

## Review of FAC-011-2—System Operating Limits Methodology for the Operations Horizon (Filing 2)

[http://www.nerc.com/files/FAC-011\\_2.pdf](http://www.nerc.com/files/FAC-011_2.pdf)

### VSLs for Requirement R4:

Standard, Requirement	Requirement Language	Lower	Moderate	High	Severe	Comments
FAC-011-2, R4	<p>The Reliability Coordinator shall issue its SOL Methodology and any changes to that methodology, prior to the effectiveness of the Methodology or of a change to the Methodology, to all of the following:</p> <p><b>R4.1.</b> Each adjacent Reliability Coordinator and each Reliability Coordinator that indicated it has a reliability-related need for the methodology.</p> <p><b>R4.2.</b> Each Planning Authority and</p>	<p>The Reliability Coordinator failed to issue its SOL Methodology and/or one or more changes to that methodology to one of the required entities specified in R4.1, R4.2, and R4.3.</p> <p>OR</p> <p>For a change in methodology, the changed methodology was <del>not</del> provided to one or more of the</p>	<p>The Reliability Coordinator failed to issue its SOL Methodology and/or one or more changes to that methodology to two of the required entities specified in R4.1, R4.2, and R4.3.</p> <p>OR</p> <p>For a change in methodology, the changed methodology was provided to one or more</p>	<p>The Reliability Coordinator failed to issue its SOL Methodology and/or one or more changes to that methodology to three of the required entities specified in R4.1, R4.2, and R4.3.</p> <p>OR</p> <p>For a change in methodology, the changed methodology was provided to one or more of required entities more than <del>40-21</del> calendar days after the effectiveness of</p>	<p>The Reliability Coordinator failed to issue its SOL Methodology and/or one or more changes to that methodology to four or more of the required entities specified in R4.1, R4.2, and R4.3.</p> <p>OR</p> <p>For a change in methodology, the changed methodology was provided to one or more of the required entities more than <del>50</del><u>31</u> calendar days after the effectiveness of the change.</p>	<p>FERC was concerned about the 30-10-10 gradation of days used in the VSLs.</p> <p>NERC staff agreed that there was no obvious justification for starting at 30, and has graded the VSLs in a more logical way, beginning with 10 days. NERC also corrected a typo.</p>

	<p>Transmission Planner that models any portion of the Reliability Coordinator’s Reliability Coordinator Area.</p> <p><b>R4.3.</b> Each Transmission Operator that operates in the Reliability Coordinator Area.</p>	<p>required entities before the effectiveness of the change, but was provided to all the required entities no more than <del>30-10</del> calendar days after the effectiveness of the change.</p>	<p>of the required entities more than <del>30-11</del> calendar days after the effectiveness of the change, but less than or equal to <del>40-20</del> days after the effectiveness of the change.</p>	<p>the change, but less than or equal to <del>50-30</del> days after the effectiveness of the change.</p>		
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**Original Guideline Explanation for R4 VSLs in [December 1, 2010 VSL Filing 2](#):**

The VSLs were modified to be consistent with Guidelines 2 and 3. Consistent with Guidelines filed with FERC on August 10, 2009, NERC incorporated the subrequirements into the main requirement VSL from the previous version of the standard so that compliance is based on meeting criteria specified in components.

- *Guideline 1:* The proposed VSLs are consistent with, and improve upon, the original Levels of Non- Compliance established for version 1 of this standard. Therefore, actual compliance should stay the same or improve.
- *Guideline 2:* The VSLs comply with Guideline 2. The requirement has gradated VSLs; therefore, Guideline 2a is not applicable. The gradated VSLs ensure uniformity and consistency among all approved Reliability Standards in the determination of penalties. Thus, no changes to the VSLs were required. Additionally, NERC has reviewed the VSL text and has determined that, as previously written, the affected VSLs implied relationships between the entities to which changes were delivered and the lateness of such changes being delivered, resulting in VSLs that were complex and confusing. The revised text removes this relationship and makes the VSLs clearer. Thus, the text is not subject to the possibility of multiple interpretations of the VSL and provides the clarity needed to permit the consistent and objective application of the VSL in the determination of penalties by the Compliance Enforcement Authority.

- *Guideline 3:* After slight changes to more closely match the language in the requirement, NERC reviewed the existing requirement VSLs to the stated requirement language to ensure the VSLs do not redefine or undermine the requirement's reliability goal. The VSLs were slightly modified from the previous version of the standard for consistency with the language in the requirement. In accordance with Guideline3, the VSL assignments are now consistent with the requirement and the degree of compliance can be determined objectively and with certainty.
- *Guideline 4:* The VSL assignments comply with Guideline 4, because they are based on a single violation of a Reliability Standard and are not based on a cumulative number of violations of the same requirement over a period of time.