

Compliance Operations

Draft Reliability Standard Compliance Guidance for MOD-031-1

July 3, 2013

Introduction

The NERC Compliance department (Compliance) worked with the MOD C informal ad hoc group (MOD C Group) in a review of pro forma standard MOD-031-1. The purpose of the review is to discuss the requirements of the pro forma standard to obtain an understanding of its intended purpose and necessary evidence to support compliance. The purpose of this document is to address specific questions posed by the MOD C Group and Compliance in order to aid the drafting of the requirements and provide a level of understanding regarding evidentiary support necessary to demonstrate compliance.

While all testing requires levels of auditor judgment, participating in these reviews allows Compliance to develop training and approaches to support a high level of consistency in audits conducted by the Regional Entities. However, this document makes no assessment as to the enforceability of the standard. The following questions will both assist the MOD C Group in further refining the standard and be used to aid in the development of auditor training.

MOD-031-1 Questions

Question 1

In Requirement R2, will the auditor verify that the data was delivered as specified or will the auditor make a determination regarding whether the quality of the data is sufficient?

Compliance Response to Question 1

Based on the language in the requirement and the purpose of the standard, which is to facilitate the sharing of data, the auditor should only verify that the data was delivered as specified. This standard does not specify criteria around quality, so auditors should not make any assessments in that regard.

Conclusion

In general, Compliance finds the pro forma standard provides a reasonable level of guidance for Compliance Auditors to conduct audits in a consistent manner. The standard establishes timelines, data requirements, and ownership of specific actions. Further, the review of the standard enables Compliance to develop training for Compliance Auditors to execute their reviews. However, Compliance does recommend the MOD C Group consider the item(s) noted in the response to the question.

Following final approval of the Reliability Standard, Compliance will develop the final Reliability Standards Auditor Worksheet (RSAW) and associated training. Attachment A represents the version of the pro forma standard requirements referenced in this document.

Attachment A

B. Requirements and Measures

- R1.** The Planning Coordinator or Balancing Authority as identified by the Regional Entity in a data request, shall develop and issue a data reporting request associated with a data request issued by the Regional Entity. This data reporting request shall include, at a minimum: *[Violation Risk Factor: Medium] [Time Horizon: Long-term Planning]*
- 1.1.** A list of Transmission Planners, Balancing Authorities, Load Serving Entities and Distribution Providers that are required to provide the data (“Applicable Entity”).
 - 1.2.** A schedule detailing the timetable for providing the data. (Note: a minimum of 30-days must be allowed for responding to the request).
 - 1.3.** The original data request from the Regional Entity.
 - 1.4.** A request for the following actual data¹:
 - 1.4.1.** Integrated hourly demands in megawatts (MW) for the prior year.
 - 1.4.2.** Monthly and annual peak hour actual demands in MW and Net Energy for Load in gigawatthours (GWh) for the prior year.
 - 1.4.3.** Monthly and annual peak hour weather normalized actual demands in megawatts (MW) for the prior year.
 - 1.4.4.** Monthly and annual peak hour deployed Interruptible Load and Direct Control Load Management in megawatts (MW) for the prior year.
 - 1.5.** A request for the following forecast data¹:
 - 1.5.1.** Monthly peak hour forecast demands in MW and Net Energy for Load in GWh for the next two years.
 - 1.5.2.** Peak hour forecast demands (summer and winter) in MW and annual Net Energy for load in GWh for ten years into the future.
 - 1.5.3.** Forecasts of Interruptible Load and Direct Control Load Management (DCLM) for at least five years and up to ten years into the future, as requested, for summer and winter peak system conditions.
 - 1.6.** A requirement for Applicable Entities to identify registered entities that are within their footprint but are not a member of the requesting Region, and identify the Region where the data for that registered entity is reported.
 - 1.7.** A requirement for Applicable Entities to provide:
 - 1.7.1.** The assumptions and methods used in the development of aggregated peak demand and Net Energy for Load forecasts.

¹ This could include data reported in the Long Term Reliability Assessment (LTRA) and the EIA 411.

- 1.7.2.** The Demand and energy effects of Interruptible and Direct Control Load Management. How DSM measures are addressed in the forecasts of its Peak Demand and annual Net Energy for Load.
- 1.7.3.** How the peak load forecast compares to actual load for the prior year with due regard to controllable load², temperature and humidity variations and, if applicable, how the assumptions and methods for future forecasts were adjusted.
- M1.** The Planning Coordinator or Balancing Authority as identified by the Regional Entity in its data request, shall have a dated data reporting request, either in hardcopy or electronic format, in accordance with Requirement R1.
- R2.** Each Applicable Entity shall provide the data in accordance with the data reporting request in Requirement R1 to the Planning Coordinator or Balancing Authority or any other entity (such as Load Serving Entity, Planning Coordinator or Resource Planner) on request. *[Violation Risk Factor: Medium] [Time Horizon: Long-term Planning]*
- M2.** Each Applicable Entity shall have evidence such as dated e-mail or dated transmittal letters that it provided the data requested in accordance with Requirement R2.
- R3.** The entity identified by the Regional Entity in its data request, shall report the Applicable Entities' data as requested by the Regional Entity within the timeframe specified in the Regional Entity's request. *[Violation Risk Factor: Medium] [Time Horizon: Long-term Planning]*
- M3.** Each entity identified by the Regional Entity in its data request, shall have evidence such as dated e-mail or dated transmittal letters that it provided the data requested in accordance with Requirement R3.

² For the purpose of this standard, the term "controllable load" shall refer to both interruptible load and direct control load management as referenced in FERC Order 693 Para 1267.