the effectiveness of the training) <p>Thus, failure to adequately train System Operators would be a failure to use a systematic approach to training.</p>
<p>FERC VRF G1 Discussion</p>	<p>Guideline 1 – Consistency with Blackout Report: While the Blackout report identified training for operator personnel to have a severe VRF, in this case it is not probable that failure to use a systematic approach to develop and implement training for Transmission Owners would lead to bulk power system instability, separation or cascading failures or hinder restoration to a normal condition. Therefore, the Medium VRF assignment was appropriate.</p>
<p>FERC VRF G2 Discussion</p>	<p>Guideline 2 – Consistency within a Reliability Standard: The VRF is applicable for all of the parts within Requirement R2 and thus are consistent with one another. Requirement R2 contains the similar requirements as Requirement R1, Requirement R5 and Requirement R6, but applies to Transmission Owners. Therefore, to be consistent within the Reliability Standard, the VRF for Requirement R2 reflects the VRFs of Requirement R1, Requirement R4, Requirement R5 and Requirement R6.</p> <p>Further, the Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
<p>FERC VRF G3 Discussion</p>	<p>Guideline 3 – Consistency among Reliability Standards: The Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2. Although this is a new requirement to PER-005-2, it requires the same actions for a different functional entity.</p>

<p>FERC VRF G4 Discussion</p>	<p>Guideline 4 – Consistency with NERC Definitions of VRFs: The VRF is consistent with the NERC definition because developing a training program for Transmission Owners could be conducted without the use of a systematic approach. Therefore, a violation of this requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the BES, or the ability to effectively monitor, control, or restore the BES.</p>
<p>FERC VRF G5 Discussion</p>	<p>Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to develop and implement training for local control center operators using a systematic approach - and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.</p>

<p>VSL Justification – PER-005-2 Requirement R2</p>	
<p>NERC VSL Guidelines</p>	<p>Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.</p>
<p>FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>There is no prior compliance obligation related to the subject of this standard.</p>
<p>FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency</p>	<p>The proposed VSL is written to ensure uniformity and consistency in the determination of penalties. Guideline 2a: The proposed VSL is not binary.</p>

<p>in the Determination of Penalties</p> <p>Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent</p> <p>Guideline 2b: VSL Assignments that contain ambiguous language</p>	<p>Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>
<p>FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The proposed VSL is not based on cumulative number of violations.</p>

VRF Justification – PER-005-2 Requirement R3	
Proposed VRF	High
NERC VRF Discussion	A VRF of high is consistent with the NERC VRF definition. Requirement R3 requires Reliability Coordinators, Balancing Authorities, Transmission Operators and Transmission Owners to verify the capabilities of their System Operators or local control center operators. If such personnel are not able to complete their tasks, the

	<p>situation could lead to BES instability, separation or cascading failures or hinder restoration to a normal condition.</p> <p>Additionally, the High VRF is consistent with the requirement in the currently effective version of the standard, PER-005-1, addressing verification of System Operator personnel capabilities. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
FERC VRF G1 Discussion	<p>Guideline 1 – Consistency with Blackout Report: The High VRF is consistent with the Blackout Report listing of operator personnel training as a critical impact area. The Blackout report listed training as a mechanism to have competent personnel in operator positions; Requirement R3 mandates that applicable entities verify the capabilities of its personnel identified in Requirement R1 and Requirement R2 to perform assigned tasks. Failure for personnel to perform assigned reliability-related tasks could lead to bulk power system instability, separation or cascading failures or hinder restoration to a normal condition.</p>
FERC VRF G2 Discussion	<p>Guideline 2 – Consistency within a Reliability Standard: The VRF for all of the parts within Requirement R3 are consistent with one another.</p>
FERC VRF G3 Discussion	<p>Guideline 3 – Consistency among Reliability Standards: The High VRF is consistent with other requirements containing actions identified in the Blackout report.</p>
FERC VRF G4 Discussion	<p>Guideline 4 – Consistency with NERC Definitions of VRFs: The VRF is consistent with the NERC definition because it is important that personnel are capable of performing each of the BES company-specific Real-time reliability-related tasks. A violation of this Requirement could lead to BES instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures.</p>
FERC VRF G5 Discussion	<p>Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to verify the capabilities of an entity’s applicable personnel to perform reliability-related tasks – and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.</p>

VSL Justification – PER-005-2 Requirement R3	
NERC VSL Guidelines	Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.
FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	The current level of compliance is not lowered with the proposed VSL.
FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent Guideline 2b: VSL Assignments that contain ambiguous language	The proposed VSL is written to ensure uniformity and consistency in the determination of penalties. Guideline 2a: The proposed VSL is not binary. Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.
FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the	The VSL level is consistent with the requirement.

Corresponding Requirement	
FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations	The proposed VSL is not based on cumulative number of violations.

VRF Justification – PER-005-2 Requirement R4	
Proposed VRF	Medium
NERC VRF Discussion	A VRF of Medium is consistent with the NERC VRF definition. The need to conduct emergency operations training is inherent under Requirement R1 and Requirement R4 requires that entities use simulation technology to conduct such training. It is unlikely that failure to provide training using simulation technology would lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition. Specifically, if an entity did not provide emergency operations using a simulator an entity is still required to conduct other forms of operations training under Requirement R1 and Requirement R2, as emergency operations would be considered a Real-time reliability-related task.
FERC VRF G1 Discussion	Guideline 1 – Consistency with Blackout Report: While the Blackout report identified training for operator personnel to have a severe VRF, in this case it is difficult to argue that a failure to use a simulator, virtual technology, or other technology that replicates the operational behavior of the BES will directly lead to instability, separation, or Cascading. NERC staff believes that the Medium VRF assignment was appropriate.

FERC VRF G2 Discussion	<p>Guideline 2 – Consistency within a Reliability Standard: All of the parts within Requirement R4 are consistent with one another and are commensurate with Requirements R1 and Requirement R2.</p>
FERC VRF G3 Discussion	<p>Guideline 3 – Consistency among Reliability Standards: The Medium VRF is consistent with Requirement R4 of the FERC approved prior version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
FERC VRF G4 Discussion	<p>Guideline 4 – Consistency with NERC Definitions of VRFs: The VRF is consistent with the NERC definition because it is important to provide emergency operations training using simulation technology. A violation of this Requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system.</p>
FERC VRF G5 Discussion	<p>Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to provide emergency operations training using technology that replicates the operational behavior of the BES – and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.</p>

VSL Justification – PER-005-2 Requirement R4	
NERC VSL Guidelines	Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.
FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering	The current level of compliance is not lowered with the proposed VSL.

<p>the Current Level of Compliance</p>	
<p>FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p>Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent</p> <p>Guideline 2b: VSL Assignments that contain ambiguous language</p>	<p>The proposed VSL is written to ensure uniformity and consistency in the determination of penalties.</p> <p>Guideline 2a: The proposed VSL is not binary.</p> <p>Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The VSL level is consistent with the requirement.</p>
<p>FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation,</p>	<p>The proposed VSL is not based on cumulative number of violations.</p>

Not on A Cumulative Number of Violations	
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VRF Justification – PER-005-2 Requirement R5	
Proposed VRF	Medium
NERC VRF Discussion	A VRF of Medium is consistent with the NERC VRF definition. Requirement R5 prescribes a certain process for applicable entities to use when developing training for its Operations Support Personnel. A violation of this requirement is unlikely to lead to BES instability, separation, or a cascading sequence of failures. However, a failure to adequately train Operations Support Personnel on the impact of their job functions on Real-time reliability-related tasks could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System.
FERC VRF G1 Discussion	<p>Guideline 1 – Consistency with Blackout Report:</p> <p>While the Blackout report identified training for operator personnel to have a severe VRF, it is unlikely that failure to use a systematic approach to develop and implement training for Operations Support Personnel would lead to bulk power system instability, separation or cascading failures or hinder restoration to a normal condition. Therefore, the Medium VRF assignment was appropriate.</p>
FERC VRF G2 Discussion	<p>Guideline 2 – Consistency within a Reliability Standard:</p> <p>The VRF is applicable to all of the parts within Requirement R5 and thus are consistent with one another. Requirement R5 contains the similar requirements as Requirement R1, Requirement R2, and Requirement R6, but applies to Operations Support Personnel. Therefore, to be consistent within the Reliability Standard, the VRF for Requirement R5 should reflect the VRFs of Requirement R1, Requirement R2 and Requirement R6.</p> <p>Further, the Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2.</p>
FERC VRF G3 Discussion	Guideline 3 – Consistency among Reliability Standards:

	The Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1 to use a systematic approach to training. PER-005-1 will be retired upon the effective date of PER-005-2. Although this is a new requirement to PER-005-2, it requires the similar actions for a different functional entity.
FERC VRF G4 Discussion	Guideline 4 – Consistency with NERC Definitions of VRFs: The VRF is consistent with the NERC definition because developing a training program for Operations Support Personnel could be conducted without the use of a systematic approach. Therefore, a violation is unlikely to lead to bulk electric system instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system.
FERC VRF G5 Discussion	Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to develop and implement training for its Operations Support Personnel using a systematic approach – and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.

VSL Justification – PER-005-2 Requirement R5

NERC VSL Guidelines	Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.
FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	There is no prior compliance obligation related to the subject of this standard.

<p>FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p>Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent</p> <p>Guideline 2b: VSL Assignments that contain ambiguous language</p>	<p>The proposed VSL is written to ensure uniformity and consistency in the determination of penalties.</p> <p>Guideline 2a: The proposed VSL is not binary.</p> <p>Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The VSL level is consistent with the requirement.</p>
<p>FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The proposed VSL is not based on cumulative number of violations.</p>

VRF Justification – PER-005-2 Requirement R6	
Proposed VRF	Medium
NERC VRF Discussion	A VRF of Medium is consistent with the NERC VRF definition. Requirement R6 prescribes a certain process for Generator Operators to use when developing training for certain dispatch personnel. A violation of this requirement is unlikely to lead to BES instability, separation, or a cascading sequence of failures. However, a Generator Operator’s failure to adequately train its applicable personnel on the impact of their job functions on the reliable operations of the BES could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES
FERC VRF G1 Discussion	Guideline 1 – Consistency with Blackout Report: While the Blackout report identified training for operator personnel to have a severe VRF, it is unlikely that failure to use a systematic approach to develop and implement training for applicable Generator Operator personnel would lead to bulk power system instability, separation or cascading failures or hinder restoration to a normal condition. Therefore, the Medium VRF assignment was appropriate.
FERC VRF G2 Discussion	Guideline 2 – Consistency within a Reliability Standard: The VRF is applicable for all of the parts within Requirement R6 and thus are consistent with one another. Requirement R6 contains the similar requirements as Requirement R1, Requirement R2, and Requirement R5, but applies to Generator Operator applicable personnel. Therefore, to be consistent within the Reliability Standard, the VRF for Requirement R6 should reflect the VRFs of Requirement R1, Requirement R2, and Requirement R5. Further, the Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1 to use a systematic approach to training. PER-005-1 will be retired upon the effective date of PER-005-2. Although this is a new requirement to PER-005-2, it requires the similar actions for a different functional entity.
FERC VRF G3 Discussion	Guideline 3 – Consistency among Reliability Standards: The Medium VRF is consistent with Requirement R1 of the FERC approved prior version of the standard, PER-005-1. PER-005-1 will be retired upon the effective date of PER-005-2. Guideline 5 – There is no co-mingling factors. Therefore the standard is not watered down.

<p>FERC VRF G4 Discussion</p>	<p>Guideline 4 – Consistency with NERC Definitions of VRFs: The VRF is consistent with the NERC definition because developing a training program for Generator Operators could be conducted without the use of a systematic approach. Therefore, a violation is unlikely to lead to bulk electric system instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system.</p>
<p>FERC VRF G5 Discussion</p>	<p>Guideline 5 – Treatment of Requirements that Co-mingle More Than One Obligation: This VRF has one objective – to develop and implement training for applicable Generator Operator personnel using a systematic approach – and thus does not co-mingle multiple objectives. It appropriately has one VRF for its single objective.</p>

<p>VSL Justification – PER-005-2 Requirement R6</p>	
<p>NERC VSL Guidelines</p>	<p>Consistent with NERC’s VSL Guidelines, the VSL describes degrees of noncompliant performance in an incremental manner.</p>
<p>FERC VSL G1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>There is no prior compliance obligation related to the subject of this standard.</p>
<p>FERC VSL G2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency</p>	<p>The proposed VSL is written to ensure uniformity and consistency in the determination of penalties.</p> <p>Guideline 2a: The proposed VSL is not binary.</p> <p>Guideline 2b: The proposed VSL does not use ambiguous terms, supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>

<p>in the Determination of Penalties</p> <p>Guideline 2a: The single VSL assignment category for “Binary” Requirements is not consistent</p> <p>Guideline 2b: VSL Assignments that contain ambiguous language</p>	
<p>FERC VSL G3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The VSL level is consistent with the requirement.</p>
<p>FERC VSL G4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The proposed VSL is not based on cumulative number of violations.</p>