UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

NORTH AMERICAN	**)**	**Docket Nos.**	**RM05-17-000**
ELECTRIC RELIABILITY CORPORATION	**)**		**RM05-25-000**
	)		**RM06-16-000**

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION RELIABILITY STANDARDS DEVELOPMENT PLAN 2011-2013 INFORMATIONAL FILING PURSUANT TO SECTION 310 OF THE NERC RULES OF PROCEDURE

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I. INTRODUCTION

The North American Electric Reliability Corporation ("NERC") hereby submits to the Federal Energy Regulatory Commission ("FERC") for informational purposes its revised Reliability Standards Development Plan in accordance with Section 310 of the NERC Rules of Procedure. The *Reliability Standards Development Plan: 2011–2013* ("2011 Development Plan"), is included as **Exhibit A**. **Exhibit B** includes the supporting documents referenced in the 2011 Development Plan, which includes the prioritization tool. A summary of Stakeholder[1] comments received and the comments received regarding the draft 2011 Development Plan during the open comment period are included as **Exhibit C.** NERC will provide additional stakeholder comments received regarding the prioritization tool used in the development of this plan in a supplementary filing following the finalization of associated responses at NERC's Standards Committee meeting, currently scheduled for April 13-14, 2011.

[1] The NERC stakeholders comprise representatives of small and large end-use customers and governmental authorities as well as representatives of Transmission Owners; Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs); Load-Serving Entities (LSEs); Transmission Dependent Utilities (TDUs); Electric Generators; Electricity Brokers, Aggregators, and Marketers; Large Electricity End Users; Small Electricity Users; Federal, State, and Provincial Regulatory or other Government Entities; and Regional Entities.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

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III. BACKGROUND

In 2006, NERC developed an initial version of the plan for Reliability Standards development entitled the *Reliability Standards Development Plan: 2007–2009*. NERC has since updated the plan annually, and the 2011–2013 version of the plan is presented in this filing. The 2011 Development Plan serves as a management tool to guide and coordinate the development of Reliability Standards and provide benchmarks for assessing progress. The 2011 Development Plan also serves as a communications tool for coordinating standards development work with applicable governmental agencies in the United States and Canada and for engaging stakeholders in standards development activities. The 2011 Development Plan further provides a base for developing annual plans and budgets for the NERC standards program. Consistent with the four previous versions of the plan, the 2011 Development Plan is filed for informational purposes. No specific FERC action is requested at this time. The 2011 Development Plan builds upon the foundation established by the previous plans and identifies the current plans and priorities for development and modification of NERC Reliability Standards in the immediate three-year time horizon.

The 2011 Development Plan has benefited from a prioritization process developed within NERC's Standard Committee. The Standards Committee used a prioritization tool to assist in the determination of the relative priorities of projects within the NERC Standards Development portfolio. This tool considered various factors, including regulatory actions, overall reliability impact, stakeholder and staff experience, and project logistics. Assisted by that prioritization tool, the Standards Committee identified a set of projects to which the majority of NERC and industry resources are being assigned. Projects already in progress that are not within this set are being moved into an "informal development" phase, where the industry may continue to perform research and analysis expected to aid in future standards development. Additionally, several projects that have not yet started have had their initiation postponed.

NERC anticipates this prioritization of projects and resultant standards development work will be dynamic, and will be updated periodically as projects are completed or as new needs are identified and projects considered. NERC also recognizes that new priorities may be created as our experience grows, as new risks are identified, that will create an ongoing need to be flexible in work planning to ensure the activities most in the interest of bulk power system reliability are given appropriate resources and priority. The 2011 Development Plan is included as **Exhibit A**. **Exhibit B** includes the supporting documents referenced in the 2011 Development Plan, which includes the prioritization tool. A summary of Stakeholder comments received and the comments received regarding the draft 2011 Development Plan during the open comment period are included as **Exhibit C.** NERC will provide additional stakeholder comments received regarding the prioritization tool used in the development of this plan in a supplementary filing following the finalization of associated responses at NERC's Standards Committee meeting, currently scheduled for April 13-14, 2011.

By this filing, NERC informs FERC and other interested parties of the significant changes to the content of the *Reliability Standards Development Plan: 2010–2012* ("2010

Development Plan") that led to the creation of the 2011 Development Plan. NERC identifies changes in project timelines and completion dates that are reflected in the 2011 Development Plan and presents a summary of stakeholder comments that were considered during the development of the final 2011 Development Plan.

On July 6, 2010, the Commission led a technical conference to address industry perspectives on issues pertaining to the development and enforcement of mandatory Reliability Standards for the bulk power system. The conference focused on the Electric Reliability Organization's (ERO) standards development process; communication between the Commission, the ERO and Regional Entities; and ERO and Regional Entity monitoring and enforcement. The need to establish priorities for NERC's standards development projects was a recurrent theme during the technical conference. The 2011 Development Plan was developed with attention focused on prioritizing standards development projects as discussed during the technical conference. In addition, during the NERC Board of Trustees meeting on November 4, 2010, the NERC Board directed NERC staff to work with the Standards Committee and the newly formed NERC Board Standards Oversight and Technology Committee ("SOTC") to review priority issues and develop a revised list of standards development project priorities to present to the NERC Board at its February 2011 meeting. NERC staff has worked with the SOTC, the NERC Standards Committee, and industry participants to further prioritize the standards projects identified in the 2011 Development Plan as directed. In February 2011, the NERC Board of Trustees endorsed the prioritization approach developed by the Standards Committee and subsequently approved the updated 2011 Development Plan on March 10, 2011.

A. Significant 2011 Development Plan Revisions

i. Project Prioritization

The 2011 Development Plan was developed in part in reliance on a prioritization tool created by the NERC's Standards Committee and its subcommittees. The tool calculates a ranking for a project based on the following criteria:

- Regulatory-imposed time constraints for delivery of standard assigned to the project;
- Regulatory directives (analyzed and weighted based on their impact to reliability, regulator initiatives, and overall operations or planning impact) assigned to the project;
- Whether or not the project's deliverables will fill an identified gap in reliability;
- The subjective magnitude of the improvements to existing standards expected from the project's completion;
- How the project coordinates with other parallel initiatives;
- The review status of the project's associated standards;
- Stakeholder and Staff compliance experiences with the subject standards;
- Interpretations related to the subject standards;
- Overall progress on projects that have already started; and
- Other factors, as deemed to be necessary by the Standards Committee.

Additional details regarding the prioritization tool can be found in Attachment 1 of the 2011 Development Plan.

NERC and the Standards Committee used the tool to assist in the prioritization of the projects identified in the 2011 Development Plan. Twelve projects were identified as "High Priority" projects:

- Project 2006-02 Assess Transmission and Future Needs;
- Project 2007-02 Operating Personnel Communication Protocols;

- Project 2007-03 Real-time Transmission Operations;
- Project 2007-06 System Protection Coordination;
- Project 2007-09 Generator Verification;
- Project 2007-12 Frequency Response;
- Project 2007-17 Protection System Maintenance & Testing;
- Project 2008-06 Cyber Security Order 706;
- Project 2009-01 Disturbance and Sabotage Reporting;
- Project 2010-05 Protection Systems;
- Project 2010-07: Generator Requirements at the Transmission Interface; and
- Project 2010-17 Definition of Bulk Electric System.

Five additional projects were identified for continuation because they were near completion.

- Project 2006-06 Reliability Coordination;
- Project 2007-07 Vegetation Management;
- Project 2009-06 Facility Ratings;
- Project 2010-13 Relay Loadability Order Phase 1; and
- Project 2010-15 Urgent Action.

The remaining projects will either not be started until the above projects are completed or are being moved into a phase of "Informal Development," during which the industry may continue to perform research and analysis, but defer actual development of reliability standards to a later point in time.

The prioritization tool is intended to serve only as an aid in the prioritization effort. The Standards Committee has responsibility to establish standards development project prioritization and make modifications as it sees appropriate to ensure the industry is allocating resources to achieve the most reliability benefit. The Standards Committee expects that the prioritization tool

will be continually improved and refined to address those issues of greatest impact to bulk power system reliability, and is investigating other items to potentially include in the prioritization effort, such as cost/benefit, additional stakeholder participation, and various other concerns expressed during this year's development effort.

The project prioritization process is intended to be a dynamic effort that is reviewed and updated periodically to ensure NERC is utilizing industry resources effectively and achieving the most reliability benefit. As projects are completed and resources become available, a review of the prioritization process will help to ensure that the next project chosen for standards development will provide a high reliability benefit. NERC also recognizes that new priorities may be created as our experience grows and as new risks are identified, and that the need to be flexible in work allocation will be required to ensure the activities most in the interest of bulk power system reliability are given appropriate resources.

ii. General Revisions

This section provides a summary of significant revisions to the 2011 Development Plan as compared to the 2010 Development Plan. The number of projects proposed in this plan (35) is less than the 37 projects listed in the 2010 Development Plan. The composition of these projects has changed significantly since approval of the 2010 Development Plan:

- The following five projects not identified in the 2010 Development Plan were initiated and completed since last year's plan was approved:
    - Project 2009-08 Nuclear Plant Interface Coordination;
    - Project 2010-09 NUC Implementation Plans for CIP Version 2 and Version 3 Standards;
    - Project 2010-10 FAC Order 729;
    - Project 2010-11 TPL Table 1 Order; and

- Project 2010-12 Order 693 Directives.

- The following five projects identified in the 2010 Development Plan were completed and removed from this revised plan:
  - Project 2006-04 Backup Facilities;
  - Project 2006-08 Transmission Loading Relief;
  - Project 2007-01 Underfrequency Load Shedding;
  - Project 2007-04 Certifying System Operators; and
  - Project 2009-18 Withdraw Three Midwest ISO Waivers.
- Project 2010-06 Results-based Reliability Standards identified in the 2010 Development Plan was transitioned into an initiative, subsequently completed (more explanation below), and removed from this revised plan.
- Project 2007-05 Balancing Authority Controls and Project 2007-18 Reliability-based Control were merged into Project 2010-14 Balancing Authority Reliability-based Control, which is an addition to this plan.
- The following five projects initiated in 2010 were not anticipated when the 2010 Development Plan was drafted, and are additions to this plan:
  - Project 2010-08 Functional Model Glossary Revisions;
  - Project 2010-13 Relay Loadability Order Phase 1 and 2;
  - Project 2010-15 Remote Access Urgent Action;
  - Project 2010-16 Definition of System Operator; and
  - Project 2010-17 Definition of Bulk Electric System.

It should be noted that the 2011 Development Plan identifies the standards development projects that are currently expected to be worked on in the immediate three-year time horizon. NERC will make every attempt to bring as many projects to completion as possible; however,

NERC will not complete all of the projects identified in this plan in the immediate three-year time horizon.

iii. Project and Timeline Updates

This section summarizes the progress made on the projects identified in the 2010 Development Plan, changes in project timelines and priority, and factors contributing to those changes.

HIGH PRIORITY PROJECTS

Project 2006-02 Assess Transmission and Future Needs

The TPL standards require assessments and plans to determine if the bulk power system meets specified performance requirements under varied theoretical operating conditions and contingencies to meet present and future system needs. This project is intended to improve the clarity and overall quality of these standards, including:

- TPL-001 System Performance Under Normal Conditions;
- TPL-002 System Performance Following Loss of a Single BES Element;
- TPL-003 System Performance Following Loss of Two or More BES Elements;
- TPL-004 System Performance Following Extreme BES Events;
- TPL-005 Regional and Interregional Self-Assessment Reliability Reports; and
- TPL-006 Data From the Regional Reliability Organization Needed to Assess Reliability.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the second quarter of 2010. However, both industry and regulator feedback has resulted in debate and discussion continuing significantly longer than was originally expected. NERC currently estimates completing the project in the second quarter of 2012.

Project 2007-02 Operating Personnel Communications Protocols

This project is developing new requirements in support of blackout recommendation #26 to ensure that real-time system operators use standard communications protocols during normal and emergency operations, and involves creation of a new standard.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the fourth quarter of 2010. However, on October 7, 2009 the Standards Committee directed that the drafting teams for Project 2007-02 Operating Personnel Communications Protocols, Project 2006-06 — Reliability Coordination, and Project 2007-03 — Real-time Transmission Operations coordinate their activities relative to the definition of a "directive" and a "reliability directive." The team did not account for this additional project coordination in the original project schedule, which has delayed the project considerably. NERC currently estimates completing the project in the fourth quarter of 2012.

Project 2007-03 Real-time Transmission Operations

This project will upgrade and expand existing requirements that address Transmission Operator responsibilities to ensure the real-time operating reliability of the transmission assets within the Transmission Operator's area, as well as those that address Balancing Authority responsibilities, to ensure a balance between load, interchange and generation within its Balancing Authority area in support of interconnection frequency. The project involves modification to the following standards:

- PER-001 Operating Personnel Responsibility and Authority;
- TOP-001 Reliability Responsibilities and Authorities;
- TOP-002 Normal Operations Planning;
- TOP-003 Planned Outage Coordination;
- TOP-004 Transmission Operations;
- TOP-005 Operational Reliability Information;

- TOP-006 Monitoring System Conditions;
- TOP-007 Reporting System Operating Limit (SOL) and Interconnection Reliability Operating Limit (IROL) Violations; and
- TOP-008 Response to Transmission Limit Violations.

When the 2010 Development Plan was drafted, NERC anticipated this project would be completed in the third quarter of 2010. However, regulator concerns with the draft standards have resulted in ongoing industry debate and discussion, extending the development schedule beyond what was originally expected. NERC currently estimates completing the project in the third quarter of 2012.

Project 2007-06 System Protection Coordination

NERC is revising PRC-001 to ensure that Protection System application and performance issues are coordinated among all related entities, as well as to correct the applicable entities within the standard to reflect the actual functional responsibilities, as described in the NERC Functional Model. The standard will identify criteria for determining where to install Protection System devices and for requiring the installation of those devices to protect the reliability of the bulk power system. This project involves modification to the following standard:

- PRC-001 System Protection Coordination.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the third quarter of 2010. However, since that time, NERC has received industry feedback that this standard would be more effective if it were moved into the Results-Based format. Accordingly, NERC has extended the schedule for completion of this standard, and the project's estimated completion date is scheduled in 2013.

Project 2007-09 Generator Verification

This project requires generators to verify their capabilities to ensure that accurate data is used in the modeling of the bulk power system, and involves development of new standards, as well as modification to the following standards:

- MOD-024 Verification of Generator Gross and Net Real Power Capability; and
- MOD-025 Verification of Generator Gross and Net Reactive Power Capability.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the first quarter of 2011. However, staff attrition has affected the delivery schedule for this project. NERC currently estimates completing this project in the fourth quarter of 2011.

Project 2007-12 Frequency Response

Frequency Response is a measure of an Interconnection's ability to stabilize frequency immediately following the sudden loss of generation or load, and is a critical component to the reliable operation of the bulk power system—particularly during disturbances and restoration. This project is intended to define for each Balancing Authority the amount of Frequency Responsive Reserves needed for reliable operation, as well as define how to measure the performance of Frequency Responsive Reserves. This project involves modification to the following standard:

- BAL-003 Frequency Response and Bias.

NERC currently estimates completing the project in the second quarter of 2012.

Project 2007-17 Protection System Maintenance & Testing

This project involves modification to the following standards:

- PRC-005 Transmission and Generation Protection System Maintenance and Testing;
- PRC-008 Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program;
- PRC-011 Undervoltage Load Shedding System Maintenance and Testing; and

- PRC-017 Special Protection System Maintenance and Testing.

These standards are intended to ensure that Transmission & Generation Protection Systems are maintained and tested to provide reliable performance when responding to abnormal system conditions. It is the responsibility of the Transmission Owner, Generation Owner, and Distribution Provider to ensure the Transmission & Generation Protection Systems are maintained and tested in such a manner that the protective systems operate to fulfill their functions. This project is intended to address the issues raised in FERC Order No. 693, as well as the those discussed in the System Protection and Controls ("SPCTF") report titled "Assessment of PRC-005-1 – Transmission and Generation Protection System Maintenance and Testing; with implications for PRC-008-0, PRC-011-0, and PRC-017-0."

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the third quarter of 2010. However, in November of 2009, the NERC Board directed the standard drafting team to develop a modification to the definition of Protection System in response to a request for interpretation. The Board directed this effort to be separate from the development of the draft standard, which temporarily withdrew resources from the standards development and extended the schedule. NERC currently estimates completing the project in the first quarter of 2012.

Project 2008-06 Cyber Security - Order 706

NERC initiated this project in 2008 to address the directives in FERC's Order No. 706. This project involves modifications to standards CIP-002 through CIP-009 (CIP Cyber Security Reliability Standards):

- CIP-002 Critical Cyber Asset Identification;
- CIP-003 Security Management Controls;
- CIP-004 Personnel & Training;
- CIP-005 Electronic Security Perimeter(s);

- CIP-006 Physical Security of Critical Cyber Assets;
- CIP-007 Systems Security Management;
- CIP-008 Incident Reporting and Response Planning; and
- CIP-009 Recovery Plans for Critical Cyber Assets.

The CIP Cyber Security Reliability Standards provide a cyber security framework for the identification and protection of Critical Cyber Assets to support the reliable operation of the bulk power system. In Order No. 706, FERC approved the set of Critical Infrastructure Protection (CIP) Cyber Security Version 1 Reliability Standards and associated implementation plans, but also directed NERC to develop modifications to the CIP Reliability Standards to address specific concerns identified by the Commission.

The scope and volume of the directives in Order No. 706 resulted in the adoption of a multi-phased approach to address those directives. NERC has filed Version 2, Version 3, and Version 4 of the CIP Cyber Security Reliability Standards with the Commission, which addressed many of FERC's directives in Order No. 706. NERC continues to address the remaining directives identified in Order No. 706 in the next phase of the project, and anticipates this effort could require multiple cycles of postings and industry responses to reach a suitable understanding and industry agreement on the requirements.

The timeline for completion of this project was undergoing review and modification when NERC developed the 2010 Development Plan. NERC currently estimates completing this project in the second quarter of 2012.

Project 2009-01 Disturbance and Sabotage Reporting

This project involves modification to the following standards:

- CIP-001-1 – Sabotage Reporting; and
- EOP-004-1 – Disturbance Reporting.

Stakeholders have indicated that identifying potential acts of "sabotage" is difficult to do in real time, and additional clarity is needed to identify thresholds for reporting potential acts of sabotage in CIP-001-1. This project is intended to clarify the standards, as well as address related regulatory directives. The standards may be merged to eliminate redundancy and provide clarity on sabotage events.

NERC did not identify a timeline for this project in the 2010 Development Plan. NERC currently estimates completing this project in the first quarter of 2012.

Project 2010-05 Protection Systems

This project will modify current PRC standards and definitions related to Protection System Misoperations, and will require modifications to the following standards:

- PRC-003 Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems;
- PRC-004 Analysis and Mitigation of Transmission and Generation Protection System Misoperations;
- PRC-012 Special Protection System Review Procedure;
- PRC-014 Special Protection System Assessment; and
- PRC-016 Special Protection System Misoperations.

The intent of the project is to develop an appropriate metric for the measurement of Protection System performance that will help ensure the reliability of the bulk power system.

NERC has not yet initiated this project, and at this time, currently estimates completion date of the project as occurring in 2013. NERC is currently evaluating options to initiate and complete this project on an accelerated basis.

Project 2010-07 Generator Requirements at the Transmission Interface

This project proposes changes to the requirements and the addition of new requirements to add significant clarity to Generator Owners and Generator Operators regarding their reliability

standard obligations at the interface with the interconnected grid, and requires modification to the following standards:

- FAC-001 Facility Connection Requirements; and
- FAC-003 Transmission Vegetation Management Program.

The project may also involve modifications to the following additional standards:

- PRC-001 System Protection Coordination;
- TOP-001 Reliability Responsibilities and Authorities;
- TOP-002 Normal Operations Planning; and
- TOP-003 Planned Outage Coordination.

NERC did not identify a timeline for this project in the 2010 Development Plan. NERC currently estimates completing the project in 2013.

Project 2010-17 Definition of Bulk Electric System

This project revises the definition of Bulk Electric System to address FERC's concerns identified in Order No. 693 and directives issued in Order No. 743.[2] The intent of the project is to ensure the definition encompasses all Elements and Facilities necessary for the reliable operation and planning of the interconnected bulk power system.

This is a new project, and NERC currently estimates completing the project in the first quarter of 2012.

PROJECTS CONTINUING AND EXPECTED TO COMPLETE SHORTLY

Project 2006-06 Reliability Coordination

This project involves modification to the following standards:

- COM-001 Telecommunications;

[2] Revision to Electric Reliability Organization Definition of Bulk Electric System, 133 FERC ¶ 61,150 (November 18, 2010).

- COM-002 Communications and Coordination;
- IRO-001 Reliability Coordination - Responsibilities and Authorities;
- IRO-002 Reliability Coordination – Facilities;
- IRO-003 Reliability Coordination - Wide-Area View;
- IRO-005 Reliability Coordination - Current-Day Operations;
- IRO-014 Procedures, Processes, or Plans to Support Coordination Between Reliability Coordinators;
- IRO-015 Notifications and Information Exchange Between Reliability Coordinators; and
- IRO-016 Coordination of Real-time Activities between Reliability Coordinators.

This project is intended to ensure that the reliability-related requirements applicable to the Reliability Coordinator are clear, measurable, unique, and enforceable and to ensure that this set of requirements is sufficient to maintain reliability of the bulk power system. The project will upgrade and expand existing requirements that address reliability coordinator actions to prevent instability, uncontrolled separation, and cascading outages.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the fourth quarter of 2010. However, concerns regarding the quality of the standard have resulted in an extended schedule. NERC currently estimates completing the project in the fourth quarter of 2011.

Project 2007-07 Vegetation Management

This project involves modification to the following standard:

- FAC-003-1 Transmission Vegetation Management.

The goal of this project is to upgrade the existing requirements for entities to implement a vegetation management program to prevent transmission outages that would adversely affect the reliability of the bulk power system.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the fourth quarter of 2010. On January 14, 2010, the Standards Committee directed the drafting team for Project 2007-07 — Vegetation Management to develop FAC-003-2 — Transmission Vegetation Management as a proof-of-concept Reliability Standard for NERC's results-based Reliability Standards development initiative. In addition, the quality review of FAC-003-2 — Transmission Vegetation Management Reliability Standard identified potential issues that the drafting team was directed to address before the draft standard was moved forward for industry comment and ballot. Because of the additional time taken to transition FAC-003-2 to a results-based standard and resolve the issues identified during the quality review process, the timeline for the project has been extended. NERC currently estimates completing this project in the second quarter of 2011.

Project 2010-15 Remote Access Urgent Action

This project involves modifications to the following standard:

- CIP-005 Cyber Security - Electronic Security Perimeter(s).

This project intends to provide requirements for Cyber Assets used to access Critical Cyber Assets (and other non-critical Cyber Assets within a defined Electronic Security Perimeter) from outside their Electronic Security Perimeter. NERC currently estimates completing this project in the third quarter of 2011; however, the project may be absorbed into Project 2008-06.

ADDITIONAL PROJECTS

Project 2007-11 Disturbance Monitoring

This project is intended to provide more detail and clarity regarding the installation of Disturbance Monitoring Equipment and reporting of disturbance data to facilitate analyses of

events and verification of system models. This project includes modification to the following standards:

- PRC-002 Define Regional Disturbance Monitoring and Reporting Requirements; and
- PRC-018 Disturbance Monitoring Equipment Installation and Data Reporting.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the third quarter of 2011. The recent prioritization efforts of NERC's Standards Committee resulted in this project moving to "informal development." NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2008-01 Voltage and Reactive Planning and Control

The project will revise the VAR standards to require that appropriate functional entities develop and coordinate voltage and reactive planning and operating criteria to ensure that there are sufficient reactive resources, and voltage and reactive margins, to manage the risk of voltage instability. This project includes modification to the following standards:

- VAR-001 Voltage and Reactive Control; and
- VAR-002 Generator Operation for Maintaining Network Voltage Schedules.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the third quarter of 2012. The recent prioritization efforts of NERC's Standards Committee resulted in this project moving to "informal development." NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2008-02 Undervoltage Load Shedding

This project will be based on the information contained in the Fault-Induced Delayed Voltage Recovery Technical Reference Paper,[3] and includes modifications to the following standards:

- PRC-010 Technical Assessment of the Design and Effectiveness of Undervoltage Load Shedding Program; and
- PRC-022 Under-Voltage Load Shedding Program Performance.

This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2008-12 Coordinate Interchange Standards

This project is intended to clarify the assignment of responsibilities for the Interchange standards, as well as to address the use of Dynamic Transfers and Pseudo-ties, and to provide details on back-up requirements for interchange coordination systems (such as e-Tag). This project includes modification to the following standards:

- INT-001 Interchange Information;
- INT-003 Interchange Transaction Implementation;
- INT-004 Dynamic Interchange Transaction Modifications;
- INT-005 Interchange Authority Distributes Arranged Interchange;
- INT-006 Response to Interchange Authority;
- INT-007 Interchange Confirmation;
- INT-008 Interchange Authority Distributes Status;
- INT-009 Implementation of Interchange; and
- INT-010 Interchange Coordination Exemptions.

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the second quarter of 2013. The recent prioritization efforts of NERC's Standards

[3] Available at: http://www.nerc.com/docs/pc/tis/FIDV_R_Tech_Ref_V1-1_PC_Approved.pdf.

Committee resulted in this project moving to "informal development." However, NERC still estimates completing this project in 2013.

Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities (formerly Project 2009-02 Real-time Tools)

This project establishes requirements for the functionality, performance, and maintenance of Real-time Monitoring and Analysis capabilities for Reliability Coordinators, Transmission Operators, Generator Operators, and Balancing Authorities for use by their System Operators in support of reliable System operations. This project may include modification a number of standards or develop new standards.

A timeline for Project 2009-02 — Real-time Reliability Monitoring and Analysis Capabilities was not identified in the 2010 Development Plan. The recent prioritization efforts of NERC's Standards Committee resulted in this project moving to "informal development." NERC currently estimates completing this project in 2013.

Project 2009-03 Emergency Operations Planning

This project is intended to improve the overall quality of the EOP standards and to eliminate any associated redundancy. This project includes modification to the following standards:

- EOP-001-0 — Emergency Operations Planning;
- EOP-002-2 — Capacity and Energy Emergencies;
- EOP-003-1 — Load Shedding Plans; and
- IRO-001-1 — Reliability Coordination — Responsibilities and Authorities.

A timeline for this project was not identified in the 2010 Development Plan. The recent prioritization efforts of NERC's Standards Committee resulted in this project moving to "informal development." NERC currently estimates completing this project in 2013.

Project 2009-04 Phasor Measurements

This project will create requirements related to the use of Phasor Measurement Units. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2009-05 Resource Adequacy Assessments

This project will implement recommendations from the Resource and Transmission Adequacy Task Force Report and the Electricity Interdependency Task Force Report. Because this project has yet to be initiated, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2009-07 Reliability of Protection Systems

This project will establish requirements related to the redundancy of protection systems to ensure that for critical facilities, protection systems can continue to function despite the failure of a component of the system. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-01 Support Personnel Training

This project will require the use of a systematic approach to determining training needs of generator operators and operations planning and support staff with a direct impact on the reliable operations of the bulk power system. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-02 Connecting New Facilities to the Grid

This project will develop standards regarding the elements to be addressed when a new facility is connected to the bulk power system. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-03 Modeling Data

This project will merge, update, and expand existing requirements for entities to provide data used to model the bulk power system. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-04 Demand Data

This project is intended to provide more detail and clarity to several of the MOD standards, including:

- MOD-016 Documentation of Data Reporting Requirements for Actual and Forecast Demands, Net Energy for Load, and Controllable Demand-Side Management;
- MOD-017 Aggregated Actual and Forecast Demands and Net Energy for Load;
- MOD-018 Treatment of Nonmember Demand Data and How Uncertainties are Addressed in the Forecasts of Demand and Net Energy for Load;
- MOD-019 Reporting of Interruptible Demands and Direct Control Load Management;
- MOD-020 Providing Interruptible Demands and Direct Control Load Management Data to System Operators and Reliability Coordinators; and
- MOD-021 Documentation of the Accounting Methodology for the Effects of Demand-Side Management in Demand and Energy Forecasts.

This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-08 Functional Model Glossary Revisions

This project is intended to remedy any inconsistencies between the Functional Model and any associated terms used in the NERC Glossary. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2010-13 Relay Loadability Order Phase 2

This project will establish standards regarding relay loadability for Generators. This project involves the drafting of a new standard.

The recent prioritization efforts of NERC's Standards Committee resulted in this project being identified to move to "informal development." However, it is possible that other factors will require that this project remain in formal development in the near term.

NERC currently estimates completing the project in 2013, but this may change when the project's ultimate status is determined.

Project 2010-14 Balancing Authority Reliability-based Control

NERC created this project by merging two former projects: 2007-05 — Balancing Authority Controls and 2007-18 — Reliability-based Controls. This project is working to improve the BAL family of standards to ensure that Balancing Authorities take actions to maintain interconnection frequency with each Balancing Authority contributing its fair share of frequency control. The project includes modification to the following standards:

- BAL-001 Real Power Balancing Control Performance;
- BAL-002 Disturbance Control Performance;
- BAL-004 Time Error Correction;
- BAL-005 Automatic Generation Control; and
- BAL-006 Inadvertent Interchange.

NERC did not identify a timeline for this project in the 2010 Development Plan. The recent prioritization efforts of NERC's Standards Committee resulted in this project moving to "informal development." NERC currently estimates completing the project in 2013.

Project 2010-16 Definition of System Operator

This project is intended to address ambiguity in the current definition of "System Operator" with regard to roles and responsibilities. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2012-01 Equipment Monitoring and Diagnostic Devices

This project will address the application of major equipment monitoring and diagnostic devices and procedures. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

Project 2012-02 Physical Protection

This project will address the physical protection of essential equipment, building, and personnel at generation, transmission, or distribution locations. This project has yet to be initiated, and at this time, NERC has not prepared an estimated completion date for inclusion in this filing.

PROJECTS THAT HAVE BEEN ELIMINATED THROUGH ADMINISTRATIVE ACTIONS

Project 2007-05 Balancing Authority Controls

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the fourth quarter of 2012. However, in 2010, this project was merged with Project 2007-18 Reliability-based Controls to create Project 2010-14 Balancing Authority Reliability-based Control. *See*, Project 2010-14 Balancing Authority Reliability-based Control for additional details.

Project 2007-18 Reliability-Based Control

When the 2010 Development Plan was drafted, NERC anticipated this project to be completed in the fourth quarter of 2011. However, in 2010, this project was merged with Project 2007-05 Balancing Authority Controls to create Project 2010-14 Balancing Authority Reliability-based Control. *See*, Project 2010-14 Balancing Authority Reliability-based Control for additional details.

Project 2010-06 Results-based Reliability Standards

A timeline for Project 2010-06 Results-based Reliability Standards was not identified in the 2010 Development Plan. An Ad Hoc group representing the industry, NERC, and regional staffs was formed to develop recommendations to ensure that NERC's Reliability Standards have the greatest possible positive effect on the reliability of the bulk power system. The Ad Hoc group developed a recommendation that outlined a guiding set of principles based on performance and risk-based standards development methodologies and presented specific recommendations for improving the development and format of NERC's Reliability Standards. Those recommendations were endorsed by the NERC Board on November 4, 2009. On August 5, 2010, the NERC Board approved the transition plan for transitioning the set of NERC Reliability Standards to a results-based format. This project has been completed and has been removed from the 2011 Development Plan.

PROJECTS THAT HAVE BEEN COMPLETED

Project 2006-04 — Backup Facilities

This project was completed on August 5, 2010 when the NERC Board of Trustees approved EOP-008-1 — Loss of Control Center Functionality and its associated implementation plan. Accordingly, this project has been removed from the 2011 Development Plan.

Project 2006-08 — Transmission Loading Relief

This project was completed on November 4, 2010 when the NERC Board of Trustees approved IRO-006-5 Reliability Coordination – Transmission Loading Relief, IRO-006-EAST-1 TLR Procedure for the Eastern Interconnection, and their associated implementation plans. Accordingly, this project has been removed from the 2011 Development Plan.

Project 2007-01 Underfrequency Load Shedding

This project was completed on November 4, 2010 when the NERC Board of Trustees approved PRC-006-1 Automatic Underfreqency Load Shedding, EOP-003-2 Load Shedding Plans, and their associated implementation plans. Accordingly, this project has been removed from the 2011 Development Plan.

Project 2007-04 Certifying System Operators

This project was completed on February 17, 2010 when the NERC Board of Trustees approved PER-003-1 Operating Personnel Credentials Standard and its associated implementation plan. Accordingly, this project has been removed from the 2011 Development Plan.

Project 2009-18 Withdraw Three Midwest ISO Waivers

This project was completed on November 5, 2009 when the NERC Board of Trustees approved BAL-006-2 Inadvertent Interchange, INT-003-3 Interchange Transaction Implementation, and their associated implementation plans. Accordingly, this project has been removed from the 2011 Development Plan.

Project 2010-13 Relay Loadability Order Phase 1

This project was completed on March 10, 2011 when the NERC Board of Trustees approved PRC-021-2 Transmission Relay Loadability and its associated implementation plan. Accordingly, this project has been removed from the 2011 Development Plan.

LATE ADDITIONS

Project 2009-06 Facility Ratings

This project is intended to clarify the existing FAC standards, and includes modification to the following standards:

- FAC-008 Facility Ratings Methodology; and

- FAC-009 Establish and Communicate Facility Ratings.

Originally completed in March of 2010, additional modifications are being made to the standard in response to a FERC directive. As such, the project was not included in the prioritization effort. NERC currently estimates completing the project in the second quarter of 2011, consistent with regulatory directives.

B. NERC Stakeholders Input

To support the development of the 2011 Development Plan, NERC sought stakeholder input during two open comment periods, which took place from May 24, 2010 through July 8, 2010 and from August 17, 2010 through September 16, 2010. In addition, NERC solicited input from the NERC technical committees, from additional subject matter experts on the NERC staff, and from FERC staff. NERC received a total of 34 sets of comments during the open stakeholder comment periods. Comments were received from the Midwest Reliability Organization, Georgia System Operations Corporation, Constellation Energy Group, Arizona Electric Power Cooperative, Arlington Valley Energy Facility, Covanta, Fountain Valley Power, Harbor Cogeneration Company, Las Vegas Cogeneration LP, SWG Colorado LLC, Valencia Power LLC, Electric Power Supply Association, Pinellas County Resource Recovery Facility, Union Power Partners, Competitive Power Ventures, Cogentrix Energy, New Harquahala Generating Co, Indeck Energy Services, Cowlitz County PUD No. 1 of Washington State, Tenaska, Wisconsin Electric, Forked River Power LLC, Independent Electricity System Operator, Bonneville Power Administration, North American Energy Standards Board, Midwest ISO, Dominion Resources Services, NERC Regional Reliability Standards Working Group, Western Electricity Coordinating Council, NERC Operating Committee, and Duke Energy Corporation.

Additionally, NERC sought additional stakeholder feedback regarding the prioritization

process used by the Standards Committee to develop the list of projects for 2011. Stakeholders provided informal comments from January 21, 2011, to February 20, 2011. This additional feedback assisted the Standards Committee in further refining its prioritization efforts, which will be provided in a supplementary filing following the finalization of associated responses at NERC's Standards Committee meeting, currently scheduled for April 13-14, 2011.

A summary of Stakeholder comments received and the comments received regarding the draft 2011 Development Plan during the open comment period are included as **Exhibit C.** The major themes of the comments received are summarized below.

The need to establish priorities for NERC's standards development projects was a recurrent theme during the Commission-led technical conference of July 6, 2010 addressing industry perspectives on issues pertaining to the development and enforcement of mandatory Reliability Standards for the bulk power system. In line with this theme, a number of the comments received during the open comment periods for the 2011 Development Plan focused on the prioritization methodology used during the drafting of the 2011 Development Plan.

In particular, a number of comments indicated that the criteria used in the initial ranking process used to draft the 2011 Development Plan did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities for Project 2010-07 — Generator Requirements at theTransmission Interface. The comments provided sound reasoning for modifying the ranking of Project 2010-07 — Transmission Requirements at the Generator Interface. This resulted in updated assumptions that the Standards Committee used in the prioritization of projects in the NERC Board-approved 2011 Development Plan.

Other comments supported the continued advancement of a concept for prioritization of standards development projects to accurately reflect the existence and priority of all projects that

are currently active or planned. A revised prioritization process was presented to and endorsed by the NERC Board at its February 2011 meeting.

Other comments recommended that the priority of specific projects be elevated for specific reasons. Each of the suggestions submitted with sound reasoning for elevating the priority of a specific project was incorporated into the prioritization methodology used to assist in determining the priority of projects in the NERC Board-approved 2011 Development Plan.

As in past years, a number of comments identified the burden and stress on the limited industry resources required to support the large number of standards development projects included in the 2011 Development Plan. NERC understands the commitment of resources required for the development of quality standards. In conjunction with the effort to coordinate with the NERC Board's Standards Oversight and Technology Committee, NERC Standards Committee, applicable regulatory authorities, and industry participants in further advancing the prioritization process identified in the 2011 Development Plan, additional efforts were made to identify a smaller set of active standards development projects to limit the focus of the limited industry resources. This has resulted in a plan that in 2011 will reduce the total number of projects in development over the course of the year.

A number of comments supported the transition to results-based Reliability Standards. The 2011 Development Plan was drafted consistent with the plan for transitioning the current set of NERC standards to results-based standards as proposed by the Ad Hoc Group.

IV. CONCLUSION

NERC respectfully requests that FERC accept this informational filing in compliance with Section 310 of the ERO Rules of Procedure.

Respectfully submitted,

/s/ Holly A. Hawkins

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 5th day of April, 2011.

/s/ Holly A. Hawkins
Holly A. Hawkins
Attorney for the North American Electric Reliability Corporation

EXHIBIT A: *Reliability Standards Development Plan: 2011–2013*

NERC

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Development Plan: 2011–2013

(Approved By: NERC Board of Trustees on March 10, 2011)

to ensure the reliability of the bulk power system

March 10, 2011

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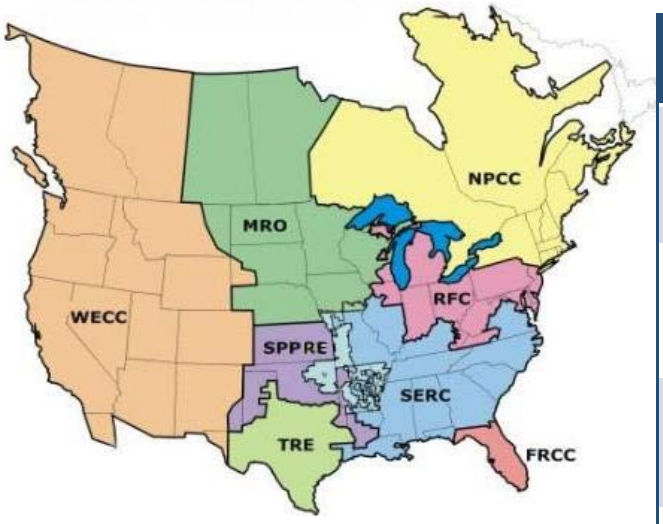
Acknowledgement

NERC would like to thank all the individuals who invest their time, energy, expertise, and resources in the development of NERC Reliability Standards and in the annual revision of this *Reliability Standards Development Plan*. The plan reflects comments and input from stakeholders, staff, the NERC technical community, and government agencies with oversight for North American electric reliability. Through collaboration and industry consensus, we expect to develop NERC Reliability Standards that are technically excellent, clear, enforceable, and ensure the reliability of the North American bulk power system.

NERC's Mission

The North American Electric Reliability Corporation (NERC) is an international regulatory authority established to evaluate reliability of the bulk power system in North America. NERC develops and enforces Reliability Standards; assesses adequacy annually via a 10-year forecast and winter and summer forecasts; monitors the bulk power system; and educates, trains, and certifies industry personnel. NERC is the electric reliability organization for North America, subject to oversight by the U.S. Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada.[1]

NERC assesses and reports on the reliability and adequacy of the North American bulk power system, which is divided into eight Regional areas, as shown on the map below and listed in Table A. The users, owners, and operators of the bulk power system within these areas account for virtually all the electricity supplied in the U.S., Canada, and a portion of Baja California Norte, México.



Note: The highlighted area between SPP and SERC denotes overlapping Regional area boundaries. For example, some load serving entities participate in one Region and their associated transmission owner/operators in another.

Table A: NERC Regional Entities

FRCC Florida Reliability Coordinating Council	**SERC** SERC Reliability Corporation
MRO Midwest Reliability Organization	**SPP RE** Southwest Power Pool Regional Entity
NPCC Northeast Power Coordinating Council	**TRE** Texas Reliability Entity
RFC Reliability*First* Corporation	**WECC** Western Electricity Coordinating Council

[1] As of June 18, 2007, the U.S. Federal Energy Regulatory Commission (FERC) granted NERC the legal authority to enforce Reliability Standards with all U.S. users, owners, and operators of the BPS, and made compliance with those standards mandatory and enforceable. In Canada, NERC presently has memorandums of understanding in place with provincial authorities in Ontario, New Brunswick, Nova Scotia, Québec, and Saskatchewan, and with the Canadian National Energy Board. NERC standards are mandatory and enforceable in Ontario and New Brunswick as a matter of provincial law. NERC has an agreement with Manitoba Hydro making reliability standards mandatory for that entity, and Manitoba has recently adopted legislation setting out a framework for standards to become mandatory for users, owners, and operators in the province. In addition, NERC has been designated as the "electric reliability organization" under Alberta's Transportation Regulation, and certain reliability standards have been approved in that jurisdiction; others are pending. NERC and NPCC have been recognized as standards-setting bodies by the *Régie de l'énergie* of Québec, and Québec has the framework in place for reliability standards to become mandatory. Nova Scotia and British Columbia also have frameworks in place for reliability standards to become mandatory and enforceable. NERC is working with the other governmental authorities in Canada to achieve equivalent recognition.

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Summary

Purpose

The North American Electric Reliability Corporation (NERC) is committed to developing reliability standards that deliver an Adequate Level of Reliability for the North American bulk power system. The NERC *Reliability Standards Development Plan* is the foundation for reliability standards development efforts. The plan serves as the management tool and blue print that guides, prioritizes, and coordinates revision or retirement of existing reliability standards and the development of new reliability standards for the immediate 3-year time horizon.

NERC developed the initial 3-year plan in 2006 and has updated it annually since. In updating the plan, NERC seeks input on the need for (and prioritization of) new or revised reliability standards from the other program areas within NERC, as well as from NERC's technical committees and industry groups, and from those governmental authorities with responsibility for approving reliability standards in the United States and Canada. The objectives of the plan include, but are not limited to:

- Addressing the recommendations for new or revised reliability standards identified in the *U.S.-Canada Power System Outage Task Force Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations.*
- Addressing directives identified in applicable Federal Energy Regulatory Commission (FERC) Orders.
- Addressing comments from industry stakeholders and others suggesting improvements to each reliability standard, including those comments received from industry stakeholders during public comment periods.
- Addressing quality issues to ensure each reliability standard has a clear statement of purpose, and has results-based requirements that are clear and measurable.
- Ensuring measures and compliance elements are aligned to support the requirements within the reliability standards and follow definitions outlined in the reliability standards template.
- Incorporating feedback from other NERC program areas such as Compliance Operations, Operations and Engineering, Reliability Assessments, and Event Analysis.
- Satisfying the requirement in Section 300 of the Rules of Procedure of the North American Electric Reliability Corporation for a five-year review of all reliability standards.

Developing technically excellent reliability standards is a long-term effort. This plan supports the effort in a dynamic fashion that can be continuously adapted to circumstances and changing priorities. The plan is reviewed and maintained by the NERC Standards Committee and Standards staff, and is updated on an annual basis (or more frequently if necessary).

On July 6, 2010 FERC held a Commissioner-led Technical Conference to address industry perspectives on issues pertaining to the development and enforcement of mandatory Reliability Standards for the bulk power system. The conference focused on the Electric Reliability

Organization's (ERO) standards development process; communication and interactions between the Commission, the ERO and Regional Entities; and ERO and Regional Entity monitoring and enforcement. Conference participants uniformly and strongly supported the standard-setting approach of the ERO model outlined in Section 215 of the Federal Power Act. The ERO model draws on the unmatched technical expertise of many hundreds of industry subject matter experts to develop standards that best serve the reliability of the bulk power system in North America. This expertise includes that of other stakeholders such as large and small customers and governmental authorities with expertise on the "receiving" end of reliability (i.e., those who depend upon and pay for reliability).

The need to establish priorities for NERC's standards development projects was a recurring theme during the technical conference. This *Reliability Standards Development Plan: 2011-2013* advances a concept for prioritization of standards development projects with the expectation that NERC staff will continue to coordinate with the NERC Standards Committee, applicable regulatory authorities, and industry participants in further advancing the prioritization process.

2011-2013 Projects

This revised *Reliability Standards Development Plan: 2011-2013* identifies a total of 35 continent-wide standards development projects either active or planned as of March 1, 2011. These projects have been categorized in Table 1 as "High Priority Projects," "Projects Continuing and Expected to be Completed Shortly," and "Additional Projects to be Initiated in Order of Priority[2]." As each of the projects in the first two groups move to final balloting stage and receive Board and regulatory approval, this will free up staff and industry resources that can then be assigned to the "Additional Projects to be Initiated in Order of Priority."

These priorities were in part determined based on risks and policy issues quantified through a new prioritization tool created by the Standards Committee and endorsed by the Standards Oversight and Technology Committee of the NERC Board of Directors in February 2011. This first generation prioritization tool assists the Standards Committee in examining the prioritization of each reliability standard or reliability issue needing attention each year. As NERC and the Standards Committee gain experience in use of the tool, we will work to improve and enhance the tool over time[3].

2 Phase 1 of Project 2010-13 was not included in the prioritization process as it is near completion; Phase 2 was included and ranked as number 18. Project 2010-15 was not included in the prioritization, as it is an "urgent action" project and expected to complete shortly. Project 2010-16 was inadvertently excluded from the prioritization process, and will be considered in the next review of project priorities.

3 Reliability Standards Project Prioritization Tool - Link

Table 1

High Priority Projects	
1	Project 2008-06 Cyber Security - Order 706
2	Project 2007-17 Protection System Maintenance & Testing
3	Project 2007-06 System Protection Coordination
4	Project 2010-07 Generator Requirements at the Transmission Interface
5	Project 2007-12 Frequency Response
6	Project 2007-02 Operating Personnel Communications Protocols
7	Project 2006-02 Assess Transmission and Future Needs
8	Project 2010-17 Definition of Bulk Electric System
9	Project 2007-03 Real-time Transmission Operations
10	Project 2007-09 Generator Verification
11	Project 2009-01 Disturbance and Sabotage Reporting
12	Project 2010-05 Protection Systems

Projects Continuing and Expected to Complete Shortly	
13	Project 2006-06 Reliability Coordination
15	Project 2007-07 Vegetation Management
-	Project 2010-13 Relay Loadability Order Phase 1
-	Project 2010-15 Remote Access Urgent Action

Additional Projects to be Initiated in Order of Priority	
14	Project 2010-14 Balancing Authority Reliability-based Control
16	Project 2007-11 Disturbance Monitoring
17	Project 2008-01 Voltage and Reactive Planning and Control
18	Project 2010-13 Relay Loadability Order Phase 2
19	Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities
20	Project 2009-03 Emergency Operations
21	Project 2008-12 Coordinate Interchange Standards
22	Project 2010-01 Support Personnel Training
23	Project 2009-04 Phasor Measurements
24	Project 2008-02 Undervoltage Load Shedding
25	Project 2009-07 Reliability of Protection Systems
26	Project 2010-08 Functional Model Glossary Revisions
27	Project 2010-04 Demand Data
28	Project 2010-03 Modeling Data

29	Project 2009-05 Resource Adequacy Assessments
30	Project 2012-02 Physical Protection
31	Project 2010-02 Connecting New Facilities to the Grid
32	Project 2012-01 Equipment Monitoring and Diagnostic Devices
-	Project 2010-16 Definition of System Operator

Changes to Plan

The number of projects proposed in this plan (35) is less than the 37 projects listed in the 2010-2012 version of the plan. The composition of these projects has changed significantly since approval of the 2010-2012 plan:

- The following five projects not identified in the 2010-2012 plan were initiated and completed since last year's plan was approved:
  - Project 2009-08 Nuclear Plant Interface Coordination
  - Project 2010-09 NUC Implementation Plans for CIP Version 2 and Version 3Standards
  - Project 2010-10 FAC Order 729
  - Project 2010-11 TPL Table 1 Order
  - Project 2010-12 Order 693 Directives

- The following six projects identified in the 2010-2012 plan were completed and removed from this revised plan:
  - Project 2006-04 Backup Facilities
  - Project 2006-08 Transmission Loading Relief
  - Project 2007-01 Underfrequency Load Shedding
  - Project 2007-04 Certifying System Operators
  - Project 2009-06 Facility Ratings
  - Project 2009-18 Withdraw Three Midwest ISO Waivers

- Project 2010-06 Results-based Reliability Standards identified in the 2010-2012 plan was transitioned into an initiative, subsequently completed (more below), and removed from this revised plan.

- Project 2007-05 Balancing Authority Controls and Project 2007-18 Reliability-based Control were merged into Project 2010-14 Balancing Authority Reliability-based Control, which is an addition to this plan.

- The following five projects initiated in 2010 were not anticipated when the 2010-2012 plan was drafted and are additions to this plan:

- Project 2010-08 Functional Model Glossary Revisions
- Project 2010-13 Relay Loadability Order Phase 1 and 2
- Project 2010-15 Remote Access Urgent Action
- Project 2010-16 Definition of System Operator
- Project 2010-17 Definition of Bulk Electric System

It should be noted that this *Reliability Standards Development Plan: 2011-2013*, identifies the standards development projects that are currently expected to be worked on in the immediate three-year time horizon. Every attempt will be made to bring as many projects to completion as possible; however, not all of the projects identified in this plan will be completed in the immediate three-year time horizon.

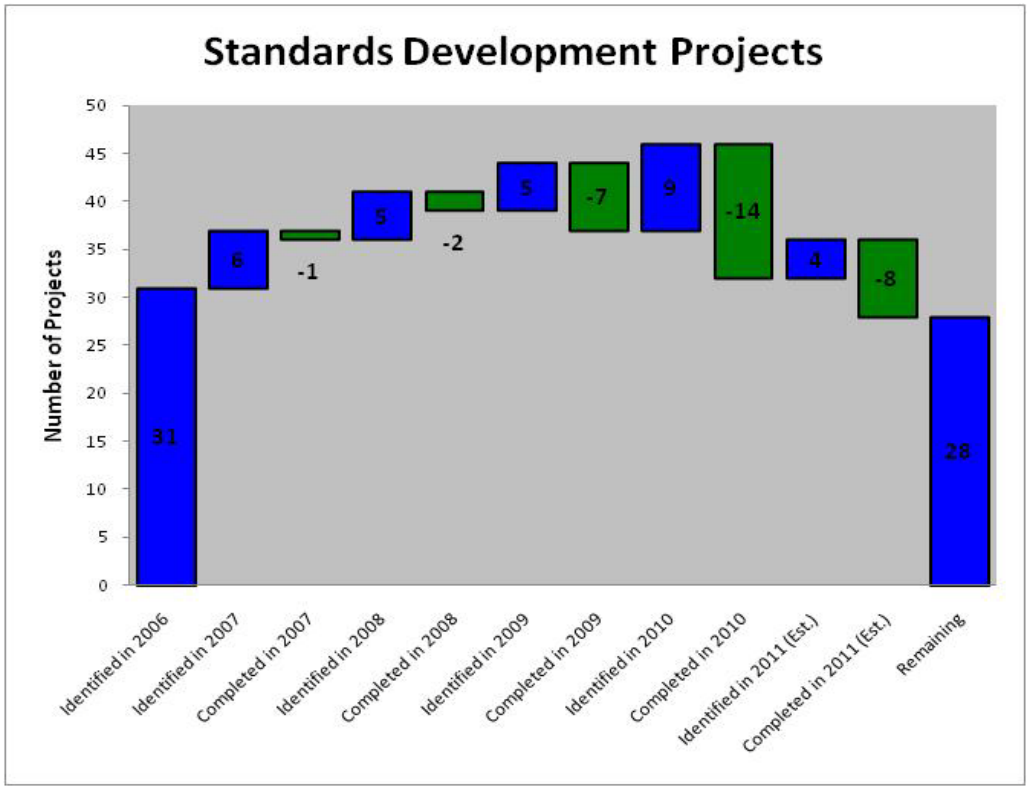
Standards Development

NERC's standards program develops and maintains standards designed to ensure the reliability of the bulk power system in North America. The set of NERC reliability standards defines the reliability requirements for planning and operating the North American bulk power system. NERC staff facilitates standards drafting team activities; assists the drafting teams in adherence to the integrity of the development process, and ensures that the quality of documents produced meet the criteria for approval.

Each standard must be technically excellent, timely, just, reasonable, not unduly discriminatory or preferential, in the public interest, and consistent with other applicable standards or regulations to be approved by the US and Canadian regulatory authorities. A link to the document describing the quality attributes of an excellent reliability standard is provided here.

NERC continues to make progress in improving the quality of the set of NERC reliability standards. Since the establishment of this plan in 2006 through August 1, 2010 NERC has identified 59 standards development projects, the vast majority of which involve the revision of multiple standards. Of those, 19 projects have been completed.

The following chart summarizes the number of newly identified projects in each revision of the Reliability Standards Development Plan as well as the number of projects completed between revisions to the plan from 2006 through 2010 along with an estimate for 2011:



Short summaries of all the currently opened or planned standards development projects as of March 1, 2011 are provided here. The summaries contain the project name, project number, a short description of the project, and the standards associated with the project.

More expansive overviews of each of the currently opened or planned reliability standards development projects as of March 1, 2011 are provided here. Each project overview includes the project number, title, list of affected reliability standards, and hyperlinks to associated portions of the NERC standards web pages along with a brief description of the project. In prior plans, these overviews also included a list of "Issues to be Considered by the Standard Drafting Team" which was populated with information contained in the "NERC Standards Issues Database (Issues Database)." The Issues Database is used by the NERC standards program staff to track the issues and concerns identified with a particular standard, including a complete list of applicable regulatory directives.

Standards Development Process

NERC uses a formal process for refining, developing, and approving reliability standards that has received national, formal accreditation from the American National Standards Institute (ANSI) and approval by the Federal Energy Regulatory Commission (FERC) in the United States. A key element of this plan is to review and upgrade all the existing standards based on the directives in the FERC's final rules on standards, previous industry comments, and actual experience gathered from using the standards.

The *Standard Processes Manual* provides a consensus-building process to confirm the need for a proposed new or revised standard, and then for developing and approving a new or revised standard. This standards development process, or its successor, will serve as the mechanism for achieving the improvements detailed in this plan. The standards development process includes active involvement of industry experts and stakeholders tasked with developing excellent standards.

The *Standard Processes Manual* is incorporated in Section 300 of the ERO Rules of Procedure as Appendix A. In its June 2006 ERO Certification Order, the Commission found that NERC's proposed rules provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing reliability standards. The development process is open to any person or entity with a legitimate interest in the reliability of the bulk power system. NERC considers the comments of all stakeholders, and a vote of stakeholders is required to approve a reliability standard before it is submitted for NERC Board action and regulatory approval.

The *Standard Processes Manual* was approved by FERC on September 3, 2010. The following is a summary of the improvements in the *Standard Processes Manual* compared to the predecessor *Reliability Standards Development Procedure*.

(1) Improved control on timing for initiation of new projects by giving the Standards Committee the authority to prioritize standards development activity so that some projects may be deferred to focus on higher priority projects, to require technical justification and documentation when a standard request is submitted, and to evaluate

unplanned project proposals to assign an appropriate priority relative to planned project activities.

(2) More efficient processing of new project requests by allowing informal comment periods for project proposals where the need to modify or develop the identified standard(s) has already been established.

(3) More extensive use of "informal" stakeholder feedback by allowing drafting teams to use a variety of means to collect feedback in the early stages of standards development.

(4) Enhanced technical writing support during the drafting of standards to make better use of subject matter experts.

(5) Ensuring a standard meets specific "quality" attributes by adding a step to the process for a formal "quality review" before the final draft of a standard is posted for formal stakeholder review.

(6) Concurrent formal commenting and balloting to involve more participants in determining the final wording of a standard.

(7) New process to expedite development of a new or revised standard where specific time constraints are associated with its completion.

(8) Improved clarity in the description of the processes for developing definitions; conducting field tests and collecting and analyzing data; interpretations; appeals; variances; standards developed to address confidential issues; and process for approving supporting references.

Internal NERC Coordination Efforts

NERC has developed specific initiatives related to compliance monitoring and enforcement, reliability assessment and performance analysis, and event analysis to identify possible "high impact" reliability standard development projects that may have significant impact on the reliability of the bulk power system. For example, lessons learned and trends identified from system events tracked for the last three years that have been causal or contributory to the severity of system disturbances are helping NERC focus efforts and provide the technical foundation for standards development and modification efforts on issues that are most critical to bulk power system reliability. NERC has developed a broad-based reliability initiative that addresses issues in the area of system protection and control which is the basis for Project 2010-05 Protection Systems and a number of other ongoing standards development projects in the area of system protection and control. This initiative identified a compendium of system protection and control issues that have contributed to many system events. This ongoing collaborative effort between the Event Analysis program and Standards development will continue to be used to identify specific changes to reliability standards to ensure the reliability of the North American bulk power system.

In addition, the document Risk-Informed Approach for Prioritizing Development of Standards outlines one of the internal initiatives supported by reliability assessment and performance analysis that takes the form of a risk-informed approach for prioritizing new and enhancing existing reliability standards leading to the greatest improvement in reliability. Trend assessment

from event, condition and regulatory driven measures can provide additional risk-informed prioritization to standard development as bulk power system performance can provide insights into potential gaps and areas for standard improvements. These trends will be weighed against other NERC standard development initiatives during the prioritization process used in the development of this plan.

Coordination Efforts with NERC Technical Committees

NERC's technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified standards or requirements with the standards staff for use in identifying the need for new standards projects for the three-year *Reliability Standards Development Plan*.

Coordination with NAESB

In addition, NERC also coordinates its reliability standards development activities with the business practices developed by the North American Energy Standards Board (NAESB). Many of the existing NERC standards are related to business practices, although their primary purpose is to support reliability. Reliability standards, business practices, and commercial interests are inextricably linked. An example of an existing standard that is both a reliability standard and a business practice is the Transmission Loading Relief (TLR) Procedure currently used as an interconnection-wide congestion management method in the Eastern Interconnection.

NERC has taken several steps to ensure its reliability standards do not have any undue adverse impact on business practices or competition. NERC and NAESB follow the NERC NAESB Template Procedure for Joint Standards Development and Coordination and the associated supplement in areas that have both reliability and business practice elements. This procedure is being implemented for all standards in which the reliability and business practice elements are closely related, thereby making joint development a more efficient approach. In addition to this formal process, drafting teams work with NAESB groups to ensure effective coordination of wholesale electric business practice standards and reliability standards.

To ensure each reliability standard does not have an undue adverse effect on competition, NERC requires that each standard meet the following criteria:

- Competition — A reliability standard shall not give any market participant an unfair competitive advantage.
- Market Structures — A reliability standard shall neither mandate nor prohibit any specific market structure.
- Market Solutions — A reliability standard shall not preclude market solutions to achieve compliance with that standard.

- Commercially Sensitive Information — A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.

Transition to Results-based Standards

To improve the overall quality of its Reliability Standards, NERC has introduced "results-based" principles into the standards development process. These principles require the standard drafting teams to achieve a portfolio of performance, risk, and competency-based requirements within the set of NERC reliability standards that support an effective defense-in-depth strategy for ensuring the reliability of the bulk power system. This concept enhances development of an integrated set of standards that build on the core entity competencies verified during NERC's entity certification processes.

The term "results-based" is sometimes confused with the term "performance-based" when combined with the terms "standards" and "requirements". Performance-based standards can have the connotation of measuring only ultimate performance – no oil spills, no mine disasters, no plane crashes, etc. The problem with a purely performance-based approach is that if the system fails, the consequences are unacceptable. NERC is not implementing performance-based standards that focus only on ultimate outcomes for the main body of its standards. NERC is implementing a portfolio of result-based requirements, each of which indentifies a clear and measurable expected outcome, such as: a) a stated level of reliability performance, b) a reduction in a specified reliability risk, or c) a necessary competency. The set of NERC's reliability standards works collectively in support of NERC's reliability principles to prevent instability, uncontrolled separation and cascading. To achieve any one of NERC's reliability principles a 'defense in depth' strategy is being employed such that there is a network of requirements spanning several standards that involve a mix of performance-based, risk-based, and competency-based requirements that in combination achieve NERC's reliability principles.

For the bulk power system, only a small percentage of NERC's requirements will be performance-based. Performance-based requirements are useful in situations where tracking and managing the "results" are the only way to manage, incentivize and correct outcomes. Control performance (BAL-001- Real Power Balancing Control Performance) is a good example of a standard that contains performance-based requirements. The goal of the standard is to maintain frequency within defined limits by balancing real power demand and supply in real-time, and the requirements identify specific actions of a Balancing Authority must take to achieve that goal. Following these requirements alone will not result in the goal of maintaining frequency within defined limits – this standard is supported by the Balancing Authority certification process where NERC verifies that prospective Balancing Authorities have the processes, procedures and tools needed to monitor and act to meet the requirements in BAL-001, as well as many other standards.

A majority of NERC's requirements are, and will continue to be risk-based, or preventative requirements that if followed, reduce the risk of instability, uncontrolled separation, and cascading failures. The performance-based requirements in the BAL-001 standard are supported

by several risk-based standards such as EOP-001 – Emergency Operations Planning. EOP-001 requires the Balancing Authority to have action plans for mitigating various energy emergencies.

Another portion of NERC's standards are 'competency-based', meaning they are requirements to have things such as tools, training, communications, and backup facilities. The performance-based requirements in the BAL-001 standard are supported by capability-based requirements in standards such as PER-003 Operating Personnel Credentials, where the Balancing Authority is required to staff its real-time operating positions with only certified system operators.

Results-based standards should not be associated with lax rules for industry. NERC is developing a strong portfolio of interdependent and overlapping requirements that work with the entity certification processes and address performance, risk mitigation, and competency. NERC is applying a defense in depth strategy that has proven successful in managing risks in many other industries including nuclear, aerospace, and other critical sectors.

A number of factors were considered when developing the plan for transitioning the current set of NERC Reliability Standards to results-based, including both the priority of projects as established by the Standards Committee as well as the then current status of each individual project. The goal of the plan is to smoothly transition existing standards to results-based standards while respecting and considering the amount of work existing standard drafting teams have expended in their respective projects to date relative to the planned completion date of the project. For example, to a large degree projects that are expected to be completed by year-end 2010 were not good candidates for transition to results-based because doing so would require each affected drafting team to redraft work which is essentially complete and ready for industry ballot, thereby extending the project by as much as six months. Consequently, projects which were in the very early stages of development or which have not been initiated were identified as early candidates for results-based implementation.

Drafting team training for teams working on results-based standards has been enhanced to include results-based concepts and will assist in building on this foundation for the transition to a complete set of results-based reliability standards.

Multi-faceted Results-based Training

NERC has developed and implemented training in the results-based concepts to help stakeholders as well as drafting teams.

To commence the rollout to the industry of the results-based initiative, NERC staff provided a one-time training Webinar in the fall of 2010 for all stakeholders on the concepts of results-based reliability standards, highlighting what stakeholders should look for when commenting and voting upon these new standards. NERC also conducted a "Train the Trainer" session in 2010 to provide drafting team coordinators with the tools needed to apply the results-based approach to the development of standards.

The NERC coordinator assigned to a drafting team will be responsible for training his or her drafting teams in the results-based concepts. The core program provides a structure for developing standards starting with explicitly identifying the "Need", "Goals", and "Objectives"

of the particular standard under development. Since the majority of active standards development projects are beyond the "Need", "Goals", and "Objectives" phase of the process, portions of the program are not directly applicable to projects already under development but were summarized in the fall Webinar training. The fall Webinar training provided the existing drafting teams with the knowledge of the results-based principles that they can then apply to their respective projects on a prospective basis.

The following projects will reach completion without fully implementing the results-based concepts and format, since the full implementation of results-based principles would be too disruptive to the timely completion in these projects. However, the drafting teams associated with these projects are expected to incorporate results-based concepts if the opportunity arises in the course of the project (for example, between the last formal comment period and ballot or between ballots as permitted by the Standards Committee).

- Project 2006-02 Assess Transmission and Future Needs
- Project 2006-06 Reliability Coordination
- Project 2007-02 Operating Personnel Communications Protocols
- Project 2007-03 Real-time Transmission Operations
- Project 2007-09 Generator Verification
- Project 2007-11 Disturbance Monitoring
- Project 2007-12 Frequency Response
- Project 2007-17 Protection System Maintenance & Testing
- Project 2008-06 Cyber Security - Order 706

The standards associated with these projects, along with any other standards currently not associated with any project, will be updated to include the results-based principles the next time the standards are opened for review or revision.

Projects for Results-based Implementation

The following projects will fully implement the results-based concepts. Leadership and training for this initiative is the responsibility of the NERC Coordinator for each specific project.

- Project 2007-06 System Protection Coordination
- Project 2007-07 Vegetation Management
- Project 2008-01 Voltage and Reactive Planning and Control
- Project 2008-02 Undervoltage Load Shedding
- Project 2008-12 Coordinate Interchange Standards
- Project 2009-01 Disturbance and Sabotage Reporting
- Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities
- Project 2009-03 Emergency Operations
- Project 2009-04 Phasor Measurements
- Project 2009-05 Resource Adequacy Assessments
- Project 2009-07 Reliability of Protection Systems
- Project 2010-01 Support Personnel Training
- Project 2010-02 Connecting New Facilities to the Grid

- Project 2010-03 Modeling Data
- Project 2010-04 Demand Data
- Project 2010-05 Protection Systems
- Project 2010-07 Transmission Requirements at the Generator Interface
- Project 2010-08 Functional Model Glossary Revisions
- Project 2010-13 Relay Loadability Order
- Project 2010-14 Balancing Authority Reliability-based Control
- Project 2012-01 Equipment Monitoring and Diagnostic Devices
- Project 2012-02 Physical Protection

All future projects not identified in this plan will be required to be developed following the results-based principles and formats. It will be the responsibility of the NERC Standards Committee to ensure that this plan is implemented accordingly.

The complete *Results-based Reliability Standards Transition Plan* is posted on the Standards portion of the NERC Website.

Standards Project Prioritization

This *Reliability Standards Development Plan: 2011-2013* is designed with the recognition that there are limited available staff and industry resources to complete the projects immediately and concurrently. NERC staff continually coordinates with the Standards Committee in establishing the number and types of projects to devote resources to at any point in time based on the limited resources that are available. Every effort will be made to bring as many of the standards projects identified in this *Reliability Standards Development Plan: 2011-2013* to completion over the immediate three-year time horizon.

As of March 1, 2011 NERC had 34 separate active or planned standards development projects - a number greater than NERC and stakeholders can address concurrently. Further, NERC, stakeholders and regulatory authorities are coming to the recognition that certain standards projects need to be completed on a priority basis – implying that other projects may need to be deferred until resources become available.

The need to establish priorities for NERC's standards development projects was a recurrent topic of discussion during the technical conference held by FERC on July 6, 2010. Since the July 6 technical conference the Standards Committee has been developing a process for establishing the priority of standards development projects. On February 17, 2011 such a process was proposed to, and endorsed by, the NERC Board of Trustees. The Standards Committee process for project prioritization is summarized in Attachment 1 to this Reliability Standards Development Plan.

The Standards Committee project prioritization process is a method for identifying, prioritizing, and monitoring NERC standards development projects, taking into account the various drivers for project initiation and the industry's resource constraints. The process provides the flexibility to accommodate new projects and to adjust project priorities and completion schedules in response to changing conditions.

The Standards Committee developed a "project prioritization tool" to guide Standards Committee decisions on the development priority of each project within the three-year Reliability Standards Development Plan. The tool calculates a ranking for a project based on ten separate criteria, including whether a specific project includes a new or revised standard that:

- Is needed to fill an identified gap in reliability,
- Will improve BPS reliability by a certain perceived level,
- Addresses a regulatory directive,
- Is needed to coordinate with another standard development project,
- Is approaching its five year review requirement, and
- Addresses compliance related issues.

The Standards Committee used the results provided by the tool to develop the standards development project prioritization list shown below. These projects have been categorized in Table 2 as "High Priority Projects," "Projects Continuing and Expected to Complete Shortly," and "Additional Projects to be Initiated in Order of Priority.[4]" As each of the projects in the first two groups achieve a successful ballot and are adopted by the Board of Trustees, the Standards Committee will select one of the projects on the "Additional Projects to be Initiated in Order of Priority" list and initiate active development of the project as a new "High Priority Project."

Table 2

High Priority Projects	
1	Project 2008-06 Cyber Security - Order 706
2	Project 2007-17 Protection System Maintenance & Testing
3	Project 2007-06 System Protection Coordination
4	Project 2010-07 Generator Requirements at the Transmission Interface
5	Project 2007-12 Frequency Response
6	Project 2007-02 Operating Personnel Communications Protocols
7	Project 2006-02 Assess Transmission and Future Needs
8	Project 2010-17 Definition of Bulk Electric System
9	Project 2007-03 Real-time Transmission Operations
10	Project 2007-09 Generator Verification
11	Project 2009-01 Disturbance and Sabotage Reporting
12	Project 2010-05 Protection Systems

Projects Continuing and Expected to Complete Shortly

[4] Phase 1 of Project 2010-13 was not included in the prioritization process as it is near completion; Phase 2 was included and ranked as number 18. Project 2010-15 was not included in the prioritization, as it is an "urgent action" project and expected to complete shortly. Project 2010-16 was inadvertently excluded from the prioritization process, and will be considered in the next review of project priorities.

13	Project 2006-06 Reliability Coordination
15	Project 2007-07 Vegetation Management
-	Project 2010-13 Relay Loadability Order Phase 1
-	Project 2010-15 Remote Access Urgent Action

Additional Projects to be Initiated in Order of Priority	
14	Project 2010-14 Balancing Authority Reliability-based Control
16	Project 2007-11 Disturbance Monitoring
17	Project 2008-01 Voltage and Reactive Planning and Control
18	Project 2010-13 Relay Loadability Order Phase 2
19	Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities
20	Project 2009-03 Emergency Operations
21	Project 2008-12 Coordinate Interchange Standards
22	Project 2010-01 Support Personnel Training
23	Project 2009-04 Phasor Measurements
24	Project 2008-02 Undervoltage Load Shedding
25	Project 2009-07 Reliability of Protection Systems
26	Project 2010-08 Functional Model Glossary Revisions
27	Project 2010-04 Demand Data
28	Project 2010-03 Modeling Data
29	Project 2009-05 Resource Adequacy Assessments
30	Project 2012-02 Physical Protection
31	Project 2010-02 Connecting New Facilities to the Grid
32	Project 2012-01 Equipment Monitoring and Diagnostic Devices
-	Project 2010-16 Definition of System Operator

Regional Standards Development

NERC's Rules of Procedure Section 300 allows for a regional entity to develop regional reliability standards. A regional entity developing regional reliability standards must adhere to a NERC-approved regional reliability standards development procedure when developing its regional reliability standards. Each regional entity's regional standards development procedure is documented in Exhibit C of its regional delegation agreement with NERC.

No regional reliability standard shall be effective within a region unless approved and filed by NERC with the Commission and the applicable authorities in Canada and Mexico and approved by such regulatory authorities. Regional reliability standards, when approved by FERC and the applicable authorities in Canada and Mexico, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk-power system owners, operators, and users within the applicable regional entity's region, regardless of membership in the region.

Regional reliability standards provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A regional reliability standard shall be:

- more stringent than a continent-wide reliability standard, including regional standards that address matters that continent-wide reliability standards do not; or
- necessitated by a physical difference in the bulk power system.

With the exception of regional standards developed in support of continent-wide standards, regional entities may independently initiate regional standards development and forward such standards to NERC for review and approval.

Regional entity standards are anticipated to be developed by the individual regions over the next three years. The Regional Reliability Standards Development Projects document provides an overview of each of the planned regional standards development projects for the immediate three year period.

Resource Documents

Links to the following resource documents are provided here for convenience. These documents provide a portion of the historical perspective on the development of reliability standards since the inception of the ERO.

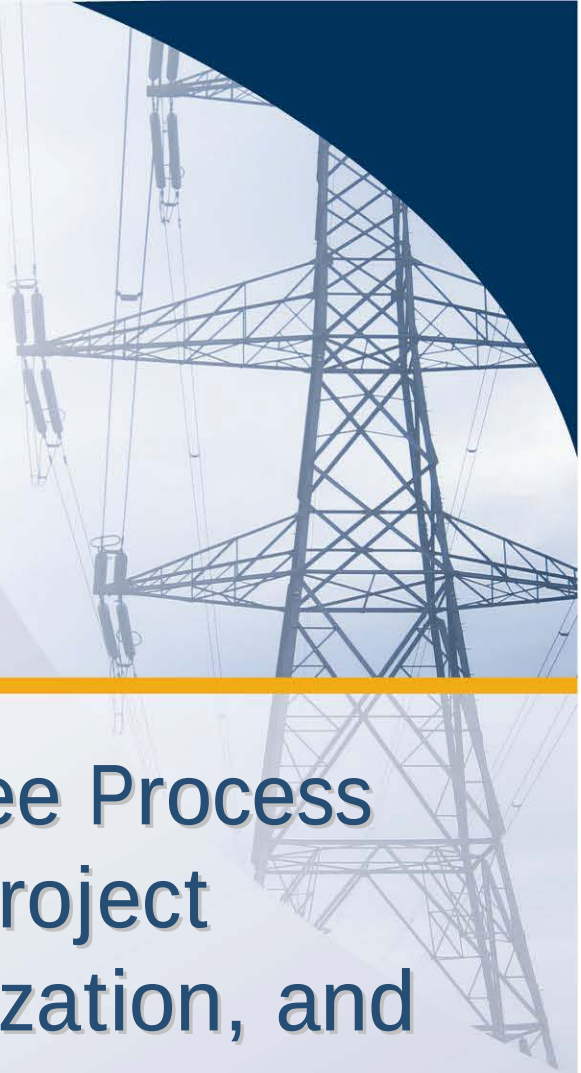
- FERC NOPR on Reliability Standards, October 20, 2006.
- FERC Staff Preliminary Assessment of Proposed Reliability Standards, May 11, 2006.
- FERC Order No. 693 Mandatory Reliability Standards for the Bulk Power System, March 16, 2007.
- FERC Order No. 693-A Mandatory Reliability Standards for the Bulk Power System, July 19, 2007.
- FERC Order No. 890 Preventing Undue Discrimination and Preference in Transmission Service, February 16, 2007.
- Comments of the North American Electric Reliability Council and North American Electric Reliability Corporation on Staff Preliminary Assessment of Reliability Standards, June 26, 2006.
- Comments of the North American Electric Reliability Corporation on Staff Preliminary Assessment of NERC Standards CIP-002 through CIP-009, February 12, 2007.
- Comments of the North American Electric Reliability Corporation on the Notice of Proposed Rulemaking for Facilities Design, Connections and Maintenance Reliability standards, September 19, 2007.
- Comments received during the development of Version 0 reliability standards.
- Consideration of comments of the Missing Compliance Elements drafting team.
- Consideration of comments of the Violation Risk Factors drafting team.
- Consideration of comments in the Phase III–IV standards.
- Q&A for Standards and Compliance.

Attachment 1

Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

NERC

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION



Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

February 2011

to ensure the reliability of the bulk power system

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Objective

This document presents a Standards Committee process for identifying, prioritizing, and monitoring NERC standards development projects, taking into account the various drivers for project initiation and the industry's resource constraints. The process provides the flexibility to accommodate new projects and to adjust project priorities and completion schedules in response to changing conditions.

Background

Since the startup of the ERO, the number of standards development projects has grown significantly. Coupled with the increasing number of requests for interpretations and directives issued by regulatory authorities, the industry has experienced a rapid and sustained increase in standards development related workload. The standards development process allows for any individual to propose a new project or request an interpretation. While the Standards Committee can exercise its discretion to delay the start of any project to cope with increased workload and to better manage standard projects to achieve timely completion, additional flexibility beyond just withholding the start of a project is needed.

At its April 2010 meeting, the NERC Standards Committee endorsed a proposal to develop a structured process to assist in managing standards development projects from the project planning stage through submission of a completed standard to the NERC Board of Trustees. The process outlined in this document takes into account industry resource constraints and changing conditions as new projects emerge and as issues are encountered during the course of standard development.

1. **Identifying the List of Standards Projects**

   In general, standards projects may be initiated for a variety of reasons, including:

   a. **Periodic Review** — To meet the five-year standard revision cycle requirement

   b. **Reliability Need** — Industry participants, NERC staff or the Board of Trustees identify the need for a new standard or revision to an existing standard to meet a reliability need or fill a reliability gap

   c. **Clarity, Quality and Coordination**— Industry participants, NERC and Regional Entity staff identify quality and clarity gaps in NERC's existing reliability standards that need to be remedied to ensure consistent industry compliance. Regional Entities and stakeholders may propose continent-wide NERC standards that will avoid the need to develop regional standards which will be phased out when the NERC standards are put in place

   d. **Interpretations** — Industry participants submit formal requests for interpretation that may identify a gap or deficiency in an existing standard

e. **Regulatory Directives** — FERC or Canadian regulatory authorities may direct the ERO to make changes to standards, to incorporate suggested improvements, address deficiencies in existing NERC standards, or respond to new energy policies.

Plans for developing standards to take care of the periodic review requirement (Driver (a), above) can be developed with some degree of accuracy. However, the scope and complexity of project plans for standards initiated in response to the other four drivers are much harder to predict. It is therefore very difficult to develop a standards development work plan that accounts for all new projects to be initiated in a future year with any degree of accuracy. However, for planning purposes, a baseline list of projects can be developed for a future year based on:

a. Current projects expected to continue into the next year

b. New projects to address the five-year periodic review requirement expected within the next year.

As a first pass, a baseline list of standard projects can be developed and prioritized without regard to resource constraints. A cutoff line will then apply to the baseline list using the resource constraint assumptions presented in Section 3, below.

2. Listing and Prioritizing Baseline Projects

Some standard projects need to be placed at a higher priority than the others due to the urgency or significance of the associated drivers for development or revision. For example, revising a standard to fill a reliability gap should normally have a higher priority than revising a standard to improve quality or clarity. Similarly, removing ambiguity (which itself may be a form of reliability gap) from a standard that has a large number of violations would normally have a higher priority than combining two or more standards to remove overlaps and consolidate similar or related requirements.

However, the rationale presented in the above two examples only represents a general principle, which cannot be applied objectively to develop a standard project priority list that balances all interests, unless a systematic approach is developed to provide a balanced weighting of each of the development drivers outlined above. The Standards Committee, in trying to prioritize projects in the Standards Development Work Plan for 2011-2013, adopted the concept of using a project prioritization tool to develop standard project priorities for the coming year. (See Attachment A)

The use of a "*prioritization tool"* is essential to ensuring all the drivers for new projects are fully considered in the allocation of NERC and industry resources between each of the projects in NERC's Reliability Standards Development Plan. With prior inputs from all concerned parties on the prioritization criteria and associated weighting of these criteria, the tool will establish a relative priority score for each project, irrespective of who and why the project is proposed. This is particularly important to avoid arbitrary or highly subjective decisions on which projects should be placed at a higher priority than the others.

Ultimately the prioritization tool described below is just that – a tool to guide informed decision making by the NERC Standards Committee and the NERC Board of Trustees on the relative priority of proposed and ongoing standards development projects.

3. Developing the Project Cut-off Line Based on Resource Constraints

The baseline project list represents a snapshot of the projects that the Standards Committee needs to manage in the current year. Recognizing that the resources needed at NERC and in the industry for standards development are not unlimited, the Standards Committee must determine which ongoing projects should be directed to continue development work to ensure timely completion, which new projects must be initiated to address NERC reliability objectives and meet regulatory deadlines, and when necessary, which standard development projects should be placed on hold until additional NERC and industry resources become available.

NERC has a finite annual budget and the industry has finite resources; together these factors limit the number of standards development projects that can be worked on concurrently. While an increase in NERC staff resources may address certain development bottlenecks, there is no clear indication or assurance that a corresponding increase in industry resources to participate in the drafting, reviewing, commenting and balloting the standards is forthcoming. The Standards Committee must consider these resource constraints when planning for the number of projects that can be effectively managed in any given time period.

There are no fixed rules or formulas with which to estimate staff and industry resource requirements or constraints for standards development. For a baseline estimate, past experience is the best source of information. Recent Standards Committee and NERC staff experience generally supports the conclusion that NERC and the industry can manage the development of no more than ten to twelve standards projects under active development at any one time. This judgment of course depends on the complexity of these projects and considerations as to whether projects draw upon the same subject matter expert ("SME") resource pool during the same period. Nonetheless, our informed judgment is that attempts to develop more than ten or twelve projects during the same period will result in an actual loss of throughput and/or a reduction in standards quality.

4. Adding New Projects and Adjusting Project Priority

The baseline list does not factor in new projects that may emerge during a given project development year due to the other four drivers (b) through (e) in Section A. This uncertainty is particularly difficult to address with respect to regulatory directives. When new projects emerge and are evaluated, the Prioritization Tool is designed to score each new project on a stand-alone basis. The resulting point scores may indicate that some new projects should have priorities higher than other projects on the baseline list that are currently under active development. It is generally assumed that ongoing projects should have highest priority and should continue development work regardless of other projects' emergence. Unfortunately, both emerging reliability issues and regulatory directives may lead the Standards Committee to direct that one or more projects that are currently above

the cutoff line must now be put on hold until resources become available and development work can be restarted.

The Standards Committee will decide if any of the ongoing projects should be stopped or deferred and advise the respective Standard Drafting Teams (SDTs) accordingly, or develop other remedial actions to launch the new projects and continue with all ongoing projects. If in its judgment none of the ongoing projects should be stopped and the new projects should be launched but no resource relief can be provided, the Standards Committee will bring the situation along with options and recommendations to the Board of Trustees for its attention and direction.

5. **Developing Projects Schedules**

The time required to complete a standard development project varies from one project to another depending on the scope of work and the complexity of the issues to be addressed. While the SAR proponents generally have a good grasp of the time required to complete a standard project from the formation of the SDT to balloting, the SDT itself may have more intimate knowledge of the technical issues involved and hence a better feel of the time needed to complete its assigned project. Further, since SDT members are industry volunteers that are committed to their projects, it is desirable and appropriate that the SDTs provide inputs into their project schedules and milestone events.

In general, NERC staff together with the Standards Committee will develop an initial project schedule based on past experience, complexity of the standards and other considerations such as available expertise, compliance deadlines, etc. To the extent possible, the SDT should be given the opportunity to review and adjust the project schedule at its initial meetings, and present a revised schedule, where appropriate, to the Standards Committee for consideration. Once approved by the Standards Committee, the SDT will take ownership of the project and its schedule, and monitor and report project progress to the Standards Committee on an as-needed basis.

6. **Monitoring Projects**

The SDTs are responsible for monitoring all milestone events and completion schedules for their assigned projects. If at any time the milestone dates for a project are expected to be missed, the responsible SDT should report to the Standards Committee, and present options to put the project back on schedule or request accepting delays with supporting rationale. Where necessary, the SDT may seek the Standards Committee's endorsement or advice for other remedial actions including additional resource support, resolution of contentious issues, accepting an extension of the project schedule, or other actions deemed appropriate.

Such reporting should be made at least two months prior to a milestone date in danger of being missed, and at least four months prior to the scheduled completion date (end of re-circulation balloting) that is in danger of being missed. The Standards Committee will act upon receiving a report from the SDT of potential slippage. In its deliberation, it will

assess impacts of implementing any remedial actions on the status of other ongoing or pending projects.

From time to time, the Standards Committee may request the Chair or a representative of an SDT to report on the progress of a project even there is no indication of a potential slippage.

7. **Project Identification, Prioritization and Management Flow Diagram**
A flow diagram showing the process described in 1 to 6, above, is shown in Figure 1, attached.

8. **Project Prioritization Tool Description**

The intent of the Prioritization Tool is to allow for a consistent relative ranking of projects based upon inputs from a variety of sources. An example of the tool is contained in Attachment A of this document. The working version of the tool is maintained by the Standards Committee Process Subcommittee. The tool is a spreadsheet containing information and parameters described as follows:

Rows

Row 1 Contains general information and macro buttons.

The ***Click Here to Sort Projects by Priority*** macro button simply sorts rows 3 through 250 in descending order of column E (Overall Priority Ranking) and re-establishes the priority number listed in column B (Priority Number).

The ***Click Here to Insert a Row*** macro button shifts all existing data down one row to insert a blank row in row 3. Data will then need to be entered into the new row.

Row 2 Contains the column headers.

Columns

Column A Blank.

Column B ***Priority Number:*** The relative ranking or each project as a result of the data input and summed in Column E (***Overall Priority Rating***).

Column C ***Project Number and Name***

Column D ***Short Description*** (of the Project)

Column E ***Overall Priority Rating*** – The result of summing the inputs in columns F through O. If column N (***Project Percent Complete***) = 100, then E = 0 so that all completed projects fall to the bottom of the priority list.

Column F ***Meet a time-constrained regulatory directive*** due in:

Less than 12 months = 100

13 to 18 months = 75

Greater than 18 months = 50

Column G ***Address regulatory directives without a time-constraint:***

Directive Index Sum for Project times two, range 0 to 50, rounded to the nearest integer.

Directive Index Calculation:

Q1 - The directive relates to which of the following (choose one or more)?

- Bulk electric system instability – 10 points
- Separation/Islanding – 10 points
- Cascading sequence of failures – 10 points
- Items from the Blackout Report – 9 points
- Regulator Critical – 9 points
- Other operational or planning issues – 4 points
- Administrative issues – 0 points

Q2 - What kind of improvement to BPS reliability will the directive, if addressed, provide?

- Significant – 10 points
- Moderate – 8 points
- Incremental – 6 points
- Minimal – 4 points
- None – 0 points

Take the sum of the Q1 responses, up to a maximum of 20. Add the Q2 response. Then divide by 30. The result is the Individual Directive Index.

IDI = (MIN(20, SUM(Q1)) + Q2)/30

To determine the Project Directive Index, add all the IDIs for the directives assigned to a specific project. Multiply it by two, up to a maximum of 50.

PDI = MIN(50, 2x (SUM(IDI_1…IDI_n)))

Column H ***Fill an identified gap in reliability:***

Severe or widespread risk to reliability = 100

Moderate and widespread = 50

Moderate risk or scope = 25

Small risk = 0

Column I ***Improves existing reliability standards:*** The project includes changes to existing reliability standards or includes new requirements that would improve the overall reliability of the Bulk Electric System.

Significantly = 100

Moderately = 75

Incrementally = 50

Minimally = 25

None = 0

Column J ***Coordinate changes with another project:*** Each project that is working in coordination with another project is assigned the same value in the prioritization tool. Coordination is occurring or is needed with another project:

Immediately = 50

In 1 to 2 years = 40

In more than 2 years = 30

None needed = 0

Column K ***Scheduled for its 5 year review in[5]:***

1 year or less = 50

1 to 2 years = 25

2 to 3 years = 15

Over 3 years = 0

Column L ***Address compliance issues:*** Value assigned based upon NERC audit team experience during audits. Consideration also given to the number of registered entity complaints about the standards addressed in this project. Range 0 to 50

Column M ***Address failed interpretation or SDT inability to develop and interpretation:***

Major gap = 50

Moderate gap = 40

Administrative issues = 10

None = 0

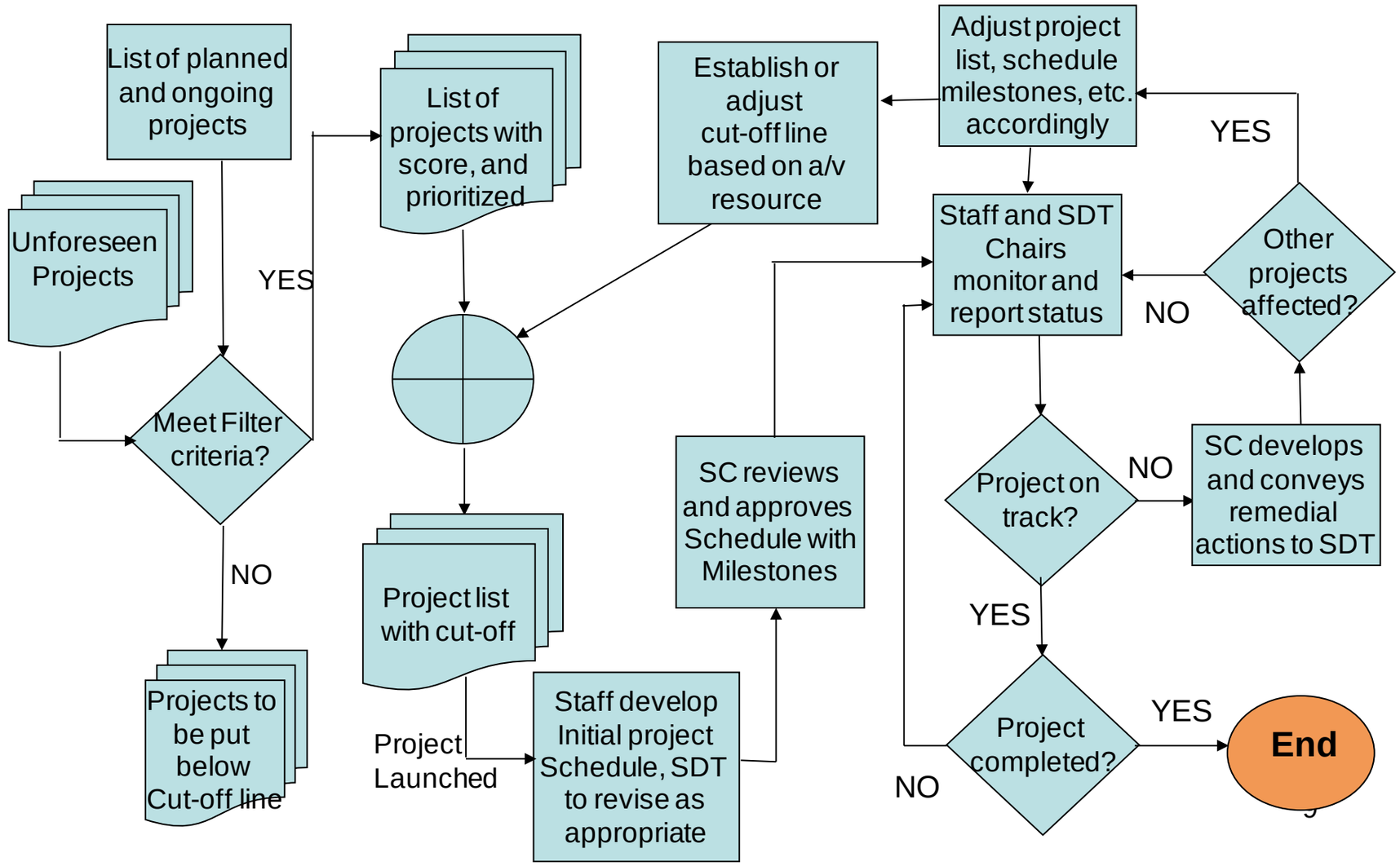
Column N ***Project Percent Complete:*** The percentage complete of the project per the NERC @Task software ranging from 0 to 100.

Column O ***Other Factor:*** Value assigned by the Standards Committee and must be accompanied by an explanation of the relative value provided in Column P.

[5] The rating assigned advises the Standards Committee when a standard is close to its five-year review date; the rating does not indicate whether the standard will meet this five-year review requirement.

Column P ***Explanation:*** the explanation of the value set in column O: Other Factor.

Figure 1: Project Prioritization and Monitoring Flow Chart



Attachment A: Prioritization Tool

NERC Standards Committee
Project Prioritization Worksheet

STANDARDS COMMITTEE Reliability Standard Project Prioritization				(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
						Click Here to Sort Projects by Priority		Click Here to Insert a Row		Cells with this color are blank and need a value entered.				
Priority Number	**Project Number and Name**	**Short Description**	**Overall Priority Rating**	**Meet a time-constrained regulatory directive** due in: (100) < 12 mo. (75) < 18 mo. (50) > 18 mo.	**Address regulatory directives without a time-constraint** (Directive Index for Project times two, with 0 to 50 range)	**Fill an identified gap in reliability** 100 = severe and widespread risk to reliability 75 = moderate and widespread 50 = moderate risk or scope 25 = small risk 0 = none	**Improves existing reliability standards:** 100 = Significantly 75 = Moderately 50 = Incrementally 25 = Minimally 0 = none	**Coordinate changes with another project:** 50 = Immediately 40 = in 1 to 2 years 30 = in more than 2 years 0 = none needed	**Scheduled for its 5 year review in:** 50 = 1 year or less 25 = 1 to 2 years 15 = 2 to 3 years 0 = over 3 years	**Address compliance issues** (0 to 50)	**Address failed interpretation or SDT inability to develop an interpretation** 50 = major gap 25 = moderate 10 = admin 0 = none	**Project Percent Complete** per NERC @Task Software (0 to 100)	**OTHER FACTOR** (Explanation for the rating must be indicated in the column to the right) (0 to 100)	**Explanation**
1	Project x	Description of Project X	**371**	0	50	75	100	0	25	0	50	*71*	0	
2	Project Y	Description of Project Y	**363**	0	8	50	100	0	25	50	50	55	25	

Exhibit B: Supporting Documents Referenced in *Reliability Standards Development Plan: 2011-2013*

Quality Attributes of an Excellent Reliability Standard

The standard drafting team for each of the projects identified in the Reliability Standards Development Plan: 2011–2013 is expected to review the assigned standards and modify the standards to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure.

Statutory Criteria

In accordance with Section 215 of the Federal Power Act, FERC may approve, by rule or order, a proposed reliability standard or modification to a reliability standard if it determines that "the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest."

The first three of these criteria can be addressed in large part by the diligent adherence to NERC's *Reliability Standards Development Procedure*, which has been certified by the ANSI as being open, inclusive, balanced, and fair. Users, owners, and operators of the bulk power system that must comply with the standards, as well as the end-users who benefit from a reliable supply of electricity and the public in general, gain some assurance that standards are just, reasonable, and not unduly discriminatory or preferential because the standards are developed through an ANSI-accredited procedure.

The remaining portion of the statutory test is whether the standard is "in the public interest." Implicit in the public-interest test is that a standard is technically sound and ensures a level of reliability that should be reasonably expected by end-users of electricity. Additionally, each standard must be clearly written, so that bulk power system users, owners, and operators are put on notice of the expected behavior. Ultimately, the standards should be defensible in the event of a governmental authority review or court action that may result from enforcing the standard and applying a financial penalty.

The set of NERC reliability standards must collectively provide a comprehensive and complete set of technically sound requirements that establish an acceptable threshold of performance necessary to ensure the reliability of the bulk power system.

Results-Based Reliability Standard Principles

Drafting teams working on assigned projects are charged to ensure their work adheres to the following results-based reliability standard principles:

- The Standard Drafting Team (SDT) should employ a defense-in-depth strategy for reliability standards development where each requirement in a NERC reliability standard has a role in preventing system failures, and that these roles are complementary and reinforcing. Reliability standards should be viewed as a portfolio of requirements designed to achieve an overall defense-in-depth strategy and comply with the quality objectives identified in the *Acceptance Criteria of a Reliability Standard* document.
- The SDT should strive to achieve a portfolio of performance, risk, and competency-based mandatory reliability requirements that support an effective defense-in-depth strategy. Each requirement should identify a clear and measurable expected outcome, such as: a) a stated level of reliability performance, b) a reduction in a specified reliability risk, or c) a necessary competency.

a) **Performance-based** — defines a particular reliability objective or outcome to be achieved. In its simplest form, a results-based requirement has four components: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome*?

b) **Risk-based** — preventive requirements to reduce the risks of failure to acceptable tolerance levels. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the bulk power system?*

c) **Competency-based** — defines a minimum set of capabilities an entity needs to have to demonstrate it is able to perform its designated reliability functions. A competency-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the bulk power system?*

- Each reliability standard should enable or support one or more of the reliability principles (see below). Each reliability standard should also be consistent with all of the reliability principles.

a) Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.

b) The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.

c) Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.

d) Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.

e) Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.

f) Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.

g) The reliability of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.

h) Bulk power systems shall be protected from malicious physical or cyber attacks.

Quality Objectives

Note: The Federal Energy Regulatory Commission (FERC) has established in Order No. 672 criteria that will be used to assess reliability standards that are submitted to the Commission for approval. Each criterion has been provided for reference in a text box following the Quality Objective that addresses the specific issue.

Drafting teams working on assigned projects are charged to ensure their work adheres to the following quality objectives:

1. **Applicability** — Each reliability standard shall clearly identify the functional classes[1] of entities responsible for complying with the reliability standard, with any specific additions or exceptions noted. The applicability section of the standard should include any limitations on the applicability of the standard based on electric facility characteristics, such as a requirement that applies only to the subset of distribution providers that own or operate underfrequency load shedding systems.

Must be applicable to users, owners, and operators of the bulk power system, and not others

"322. The proposed Reliability Standard may impose a requirement on any user, owner, or operator of such facilities, but not on others."

2. **Purpose** — Each reliability standard shall have a clear statement of purpose that describes how the standard contributes to the reliability of the bulk power system.

3. **Requirements** — Each reliability standard shall state one or more requirements, which if achieved by the applicable entities, will provide for a reliable bulk power system, consistent with good utility practices and the public interest.

   Requirements should have the following characteristics:

   - Each requirement should establish an objective that is the best approach for bulk power system reliability, taking account of the costs and benefits of implementing the proposal.
   - To the maximum extent possible the requirement should be designed to apply throughout the interconnected North American Bulk-Power System.
   - Each requirement should identify what functional entity shall do what, under what conditions, for what reliability benefit.
   - Each requirement should be aimed at achieving one objective at a time.

   It is permissible to include prescriptive, administrative (document something), and commercial requirements within the reliability standard, however these types of requirements should be limited in number.

   Reliability standards should not contain:

   - Requirements that prescribe commercial business practices which do not contribute directly to reliability.
   - Requirements that duplicate or conflict with one another.

Must be designed to achieve a specified reliability goal

"321. The proposed Reliability Standard must address a reliability concern that falls within the requirements of section 215 of the FPA. That is, it must provide for the reliable operation of bulk power system facilities. It may not extend beyond reliable operation of such facilities or apply to other facilities. Such facilities include all those necessary for operating an interconnected electric energy transmission network, or any portion of that network, including control systems. The proposed Reliability Standard may apply to any design of planned additions or modifications of such facilities that is necessary to provide for reliable operation. It may also apply to cyber security protection."

[1] These functional classes of entities are documented in NERC's Statement of Compliance Registry Criteria. When a standard identifies a class of entities to which it applies, that class must be defined in the Glossary of Terms Used in Reliability Standards and must be identified in the Statement of Compliance Registry Criteria.

"324. The proposed Reliability Standard must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve this goal. Although any person may propose a topic for a Reliability Standard to the ERO, in the ERO's process, the specific proposed Reliability Standard should be developed initially by persons within the electric power industry and community with a high level of technical expertise and be based on sound technical and engineering criteria. It should be based on actual data and lessons learned from past operating incidents, where appropriate. The process for ERO approval of a proposed Reliability Standard should be fair and open to all interested persons."

Must be designed to apply throughout North American to the maximum extent achievable with a single reliability standard while not favoring one area or approach

"331. A proposed Reliability Standard should be designed to apply throughout the interconnected North American Bulk-Power System; to the maximum extent this is achievable with a single Reliability Standard. The proposed Reliability Standard should not be based on a single geographic or regional model but should take into account geographic variations in grid characteristics, terrain, weather, and other such factors; it should also take into account regional variations in the organizational and corporate structures of transmission owners and operators, variations in generation fuel type and ownership patterns, and regional variations in market design if these affect the proposed Reliability Standard."

Should achieve a reliability goal effectively and efficiently - but does not necessarily have to reflect "best practices" without regard to implementation cost

"328. The proposed Reliability Standard does not necessarily have to reflect the optimal method, or "best practice," for achieving its reliability goal without regard to implementation cost or historical regional infrastructure design. It should however achieve its reliability goal effectively and efficiently."

Cannot be "lowest common denominator," i.e., cannot reflect a compromise that does not adequately protect bulk power system reliability

"329. The proposed Reliability Standard must not simply reflect a compromise in the ERO's Reliability Standard development process based on the least effective North American practice — the so-called "lowest common denominator"—if such practice does not adequately protect Bulk-Power System reliability. Although the Commission will give due weight to the technical expertise of the ERO, we will not hesitate to remand a proposed Reliability Standard if we are convinced it is not adequate to protect reliability."

Balance with other vital public interests

"335. Finally, we understand that at times development of a proposed Reliability Standard may require that a particular reliability goal must be balanced against other vital public interests, such as environmental, social and other goals. We expect the ERO to explain any such balancing in its application for approval of a proposed Reliability Standard."

No undue negative effect on competition or restriction of the grid

"332. As directed by section 215 of the FPA, the Commission itself will give special attention to the effect of a proposed Reliability Standard on competition. The ERO should attempt to develop a proposed Reliability Standard that has no undue negative effect on competition. Among other possible considerations, a proposed Reliability Standard should not unreasonably restrict available transmission capability on the Bulk-Power System beyond any restriction necessary for reliability and should not limit

use of the Bulk-Power System in an unduly preferential manner. It should not create an undue advantage for one competitor over another."

4. **Measurability** — Each requirement should be stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement. Each requirement should have one or more associated measures used to objectively evaluate compliance with the requirement. If specific results can be practically measured quantitatively, metrics should be provided within the requirement to indicate satisfactory performance.
    - Words and phrases such as "sufficient", "adequate", "be ready", "be prepared", "consider", etc. should not be used.
    - When an exact level of performance can't be specified, the required performance should be bounded by measurable conditions/parameters.

Must identify clear and objective criterion or measure for compliance, so that it can be enforced in a consistent and non-preferential manner

"327. There should be a clear criterion or measure of whether an entity is in compliance with a proposed Reliability Standard. It should contain or be accompanied by an objective measure of compliance so that it can be enforced and so that enforcement can be applied in a consistent and non-preferential manner."

5. **Technical Basis in Engineering and Operations** — Each reliability standard should be based upon sound engineering and operating judgment and the collective experience of the Standard Drafting Team members. Analysis of data collection activities, field test results and the comments received from industry experts should also be utilized in the development of each reliability standard.

Must contain a technically sound method to achieve the goal

"324. The proposed Reliability Standard must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve this goal. Although any person may propose a topic for a Reliability Standard to the ERO, in the ERO's process, the specific proposed Reliability Standard should be developed initially by persons within the electric power industry and community with a high level of technical expertise and be based on sound technical and engineering criteria. It should be based on actual data and lessons learned from past operating incidents, where appropriate. The process for ERO approval of a proposed Reliability Standard should be fair and open to all interested persons."

6. **Completeness** — Each reliability standard should be complete and self-contained. A standard should not depend on external information to determine the required level of performance.
7. **Consequences for Noncompliance** — Each reliability standard shall establish a combination of elements (identified below) which will serve as guidelines for the determination of penalties and sanctions when assessing the consequences of violating a standard.
    - **Time Horizon** - Each requirement shall have an associated Time Horizon to identify the time frame an entity would have to correct a violation of the requirement. Time horizons are used as a factor in determining the size of a penalty or sanction for noncompliance with a requirement.
    - **Violation Risk Factor** - Each requirement shall have an associated Violation Risk Factor (VRF). The VRF is a factor in determining the size of a penalty or sanction for noncompliance with a requirement.

- **Violation Severity Levels** – Each requirement shall have an associated set of Violation Severity Levels (VSLs) that identify degrees of noncompliance with the associated requirement.

Must include clear and understandable consequences and a range of penalties (monetary and/or non-monetary) for a violation

"326. The possible consequences, including range of possible penalties, for violating a proposed Reliability Standard should be clear and understandable by those who must comply."

8. **Clear Language** — Each reliability standard should be stated using clear and unambiguous language. Responsible entities, using reasonable judgment and in keeping with good utility practices, should be able to arrive at a consistent interpretation of the required performance.

Must be clear and unambiguous as to what is required and who is required to comply

"325. The proposed Reliability Standard should be clear and unambiguous regarding what is required and who is required to comply. Users, owners, and operators of the Bulk-Power System must know what they are required to do to maintain reliability."

9. **Practicality** — Each reliability standard should establish requirements that can be practically implemented by the assigned responsible entities within the specified effective date and thereafter.

Costs to be considered for smaller entities but not at consequence of less than excellence in operating system reliability

"330. A proposed Reliability Standard may take into account the size of the entity that must comply with the Reliability Standard and the cost to those entities of implementing the proposed Reliability Standard. However, the ERO should not propose a "lowest common denominator" Reliability Standard that would achieve less than excellence in operating system reliability solely to protect against reasonable expenses for supporting this vital national infrastructure. For example, a small owner or operator of the Bulk-Power System must bear the cost of complying with each Reliability Standard that applies to it."

Implementation time

"333. In considering whether a proposed Reliability Standard is just and reasonable, the Commission will consider also the timetable for implementation of the new requirements, including how the proposal balances any urgency in the need to implement it against the reasonableness of the time allowed for those who must comply to develop the necessary procedures, software, facilities, staffing or other relevant capability."

10. **Consistent Terminology** — Each reliability standard should use a set of standard terms and definitions (NERC Glossary of Terms) that were developed and approved through the NERC Reliability Standards Development Process.
11. **Regulatory Directives –** Standard Drafting Teams (SDTs) should adequately address all applicable FERC regulatory directives when revising or developing reliability standards.
12. **Consideration of Comments** – SDTs should be responsive to all comments received during the formal comment periods and to the formal comments received during the initial ballot periods.

Appropriate technical justification should be provided by the SDT for each response to the comments and stakeholder issues.

Whether the reliability standard process was open and fair

"334. Further, in considering whether a proposed Reliability Standard meets the legal standard of review, we will entertain comments about whether the ERO implemented its Commission-approved Reliability Standard development process for the development of the particular proposed Reliability Standard in a proper manner, especially whether the process was open and fair. However, we caution that we will not be sympathetic to arguments by interested parties that choose, for whatever reason, not to participate in the ERO's Reliability Standard development process if it is conducted in good faith in accordance with the procedures approved by the Commission."

Reliability Standards Development Plan: 2011-2013
Standards Development Project Summaries

Project	Purpose	Standards
Project 2006-02 Assess Transmission and Future Needs	Requires assessments and plans to determine if the bulk power system meets specified performance requirements under varied theoretical operating conditions to meet present and future system needs.	- TPL-001-0 — System Performance Under Normal Conditions - TPL-002-0 — System Performance Following Loss of a Single BES Element - TPL-003-0 — System Performance Following Loss of Two or More BES Elements - TPL-004-0 — System Performance Following Extreme BES Events - TPL-005-0 — Regional and Interregional Self-Assessment Reliability Reports - TPL-006-0 — Assessment Data from Regional Reliability Organizations
Project 2006-06 Reliability Coordination	Requires upgrading and expanding existing requirements that address reliability coordinator actions to prevent instability, uncontrolled separation or cascading outages.	- COM-001-1 — Telecommunications - COM-002-2 — Communications and Coordination - IRO-001-1 — Reliability Coordination — Responsibilities and Authorities - IRO-002-1 — Reliability Coordination — Facilities - IRO-003-2 — Reliability Coordination – Wide-Area View - IRO-005-2 — Reliability Coordination — Current-Day Operations - IRO-014-1 — Procedures, Processes, or Plans to Support Coordination Between Reliability Coordinators - IRO-015-1 — Notifications and Information Exchange Between Reliability Coordinators - IRO-016-1 — Coordination of Real-time Activities Between Reliability Coordinators
Project 2006-08 Transmission Loading Relief	Ensures that critical transmission system limits are relieved within 30 minutes.	- IRO-006-3 — Reliability Coordination — Transmission Loading Relief - IRO-006-4 — Reliability Coordination — Transmission Loading Relief
Project 2007-01 Underfrequency Load Shedding	Requires upgrading and expanding existing requirements to ensure that UFLS programs are coordinated and meet both regional and continent-wide criteria to operate when and only when needed.	- PRC-006-0 — Development and Documentation of Regional UFLS Programs - PRC-007-0 — Assuring Consistency with Regional UFLS Program Requirements - PRC-009-0 — UFLS Performance Following an Underfrequency Event
Project 2007-02 Operating Personnel Communications Protocols	Requires developing new requirements in support of blackout recommendation #26 to ensure that real-time system operators use standard communication protocols during normal and emergency operations.	- COM-003-1 — Operating Personnel Communications Protocols

Project	Purpose	Standards
Project 2007-03 Real-time Transmission Operations	Requires upgrading and expanding existing requirements that address balancing authority responsibilities to ensure a balance between load, interchange and generation within its balancing authority area in support of interconnection frequency. Also requires upgrading and expanding existing requirements that address transmission operator responsibilities to ensure the real-time operating reliability of the transmission assets within the transmission operator's area.	- PER-001-0 — Operating Personnel Responsibility and Authority - TOP-001-1 — Reliability Responsibilities and Authorities - TOP-002-2 — Normal Operations Planning - TOP-003-0 — Planned Outage Coordination - TOP-004-1 — Transmission Operations - TOP-004-2 — Transmission Operations - TOP-005-1 — Operational Reliability Information - TOP-006-1 — Monitoring System Conditions - TOP-007-0 — Reporting SOL and IROL Violations - TOP-008-1 — Response to Transmission Limit Violations
Project 2007-04 Certifying System Operators	Requires upgrading and possibly expanding the existing requirements for real-time system operators to obtain a NERC certification credential to verify that the system operator has a minimum level of applicable bulk power system knowledge.	- PER-003-0 — Operating Personnel Credentials
Project 2007-06 System Protection Coordination	Requires upgrading and expanding the existing requirements to identify criteria for determining where to install protection system devices and for requiring the installation of those devices to protect the reliability of the bulk electric system.	- PRC-001-1 — System Protection Coordination
Project 2007-07 Vegetation Management	Requires upgrading the existing requirements for entities to implement a vegetation management program to prevent transmission outages that adversely impact the reliability of the bulk electric system.	- FAC-003-2 — Transmission Vegetation Management Program
Project 2007-09 Generator Verification	Requires upgrading existing requirements for generator owners to verify their capabilities to ensure that accurate data is used in model to asses the bulk electric system.	- MOD-024-1 — Verification of Generator Gross and Net Real Power Capability - MOD-025-1 — Verification of Generator Gross and Net Reactive Power Capability - MOD-026-1 — Verification of Models and Data for Generator Excitation System Functions - MOD-027-1 — Verification of Generator Unit Frequency Response - PRC-019-1 — Coordination of Generator Voltage Regulator Controls with Unit Capabilities and Protection - PRC-024-1 — Generator Performance During Frequency and Voltage Excursions

Project	Purpose	Standards
Project 2007-11 Disturbance Monitoring	Requires upgrading and expanding existing requirements for entities to install disturbance monitoring equipment and report disturbance data to ensure information is available to analyze bulk power system disturbances.	- PRC–002-1 — Define Regional Disturbance Monitoring and Reporting Requirements - PRC–018-1 — Disturbance Monitoring Equipment Installation and Data Reporting
Project 2007-12 Frequency Response	Requires entities to provide data needed to model each interconnection's frequency response.	- BAL–003-0a — Frequency Response and Bias
Project 2007-17 Protection System Maintenance & Testing	Consider consolidation of PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing, PRC-008-0 — Underfrequency Load Shedding Equipment Maintenance Programs; PRC-011-0 — UVLS System Maintenance and Testing; and PRC-017-0 — Special Protection System Maintenance and Testing into a single maintenance and testing standard.	- PRC–005-1 — Transmission and Generation Protection System Maintenance and Testing - PRC–008-0 — Underfrequency Load Shedding Equipment Maintenance Programs - PRC–011-0 — UVLS System Maintenance and Testing - PRC–017-0 — Special Protection System Maintenance and Testing
Project 2008-01 Voltage and Reactive Planning and Control	Supports a blackout recommendation. Consider requiring a specific amount of reserves, or whether requirements for specific reserves should continue to be addressed at the regional level. The requirements in the existing standards need to be upgraded to be more specific in defining voltage and reactive power schedules.	- VAR–001-1 — Voltage and Reactive Control - VAR–001-1a — Voltage and Reactive Control - VAR–002-1 — Generator Operation for Maintaining Network Voltage Schedules - VAR–002-1a — Generator Operation for Maintaining Network Voltage Schedules
Project 2008-02 Undervoltage Load Shedding	Consider consolidating PRC-010-0 — Assessment of the Design and Effectiveness of UVLS Program and PRC-022-1 — Under-Voltage Load Shedding Program Performance. Missing are any criteria for identifying where UVLS should be installed. The team will utilize the FIDVR (Fault-Induced Delayed Voltage Recovery) Technical Reference Paper in the development of requirements.	- PRC–010-0 — Assessment of the Design and Effectiveness of UVLS Program - PRC–022-1 — Under-Voltage Load Shedding Program Performance

Project	Purpose	Standards
Project 2008-06 Cyber Security - Order 706	Requires modifications to bring the following standards into conformance with the ERO Rules of Procedure and to address the directives from FERC Order 706: CIP-002-2 Critical Cyber Asset Identification CIP-003-2 Security Management Controls CIP-004-2 Personnel & Training CIP-005-2 Electronic Security Perimeter(s) CIP-006-2 Physical Security of Critical Cyber Assets CIP-007-2 Systems Security Management CIP-008-2 Incident Reporting and Response Planning CIP-009-2 Recovery Plans for Critical Cyber Assets	- CIP–002–2 — Critical Cyber Asset Identification - CIP–003–2 — Security Management Controls - CIP–004–2 — Personnel and Training - CIP–005–2 — Electronic Security Perimeter(s) - CIP–006-2a — Cyber Security — Physical Security - CIP–007–2 — Systems Security Management - CIP–008–2 — Incident Reporting and Response Planning - CIP–009–2 — Recovery Plans for Critical Cyber Assets
Project 2008-12 Coordinate Interchange Standards	Revise the set of Coordinate Interchange standards to ensure that each requirement is assigned to an owner, operator or user of the bulk power system, and not to a tool used to coordinate interchange, to address the Interchange Subcommittee's concerns related to the Dynamic Transfers and Pseudo-ties, and to address previously identified stakeholder comments and applicable directives from Order 693.	- INT-001-3 — Interchange Information - INT-003-2 — Interchange Transaction Implementation - INT-004-1 — Dynamic Interchange Transaction Modifications - INT-005-2 — Interchange Authority Distributes Arranged Interchange - INT-006-2 — Response to Interchange Authority - INT-007-1 — Interchange Confirmation - INT-008-2 — Interchange Authority Distributes Status - INT-009-1 — Implementation of Interchange - INT-010-1 — Interchange Coordination Exemptions
Project 2009-01 Disturbance and Sabotage Reporting	This project will entail revision to existing standards CIP-001 and EOP-004. The standards may be merged to eliminate redundancy and provide clarity on sabotage events. EOP-004 has some 'fill-in-the-blank' components to eliminate. The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.	- CIP-001-1 — Sabotage Reporting - EOP-004-1 — Disturbance Reporting
Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities	Requires the functionality, performance, and management of Real-time tools for Reliability Coordinators, Transmission Operators, and Balancing Authorities for use by their System Operators in support of reliable System operations.	New standard.

Project	Purpose	Standards
Project 2009-03 Emergency Operations	Consider merging EOP-001-0 — Emergency Operations Planning, EOP-002-2 — Capacity and Energy Emergencies, EOP-003-1 — Load Shedding Plans into one standard and review requirements in IRO-001-1 — Reliability Coordination — Responsibilities and Authorities for improvement or merging into the merged EOP standard.	- EOP-001-0 — Emergency Operations Planning - EOP-002-2 — Capacity and Energy Emergencies - EOP-003-1 — Load Shedding Plans - IRO-001-1 — Reliability Coordination — Responsibilities and Authorities
Project 2009-04 Phasor Measurements Units	Supports a blackout recommendation. Several industry studies were issued that need to be analyzed to determine appropriate requirements for a NERC standard.	New standard.
Project 2009-05 Resource Adequacy Assessments	Implements recommendations from the *Resource and Transmission Adequacy Task Force (RTATF) Report* and the *Gas/Electricity Interdependency Task Force Report,* approved by the NERC Board on June 15, 2004, related to resource adequacy.	New standard.
Project 2009-07 Reliability of Protection Systems	Requires facility owners to have protection system equipment installed such that, if there were a failure to a specified component of that protection system, the failure would not prevent meeting the BES performance identified in the TPL standards.	New standard.
Project 2010-01 Support Personnel Training	Require the use of a systematic approach to determining training needs of generator operators and operations planning and support staff with a direct impact on the reliable operations of the bulk power system.	New standard.
Project 2010-02 Connecting New Facilities to the Grid	Ensure that all of the elements that should be addressed when a new facility is connected to the grid are included in the revised standard.	- FAC-001-0 — Facility Connection Requirements - FAC-002-0 — Coordination of Plans for New Facilities

Project	Purpose	Standards
Project 2010-03 Modeling Data	Requires merging, upgrading and expanding existing requirements for entities to provide data used to model the bulk electric system.	- MOD-010-0 — Steady-State Data for Transmission System Modeling and Simulation - MOD-011-0 — Regional Steady-State Data Requirements and Reporting Procedures - MOD-012-0 — Dynamics Data for Transmission System Modeling and Simulation - MOD-013-1 — RRO Dynamics Data Requirements and Reporting Procedures - MOD-014-0 — Development of Interconnection-Specific Steady State System Models - MOD-015-0 — Development of Interconnection-Specific Dynamics System Models - PRC-013-0 — Special Protection System Database - PRC-015-0 — Special Protection System Data and Documentation
Project 2010-04 Demand Data	As envisioned, this project will result in two standards — with MOD-016 through MOD-020 in a single standard, and MOD-021 in a separate standard. The requirements need to be more specific to clearly identify the format, etc., for providing data.	- MOD-016-1 — Actual and Forecast Demands, Net Energy for Load, Controllable DSM - MOD-017-0 — Aggregated Actual and Forecast Demands and Net Energy for Load - MOD-018-0 — Reports of Actual and Forecast Demand Data - MOD-019-0 — Forecasts of Interruptible Demands and DCLM Data - MOD-020-0 — Providing Interruptible Demands and DCLM Data - MOD-021-0 — Accounting Methodology for Effects of Controllable DSM in Forecasts
Project 2010-05 Protection Systems	Modify current PRC standards and definitions related to Protection System Misoperations to support a good metric for measurement of Protection System performance and ensure the reliability of the bulk power system.	- PRC-003-1 — Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems - PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations - PRC-012-0 — Special Protection System Review Procedure - PRC-014-0 — Special Protection System Assessment - PRC-016-0 — Special Protection System Misoperations

Project	Purpose	Standards
Project 2010-07 Generator Requirements at the Transmission Interface	This project proposes changes to the requirements and the addition of new requirements to add significant clarity to Generator Owners and Generator Operators regarding their reliability standard obligations at the interface with the interconnected grid.	- BAL-005-0 — Automatic Generation Control - CIP–002-2 — Cyber Security — Critical Cyber Asset Identification - EOP-001-0 — Emergency Operations Planning - EOP-003-1 — Load Shedding Plans - EOP-004-1 — Disturbance Reporting - EOP-008-0 — Plans for Loss of Control Center Functionality - FAC-001-0 — Facility Connection Requirements - FAC-003-1 — Transmission Vegetation Management Program - FAC-008-1 — Facility Ratings Methodology - FAC-009-1 — Establish and Communicate Facility Ratings - IRO-005-2 — Reliability Coordination — Current Day Operations - MOD-010-0 — Steady-State Data for Transmission System Modeling and Simulation - MOD-012-0 — Dynamics Data for Transmission System Modeling and Simulation - PER-001-0.1 — Operating Personnel Responsibility and Authority - PER-002-0 — Operating Personnel Training - PRC-001-1 — System Protection Coordination - PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations, - PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing - TOP-001-1 — Reliability Responsibilities and Authorities - TOP-002-2 — Normal Operations Planning - TOP-003-0 — Planned Outage Coordination - TOP-004-2 — Transmission Operations - TOP-008-1 — Response to Transmission Limit Violations - VAR-001-1 — Voltage and Reactive Control - VAR-002-1 — Generator Operation for Maintaining Network Voltage Schedules
Project 2010-08 Functional Model Glossary Revisions	The Functional Model Working Group (FMWG) has received many comments and questions from stakeholders concerning the differences in definitions between the Functional Model and the NERC Glossary of Terms Used in Reliability Standards. This project is designed to address these comments and make the definitions of functional entities consistent between the Functional Model and the NERC Glossary of Terms Used in Reliability Standards.	Glossary of Terms Used in Reliability Standards

Project	Purpose	Standards
Project 2010-10 FAC Order 729	Address directives in FERC Order 729 relative to FAC-012-1 and FAC-013-1: (1) must address the Planning Horizon to ensure continuity with the ATC-related MOD standards; (2) should not address the Operating Horizon, because the ATC-related MOD standards already address this area; (3) should not delegate oversight and responsibility for this standard to Regional Entities, but rather do so at the ERO level; (4) must not conflict with the ATC-related MOD standards; and (5) must include Violation Risk Factors ("VRF") and Violation Severity Levels ("VSL").	- FAC-012-1 — Transfer Capability Methodology - FAC-013-1 — Establish and Communicate Transfer Capabilities
Project 2010-11 TPL Table 1 Order	Provide clarity to industry on TPL-002-0, Table 1 - footnote 'b', regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system.	- TPL-001-0 — System Performance Under Normal Conditions - TPL-002-0 — System Performance Following Loss of a Single BES Element - TPL-003-0 — System Performance Following Loss of Two or More BES Elements - TPL-004-0 — System Performance Following Extreme BES Events
Project 2010-13 Relay Loadability Order	Modify PRC-023-1 Transmission Relay Loadability standard and maybe other standards in compliance with the FERC Order 733 issued on March 18, 2010.	- PRC-023-1 Transmission Relay Loadability
Project 2010-14 Balancing Authority Reliability-based Control	Requires upgrading existing requirements to ensure that balancing authorities take actions to maintain interconnection frequency with each balancing authority contributing its fair share of frequency control. Also requires corrective action by the BA when excessive Area Control Error may be contributing to or causing action to be taken to correct an SOL/IROL problem, to prevent Interconnection frequency excursions of short duration attributed to the ramping of on and off-peak Interchange Transactions, and to support timely transmission congestion relief by requiring corrective load/generation management by the Balancing Authority(ies) within a defined timeframe when participating in transmission loading relief procedures.	- BAL–001-0 — Real Power Balancing Control Performance - BAL–001-0a — Real Power Balancing Control Performance - BAL-002-0 — Disturbance Control Performance - BAL-004-0 — Time Error Correction - BAL-004-1 — Time Error Correction - BAL-005-0 — Automatic Generation Control - BAL-005-0b — Automatic Generation Control - BAL-006-1 — Inadvertent Interchange - EOP–002-2 — Capacity and Energy Emergencies - IRO–005-2 — Reliability Coordination — Current-Day Operations
Project 2012-01 Equipment Monitoring and Diagnostic Devices	Consider the development of reliability standards for the application of major equipment monitoring and diagnostic devices and procedures.	New standard.

Project	Purpose	Standards
Project 2012-02 Physical Protection	Consider the development of reliability standards for the physical protection of essential equipment, buildings and people located in power generation, transmission, or distribution system locations in order to mitigate the associated reliability risks to the bulk power system.	New standard.

Project Overviews

This document contains an overview for each of the currently opened or planned Reliability Standards development projects. Each project overview includes the project number, title, list of affected reliability standards, and hyperlinks to associated portions of the NERC standards web pages along with a brief description of the project.

The standard drafting team for each of these projects will be expected to review the assigned standards and modify the standards to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure.

Project 2006-02 Assess Transmission and Future Needs

Standards Involved:
TPL-001-0 — System Performance under Normal Conditions
TPL-002-0 — System Performance Following Loss of a Single BES Element
TPL-003-0 — System Performance Following Loss of Two or More BES Elements
TPL-004-0 — System Performance Following Extreme BES Events
TPL-005-0 — Regional and Interregional Self-Assessment Reliability Reports
TPL-006-0 — Assessment Data from Regional Reliability Organizations

Research Needed:
None

Brief Description:
The proposed work effort will establish requirements where requirements do not exist, and verify and clarify the existing standards for assessing and reporting the performance of planned bulk electric systems and the requirements for documenting plans to remedy any inadequacies identified in the process of conducting such assessments.

Consideration will be given to the many proposed improvements identified in the Issues Database for each of the above standards.

The drafting team will also work to incorporate the interpretation on TPL-002 Requirement R1.3.12 and Requirement R1.32 and the interpretation on TPL-003 Requirement R1.3.12 and Requirement R1.32.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2006-02 Assess Transmission and Future Needs Web Page

Project Schedule:
Project 2006-02 Schedule

Project 2006-06 Reliability Coordination

Standards Involved:
COM-001-1 — Telecommunications
COM-002-2 — Communications and Coordination
IRO-001-1 — Reliability Coordination — Responsibilities and Authorities
IRO-002-1 — Reliability Coordination — Facilities
IRO-003-2 — Reliability Coordination – Wide-Area View
IRO-005-2 — Reliability Coordination — Current-Day Operations
IRO-014-1 — Procedures to Support Coordination between Reliability Coordinators
IRO-015-1 — Notifications and Information Exchange Between Reliability Coordinators
IRO-016-1 — Coordination of Real-time Activities between Reliability Coordinators

Research Needed:
None

Brief Description
Most of the requirements in this set of standards were translated from Operating Policies as part of the Version 0 process. There have been suggestions for improving these requirements, and the drafting team will consider comments submitted by stakeholders, drafting teams and FERC in determining what changes should be proposed to stakeholders.

The drafting team will review all of the requirements in this set of standards and make a determination, with stakeholders, on whether to:

- Modify the requirement to improve its clarity and measureability while removing ambiguity.
- Move the requirement (into another SAR or Standard or to the certification process or standards).
- Eliminate the requirement (either because it is redundant or because it doesn't support bulk power system reliability).

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2006-06 Reliability Coordination Web page

Project Schedule:
Project 2006-06 Schedule

Project 2007-01 Underfrequency Load Shedding

Standards Involved:
PRC-006-0 — Development and Documentation of Regional ULS Program Requirements
PRC-007-0 — Assuring Consistency with Regional UFLS Programs
PRC-009-0 — UFLS Performance Following an Underfrequency Event

Research Needed:
None

Brief Description:
PRC-006 is one of the few reliability standards identified by the Regional Reliability Standards Working Group as a standard that has some requirements that need to be defined by each regional entity in a regional standard.

The standard drafting team (SDT) will work with stakeholders to review PRC-006 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to and contained with the UFLS program documentation. The SDT shall determine which requirements should be continent-wide requirements and which requirements should be included in regional standards.

PRC-007 and PRC-009 have some 'fill-in-the-blank' characteristics, as identified in the Regional Reliability Standards Working Group work plan, which need to be removed. These standards shall be included with PRC-006 for consideration as one or more revised standards as necessary for consistency and clarity of overall program requirements and any other associated programs and/or requirements that affect or impact the UFLS program.

The standard drafting team may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standard Development Status:
Project 2007-01 Underfrequency Load Shedding Web page

Project Schedule:
Project 2007-01 Schedule

Project 2007-02 Operating Personnel Communications Protocols

Standards Involved:
COM-002-2 — Communications and Coordination

Research Needed:
None

Brief Description:
This is a new project that was identified in support of a blackout recommendation #26. This standard will require the use of specific communication protocols, especially for communications during alerts and emergencies. The standard will be applicable to transmission operators, balancing authorities, reliability coordinators, generator operators and distribution providers.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standard Development Status:
Project 2007-02 Operating Personnel Communications Protocols Web page

Project Schedule:
Project 2007-02 Schedule

Project 2007-03 Real-time Operations

Standards Involved:
TOP-001-1 — Reliability Responsibilities and Authorities
TOP-002-2 — Normal Operations Planning
TOP-003-0 — Planned Outage Coordination
TOP-004-1 — Transmission Operations
TOP-005-1 — Operational Reliability Information
TOP-006-1 — Monitoring System Conditions
TOP-007-0 — Reporting SOL and IROL Violations
TOP-008-1 — Response to Transmission Limit Violations
PER-001-0 — Operating Personnel Responsibility and Authority

Research Needed:
Operating Committee study of situational awareness tools

Brief Description:
Most of the requirements in this set of standards were translated from Operating Policies as part of the Version 0 process. There have been suggestions for improving these requirements, and the drafting team will consider comments submitted by stakeholders, drafting teams and FERC in determining what changes should be proposed to stakeholders.

The drafting team will review all of the requirements in this set of standards and make a determination, with stakeholders, on whether to:

- Move the requirement (into another SAR or Standard or to the certification process or standards)
- Eliminate the requirement (either because it is redundant or because it does not support bulk power system reliability).
- Improve clarity of, improve measurability of, and remove ambiguity from the remaining requirements
- Bring the set of standards into conformance with the latest version of the Reliability Standards Development Procedure and the ERO Sanctions Guidelines.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standard Development Status:
Project 2007-03 Real-time Operations Web page

Project Schedule:
Project 2007-03 Schedule

Project 2007-04 Certifying System Operators

Standards Involved:
PER-003-0 — Operating Personnel Credentials

Research Needed:
None

Brief Description:
This Version 0 Standard requires the Reliability Coordinator, Balancing Authority and Transmission Operator to staff its real-time operating positions with personnel that have a NERC certification credential.

The standard will be revised to address the directives from FERC Order 693 and industry comments from Version 0.

The standard will also be revised to conform to the latest version of the Reliability Standards Development Procedure and the ERO Sanctions Guidelines. The standard drafting team will apply the Reliability Standard Review Guidelines when modifying the standard.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-04 Certifying System Operators Web page

Project Schedule:
Project 2007-04 Schedule

Project 2007-06 System Protection Coordination

Standards Involved:
PRC-001-1 — System Protection Coordination

Research Needed:
Identification of criteria for determining where to install protection systems.

Brief Description:
The existing PRC-001 Standard has been identified in FERC Order 693 as requiring revisions, and by a SPCTF report which identified a number of issues with the existing standard (the SPCTF report, which precedes FERC Order 693, also includes observations from the FERC NOPR on RM-06-16-000). This revision of PRC-001 should address concerns from these sources and should include upgrades to bring the revised standard into conformance with the latest version of the ERO Rules of Procedure.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-06 System Protection Web page

Project Schedule:
Project 2007-06 Schedule

Project 2007-07 Vegetation Management

Standards Involved:
FAC-003-1 — Vegetation Management Program

Research Needed:
None

Brief Description:
This is a Version 1 standard that was approved in 2006. It has some 'fill-in-the-blank' components to eliminate. In addition, the following comments submitted by FERC and stakeholders need to be addressed in the refinement of the standard:

FERC Order 693 items

- Address the issue regarding applicability:
- Work with the reliability entities and the ERO to collect and make available to the FERC, a list of critical lower voltage transmission lines. (Refer to Applicability 4.3 section of the standard.)
- Consider other criteria in determining applicability of the standard to sub 200kV lines.
- Address the issue of clearances for lines on both federal and non-federal lands:
- Review and analyze outage data (collected by the ERO) then consider defining clearances needed to avoid sustained vegetation-related outages that would apply to transmission lines crossing both federal and non-federal land.
- Consider revising the definition of right of way to encompass required clearance areas.
- Review the suitability of IEEE 516-2003 standard for minimum vegetation clearance.

Procedural items

- Re-format standard to bring it into conformance with the latest version of the Reliability Standard Development Procedure and the ERO Sanctions Guidelines.
- Remove references to RRO in the standard and substitute a responsible entity.
- Add newly developed compliance elements such as time horizons, violation risk factors, violation severity levels, etc.

Stakeholder items

- Prepare technical reference material such as a "white paper" to aid in understanding the technical basis for the standard.
- Review reporting criteria for Category 3 outages in the proposed technical reference material and may remove the reporting requirement of Category 3 outages in R.3 and R.4.
- Consider deleting requirement R.4.
- Review the reporting exemptions to include all category outages under major disasters in Requirement R3.2.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-07 Vegetation Management Web page

Project Schedule:
Project 2007-07 Schedule

Project 2007-09 Generator Verification

Standards Involved:
PRC-019-1 — Coordination of Generator Voltage Regulator Controls with Unit Capabilities and Protection
PRC-024-1 — Generator Performance during Frequency and Voltage Excursions
MOD-024-1 — Verification of Generator Gross and Net Real Power Capability
MOD-025-1 — Verification of Generator Gross and Net Reactive Power Capability
MOD-026-1 —Verification of Models and Data for Generator Excitation System Functions
MOD-027-1 — Verification of Generator Unit Frequency Response

Research Needed:
None

Brief Description:
The scope of this project includes:

- Modifying the six standards associated with this project so they conform to the latest version of NERC's *Reliability Standards Development Procedure* and the ERO Rules of Procedure,
- Replacing the "fill-in-the-blank" requirements assigned to the Regional Reliability Organization with requirements that can be applied on a continent-wide basis and are assigned to users, owners or operators of the bulk power system,
- Considering and addressing issues identified in FERC orders, including the modifications to MOD-024-1 and MOD-025-1 as proposed in FERC Order 693, and
- Considering and addressing issues identified during Phase III & IV field testing.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-09 Generator Verification Web page

Project Schedule:
Project 2007-09 Schedule

Project 2007-11 Disturbance Monitoring

Standards Involved:
PRC-002-1 — Define and Document Disturbance Monitoring Equipment Requirements
PRC-018-1 — Disturbance Monitoring Equipment Installation and Data Reporting

Research Needed:
The standard drafting team identified a need to conduct a regional data analysis in order to establish technical requirements for DME locations and thresholds.

Brief Description:
PRC-002 and PRC-018 were approved in 2006.

PRC-002 is one of four reliability standards identified by the Regional Reliability Standards Working Group as a standard that has some requirements that need to be defined by each regional entity in a regional standard. The standard drafting team (SDT) will review PRC-002 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to or contained with the disturbance monitoring program documentation. The SDT shall determine which requirements should be continent-wide requirements and which requirements should be included in regional standards.

When revising PRC-002 and PRC-018 the SDT shall address issues already identified by FERC, other drafting teams and stakeholders. Note: Phasor measurement networks are to be addressed in a separate project.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-11 Disturbance Monitoring Web page

Project Schedule:
Project 2007-11 Schedule

Project 2007-12 Frequency Response

Standards Involved:
BAL-003-0 — Frequency Response and Bias

Research Needed:
None

Brief Description:
This project involves developing a new standard for the collection of data needed to accurately model existing Frequency Response within each interconnection.

The project will support the following directive in FERC Order 693:

- Define the necessary amount of Frequency Response needed for Reliable Operation for each balancing authority with methods of obtaining and measuring that the frequency response is achieved.

Standards Development Status:
Project 2007-12 Frequency Response Web page

Project Schedule:
Project 2007-12 Schedule

Project 2007-17 Protection System Maintenance & Testing

Standards Involved:
PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing
PRC-008-0 — Underfrequency Load Shedding Equipment Maintenance Programs
PRC-011-0 — UVLS System Maintenance and Testing
PRC-017-0 — Special Protection System Maintenance and Testing

Research Needed:
None

Brief Description:
This project involves revising PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing, to consolidate PRC-005-1, PRC-008-0 — Underfrequency Load Shedding Equipment Maintenance Programs; PRC-011-0 — UVLS System Maintenance and Testing; and PRC-017-0 — Special Protection System Maintenance and Testing into a single maintenance and testing standard. Standards PRC-008-0, PRC-011-0, and PRC-017-0 would then be withdrawn.

The revised PRC-005 standard should address the issues raised in the FERC Order 693 and the issues addressed in the SPCTF report "Assessment of PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing; with implications for PRC-008-0, PRC-011-0, and PRC-017-0". The revised standard should also address the comments submitted by stakeholders during the development of Version 0, and Phase III & IV and should reflect improvements identified in the Reliability Standards Review Guidelines.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2007-17 Protection System Maintenance & Testing

Project Schedule:
Project 2007-17 Schedule

Project 2008-01 Voltage and Reactive Control

Standards Involved:
VAR-001-1 — Voltage and Reactive Control
VAR-002-1 — Generator Operation for Maintaining Network Voltage Schedules

Research Needed:
In August 2008, the Transmission Issues Subcommittee (TIS) formed the Reactive Support/Control Sub team to develop a report to address the fundamental issues associated with voltage and reactive control. The results of the report are being used to support improvements to the existing VAR standards and may result in development of an additional VAR standard. The Reactive Support and Control White Paper was produced by the TIS and identifies technical requirements needed to determine the reactive resources required under different system states. The white paper identifies the need for requirements that address:

- criteria and associated rationale needed to determine the split of dynamic reactive supply (such as reactive power provided by the generators and other dynamic devices) and static reactive power supply (such as static capacitors and other static devices)
- criteria for distribution of the interconnection's reactive resource needs among transmission, distribution, and generation facilities

The drafting team will incorporate the white paper into the standards as well as address other issues identified in the tables below.

Brief Description:
This project supports a blackout recommendation. Industry debate is needed on whether there should be a North American standard that requires a specific amount of reserves, or whether requirements for specific reserves should continue to be addressed at the regional level. The requirements in the existing standards need to be upgraded to be more specific in defining voltage and reactive power schedules. Consideration should be given to adding a requirement for the Reliability Coordinator to monitor and take action if reactive power falls outside identified limits.

The project will incorporate the interpretation of VAR-002 Requirement 1 and Requirement 2.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Coordination with NAESB:
The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. The SRS determined that this project may need NAESB attention in the future, and will place this on its watch list.

Related NAESB WEQ Projects (See NAESB WEQ 2009 Annual plan):
Annual Plan Item 1
Justification for NAESB consideration:
Industry recommendations
SRS Recommendation:
This project may need NAESB attention in the future. The WEQ SRS will place this on its watch list.

Standards Development Status:
Project 2008-01 Voltage and Reactive project Web page

Project Schedule:
Project 2008-01 Schedule

Project 2008-02 Undervoltage Load Shedding

Standards Involved:
PRC-010-0 — Assessment of the Design and Effectiveness of UVLS Program
PRC-022-1 — Under-Voltage Load Shedding Program Performance

Research Needed:
Criteria for installing UVLS need to be identified. The "Technical Reference Paper Fault-Induced Delayed Voltage Recovery" was accepted by the NERC Planning Committee in June of 2009. This reference paper identifies a Fault Induced Delayed Voltage Recovery (FIDVR) as the phenomenon whereby system voltage remains at significantly reduced levels for several seconds after a transmission, sub transmission, or distribution fault has been cleared. Significant load loss due to motor protective device action can result, as can significant loss of generation, with a potential secondary effect of high system voltage due to load loss. A severe event can result in fast voltage collapse. This phenomenon should be addressed in the development of UVLS criteria.

Brief Description:
This project involves the consideration for consolidation of PRC-010-0 — Assessment of the Design and Effectiveness of UVLS Program and PRC-022-1 — Under-Voltage Load Shedding Program Performance and the development of criteria for identifying where UVLS should be installed.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2008-06 Cyber Security — Order 706

Standards Involved:
CIP-002-1 — Critical Cyber Asset Identification
CIP-003-1 — Security Management Controls
CIP-004-1 — Personnel & Training
CIP-005-1 — Electronic Security Perimeter(s)
CIP-006-1 — Physical Security of Critical Cyber Assets
CIP-007-1 — Systems Security Management
CIP-008-1 — Incident Reporting and Response Planning
CIP-009-1 — Recovery Plans for Critical Cyber Assets

Research Needed:
None

Brief Description:
This project involves implementing the changes to the Cyber Security Standards (above) as directed in FERC Order 706.

This set of revisions in this project includes:

- Modifying the standards so they conform to the latest approved versions of the ERO
- Rules of Procedure as outlined in the Standard Review Guidelines identified in Attachment 1.
- Addressing the directives issued by FERC, in Order 706 relative to the approved Cyber Security Standards CIP-002-1 through CIP-009-1. Refer to http://www.ferc.gov/whats-new/comm-meet/2008/011708/E-2.pdf for the complete text of the final order. Specific requirements from the Order are identified in Attachment 2.
- Emphasis on Order 706 directive for NERC to address revisions to the CIP standards considering applicable feature of the NIST Security Risk Management Framework among other resources.
- Incorporating clarifications from the Interpretation of CIP-006-1 Requirement 1.1.

Additional issues identified by stakeholders listed in Attachment 3 to the SAR.

Revisions should consider other Cyber-related standards, guidelines and activities:

- Consider adopting the NIST Security Risk Management Framework (includes GAO, OMB and FIPS)
- Consider other cyber security related documents such as NIST, ISO 27000 Family, CIPC WG Risk Assessment Guideline, MITRE corporation technical report, DHS, National Laboratories papers, DOE 417, IEC, ISA, etc.
- Stay apprised of coordination work between FERC, NEI and NRC in regard to the nuclear facility exemption issue with respect to regulatory gaps. As necessary modify the standards to reflect current determinations.

Standards Development Status:
Project 2008-06 Cyber Security Web page

Project Schedule:
Project 2008-06 Schedule

Project 2008-12 Coordinate Interchange Standards

Standards Involved:
INT-001-3 — Interchange Transaction Tagging
INT-003-2 — Interchange Transaction Implementation
INT-004-1 — Interchange Transaction Modifications
INT-005-2 — Interchange Authority Distributes Arranged Interchange
INT-006-2 — Response to Interchange Authority
INT-007-1 — Interchange Confirmation
INT-008-2 — Interchange Authority Distributes Status
INT-009-1 — Implementation of Interchange
INT-010-1 — Interchange Coordination Exemptions

Research Needed:
None

Brief Description:
The modifications in the set of Coordinate Interchange Standards should address the following:

- Determine if the activities in the Coordinate Interchange standards correctly identify the responsible entity.
- Consider requiring the Sink Balancing Authority responsibility for Interchange Authority functions, using an interchange transaction tool process as defined in the latest approved version of the e-Tag Specifications.
- The existing requirements are tool-neutral — consider adding specific references to the e-Tagging process in the requirements
- Consider adding a requirement to have backup capability for use when the interchange transaction tool fails.
- Consider combining requirements into a fewer number of standards so that the resultant set of requirements follows a chronological sequence that is easier to follow.
- Address the directives issued by FERC in Order 693, and the stakeholder comments from the V0 drafting team and the Violation Risk Factor drafting team. (See Attachment 1)
- Determine if there is industry-wide support for the Interchange Subcommittee's Principles and definition supporting dynamic transfers and pseudo-ties and if there is support, modify the requirements and add definitions accordingly. Make other changes to the standards to bring them into conformance with the latest version of the Reliability Standards Development Procedure, Sanctions Guidelines and Uniform Compliance Monitoring and Enforcement Program.

The work in this project should be done in two phases, with the first phase focused solely on clarifying the applicability of each requirement in the existing set of standards. All other revisions should take place in a second phase.

Coordination with NAESB:
The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. The NERC/NAESB JESS has been

assigned to review and correct the WEQ-004 Coordinate Interchange Business Practice Standard as needed based on activities in this project, as well as to provide coordination in support of the Parallel Flow Visualization project currently ongoing.

Related NAESB WEQ Projects (See NAESB WEQ 2009 Annual plan):
Annual Plan Item 3.a.viii
Justification for NAESB consideration:
Industry recommendations
SRS Recommendation:
The NERC/NAESB JESS was assigned to review and correct WEQ-004 Coordinate Interchange Business Practice Standard as needed based on activities in NERC Project 2008-12, Coordinate Interchange Standards Revisions and supporting EOP-002-2 R4 and R6.

Standards Development Status:
Project 2008-12 Coordinate Interchange Standards Web page

Project Schedule:
Project 2008-12 Project Schedule

Project 2009-01 Disturbance and Sabotage Reporting

Standards Involved:
CIP-001-0 — Sabotage Reporting
EOP-004-1 — Disturbance Reporting

Research Needed:
None

Brief Description:
The existing requirements need to be revised to be more specific — and there needs to be more clarity in what sabotage looks like.

CIP-001 may be merged with EOP-004 to eliminate redundancies. Acts of sabotage have to be reported to the DOE as part of EOP-004. Specific references to the DOE form need to be eliminated.

EOP-004 has some 'fill-in-the-blank' components to eliminate.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project 2009-01 Disturbance and Sabotage Reporting Web page

Project Schedule:
Project 2009-01 Project Schedule

Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities

Standards Involved:
New

Research Needed:
No additional research needed. The NERC Real-Time Tools Best Practices Task Force (RTBPTF) performed an extensive, three-year process of fact finding and analysis supported by the results of their Real-Time Tools Survey, the most comprehensive survey ever conducted of current electric industry practices.

The RTBPTF summarized their findings in a report titled Real-Time Tools Survey Analysis and Recommendations dated March 13, 2008. The report includes the RTBPTF's recommendations for minimum acceptable capabilities and best practices for real-time tools necessary to ensure reliable electric system operation and reliability coordination.

Brief Description:
The scope of the SAR is to establish requirements for the functionality, performance, and management of tools used in support of Real-time System Operations. The intent is to describe 'what' needs to be done but not 'how' to do it.

This project will be responsive to the U.S.-Canada Power System Outage Task Force blackout recommendation 10: Establish Guidelines for Real-Time Operating Tools.

Standards Development Status:
Project 2009-02 Real-time Tools Web page

Project Schedule:
TBD

Project 2009-03 Emergency Operations

Standards Involved:
EOP-001-0 — Emergency Operations Planning
EOP-002-2 — Capacity and Energy Emergencies
EOP-003-1 — Load Shedding Plans
IRO-001-1 — Reliability Coordination — Responsibilities and Authorities

Research Needed:
None

Brief Description:
The first three standards in the list above may be merged into a single standard. There are some requirements in IRO-001 that may be improved and merged into the new EOP standard

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Coordination with NAESB:
The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Coordination with this effort will occur as part of Project 2010-14 Balancing Authority Reliability-based Control. If additional coordination is determined to be necessary, NERC and NAESB will work together to ensure it occurs.

Related NAESB WEQ Projects (See NAESB WEQ 2009 Annual plan):
Annual Plan Item 3.a.viii
Justification for NAESB consideration:
WEQ SRS analysis
Industry recommendations
SRS recommendation:
Refer to Project 2007-18 Reliability Based Control

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2009-04 Phasor Measurement Units

Standards Involved:
New

Research Needed:
Analysis of existing research needs to be conducted.

Brief Description:
This project supports a blackout recommendation. Several industry studies were issued and these studies need to be analyzed to determine appropriate requirements for a NERC standard.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Standard Drafting Team Roster:
TBD

Project 2009-05 Resource Adequacy Assessments

Standards Involved:
New

Research Needed:
None

Brief Description:
This is a continuation of a project from 2006 that was delayed for higher priority projects. The purpose of this standard is to implement some of the recommendations from the Resource and Transmission Adequacy Task Force Report and the Gas/Electricity Interdependency Task Force Report approved by the NERC BOT in 2004 related to resource adequacy.

As envisioned, the standard will require entities to create metrics to assess resource adequacy that takes into account various factors such as fuel deliverability, performing resource adequacy assessments, sharing the results of those assessments. The standard would also require that resource adequacy assessments be conducted according to those metrics.

NERC Staff is developing a paper discussing the options regarding resource adequacy issues. This issue may be better served through the NERC Rules of Procedure rather than a specific Reliability Standard. Two Regional Entities have developed draft standards relating to resource adequacy and these are being included in the consideration of options.

Standard Development Steps Completed:
The SAR has been posted for two comment periods but has not been finalized due to other conflicting higher priority projects. The SAR will be finalized and then work will be delayed on drafting the standard until 2008.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Coordination with NAESB:
The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. The SRS has determined that coordination will be necessary, and NERC and NAESB will work together to ensure such coordination occurs.

Standards Development Status:
Project 2009-05 Resource Adequacy Assessments

Project Schedule:
Project 2009-05 Project Schedule

Project 2009-07 Reliability of Protection Systems

Standards Involved:
New

Research Needed:
None

Brief Description:
The proposed standard requires facility owners to have protection system equipment installed such that, if there were a failure to a specified component of that protection system, the failure would not prevent meeting the BES performance identified in the TPL standards.

Standards Development Status:
Project 2009-07 Reliability of Protection Systems Web page

Project Schedule:
TBD

Project 2010-01 Support Personnel Training

Standards Involved:
New

Research Needed:
None

Brief Description:
This is a new project that was identified in support of a blackout recommendation. Stakeholders indicated a preference for completing work on a standard for real-time system operators before beginning work on this standard, due to resource limitations. The standard will require the use of a systematic approach to determining training needs of generator operators and operations planning and support staff with a direct impact on the reliable operations of the bulk power system.

The standard will require that entities have evidence that this systematic approach is used and require that each responsible entity have evidence that each of applicable personnel is competent to perform each assigned task that is on its company-specific list of reliability-related tasks.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2010-03 Modeling Data

Standards Involved:
MOD-010-0 — Steady-State Data for Transmission System Modeling and Simulation
MOD-011-0 — Regional Steady-State Data Requirements and Reporting Procedures
MOD-012-0 — Dynamics Data for Transmission System Modeling and Simulation
MOD-013-1 — Maintenance and Distribution of Dynamics Data Requirements and Reporting Procedures
MOD-014-0 — Development of Interconnection-Specific Steady State System Models
MOD-015-0 — Development of Interconnection-Specific Dynamics System Models
PRC-013-0 — Special Protection System Database
PRC-015-0 — Special Protection System Data and Documentation
PRC-020-1 — Under-Voltage Load Shedding Program Database
PRC-021-1 — Under-Voltage Load Shedding Program Data

Research Needed:
18 months study for dynamics modeling of load in simulations and analyses.

Brief Description:
This is one of two projects aimed at identifying all the 'data provision' requirements and consolidating the requirements into fewer standards. Research is needed to clearly identify what data is needed to accurately model load in simulations and analyses. The requirements need to be more specific to clearly identify the format, etc., for providing data.

As envisioned, this project will result in the elimination of most if not all region-specific requirements and the revised requirements would include much more specificity. MOD-010 through MOD-015 has some 'fill-in-the-blank' components to eliminate.

Many of the requirements need to be realigned so that the data that is needed is provided to the entity that needs the data. In several of the existing standards, the data is provided to the RRO who then provides the data to the Planning Authority or other entities.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2010-04 Demand Data

Standards Involved:
MOD-016-1 — Actual and Forecast Demands, Net Energy for Load, Controllable DSM
MOD-017-0 — Aggregated Actual and Forecast Demands and Net Energy for Load
MOD-018-0 — Reports of Actual and Forecast Demand Data
MOD-019-0 — Forecasts of Interruptible Demands and DCLM Data
MOD-020-0 — Providing Interruptible Demands and DCLM Data
MOD-021-0 — Accounting Methodology for Effects of Controllable DSM in Forecasts

Research Needed:
None

Brief Description:
This is one of two projects aimed at identifying all the 'data provision' requirements and consolidating the requirements into fewer standards. As envisioned, this project will result in two standards — with MOD-016 through MOD-020 in a single standard, and MOD-021 in a separate standard. The requirements need to be more specific to clearly identify the format, etc., for providing data.

MOD-016, MOD-017, and MOD-019 have some 'fill-in-the-blank' components to eliminate. The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Coordination with NAESB:
The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. The SRS determined that this project may need NAESB attention in the future, and will place this on its watch list.

Related NAESB WEQ Projects (See NAESB WEQ 2009 Annual plan):
Annual Plan Item 4.b
Justification for NAESB consideration:
Industry recommendations
SRS Recommendation:
The WEQ SRS will add this project to its watch list.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2010-05 Protection Systems

Standards Involved:
PRC-003-1 — Regional Requirements for Transmission and Generation Protection System Misoperations
PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations
PRC-012-0 — Special Protection System Review Procedure
PRC-014-0 — Special Protection System Assessment
PRC-016-0 — Special Protection System Misoperations

Research Needed:
None

Brief Description:
Consideration should be given to merging some of the standards to eliminate the need for cross-referencing.

PRC-003, PRC-004, PRC-014, and PRC-016 have some 'fill-in-the-blank' components to eliminate.

PRC-012 is one of the few 'fill-in-the-blank' standards that was identified by the Regional Reliability Standards Working Group as a standard that has some requirements that need to remain in regional standards.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.

Standards Development Status:
Project has not started.

Project Schedule:
TBD

Project 2010-07 Transmission Requirements at the Generator Interface

Standards Involved:
New

Research Needed:
None

Project Description:
This project was proposed Mr. Gerry Adamski during the 2009 revision of the Reliability Standards Development Plan.

The Ad Hoc Group for Transmission Requirements at the Generator Interface plans to issue a final report document in October, 2009. This report contains a SAR and redline standards for a number of recommended changes to existing reliability standards requirements and the addition of several new requirements. These additions and modifications will add greater specificity and clarity to the expectations of those responsible for owning and operating the interconnection facilities that connect generators to the transmission grid. The changes address a significant concern for generator owners and generator operators regarding the believed improper assignment of transmission owner and operator requirements by virtue of their interconnection facilities.

Standards Development Status:
Project 2010-07 Transmission Requirements at the Generator Interface

Project Schedule:
TBD

Project 2010-08 Functional Model Glossary Revisions

Standards Involved:
Revisions to existing NERC Glossary definitions for:

Balancing Authority	Compliance Monitor
Distribution Provider	Generator Operator
Generator Owner	Load-Serving Entity
Purchasing Selling Entity	Reliability Coordinator
Resource Planner	Transmission Operator
Transmission Owner	Transmission Planner
Transmission Service Provider	

Replace Planning Authority with Planning Coordinator
Replace Interchange Authority with Interchange Coordinator
Replace Interconnected Operations Services with Reliability Related Services

Research Needed:
None

Brief Description:
The Functional Model Working Group (FMWG) has received many comments and questions from stakeholders concerning the differences in definitions between the Functional Model and the NERC Glossary of Terms Used in Reliability Standards. This project is designed to address these comments and make the definitions of functional entities consistent between the Functional Model and the NERC Glossary of Terms Used in Reliability Standards.

Standards Development Status:
Project 2010-08 Functional Model Glossary Revisions

Project Schedule:
TBD

Project 2010-10 FAC Order 729

Standards Involved:
FAC-012-1 — Transfer Capability Methodology
FAC-013-1 — Establish and Communicate Transfer Capabilities

Research Needed:
None

Brief Description:
This project involves addressing directives in FERC Order 729 relative to FAC-012-1 and FAC-013-1:

- address the Planning Horizon to ensure continuity with the ATC-related MOD standards,
- should not address the Operating Horizon, because the ATC-related MOD standards already address this area,
- should not delegate oversight and responsibility for this standard to Regional Entities, but rather do so at the ERO level,
- must not conflict with the ATC-related MOD standards, and
- include Violation Risk Factors ("VRF") and Violation Severity Levels ("VSL").

Standards Development Status:
Project 2010-10 FAC Order 729

Project Schedule:
Project 2010-10 FAC Order 729 Schedule

Project 2010-11 TPL Table 1 Order

Standards Involved:

TPL-001-0 — System Performance Under Normal Conditions
TPL-002-0 — System Performance Following Loss of a Single BES Element
TPL-003-0 — System Performance Following Loss of Two or More BES Elements
TPL-004-0 — System Performance Following Extreme BES Events

Research Needed:
None

Project Description:
This project requires providing clarity to industry on TPL-002-0, Table 1 - footnote 'b', regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system.

Standards Development Status:
Project 2010-11 TPL Table 1 Order

Project Schedule:
TBD

Project 2010-13 Relay Loadability Order

Standards Involved:
PRC-023-1 Transmission Relay Loadability

Research Needed:
None

Project Description:
This project involves modifying PRC-023-1 Transmission Relay Loadability and maybe other standards in compliance with FERC Order 733 issued on March 18, 2010.

Standards Development Status:
TBD

Project Schedule:
TBD

Project 2010-14 Balancing Authority Reliability-based Control

Standards Involved:

BAL–001-0 — Real Power Balancing Control Performance
BAL–001-0a — Real Power Balancing Control Performance
BAL-002-0 — Disturbance Control Performance
BAL-004-0 — Time Error Correction
BAL-004-1 — Time Error Correction
BAL-005-0 — Automatic Generation Control
BAL-005-0b — Automatic Generation Control
BAL-006-1 — Inadvertent Interchange
EOP–002-2 — Capacity and Energy Emergencies
IRO–005-2 — Reliability Coordination — Current-Day Operations

Research Needed:
None

Project Description:
This project requires upgrading existing requirements to ensure that balancing authorities take actions to maintain interconnection frequency with each balancing authority contributing its fair share of frequency control. Also requires corrective action by the BA when excessive Area Control Error may be contributing to or causing action to be taken to correct an SOL/IROL problem, to prevent Interconnection frequency excursions of short duration attributed to the ramping of on and off-peak Interchange Transactions, and to support timely transmission congestion relief by requiring corrective load/generation management by the Balancing Authority(ies) within a defined timeframe when participating in transmission loading relief procedures.

Standards Development Status:
Project 2010-14 Balancing Authority Reliability-based Control

Project Schedule:
TBD

Project 2012-01 Equipment Monitoring and Diagnostic Devices

Standards Involved:
New

Research Needed:
None

Brief Description:
This project was proposed Mr. R. W. Kenyon, J.D., P.E. during the 2008 revision of the Reliability Standards Development Plan.

The drafting team will propose Reliability Standard(s) covering the application of major equipment monitoring and diagnostic devices and procedures. As proposed by Mr. Kenyon, the Reliability Standard(s) will address dissolved gas and moisture sampling processes and the application on on-line monitoring devices to detect incipient faults within BES major components, such as EHV transformers. These processes and devices enable the equipment owner to detect evolving internal faults, allowing corrective action under controlled conditions. In some instances, early warning of evolving faults can permit field repair of the unit, avoiding a system fault and destruction of a major piece of equipment. In other circumstances, the warning obtained permits the equipment owner to monitor the situation and to schedule unit replacement in a deliberate, controlled manner. Again, occurrence of a major system fault and unscheduled loss of a major unit can be avoided. Obviously, such measures can contribute significantly to reliability of the Bulk Electric System.

Ideally, the proposed Reliability Standard(s) would make the application of this technology mandatory for classes of critical equipment, with EHV transformers and shunt reactors an obvious example. Similar diagnostic approaches could be taken on critical EHV and/or major generator Gas Insulated Switchgear. The general approach could follow PRC-005, where the owner must have a system, but particulars are left to the equipment owner. The proposed Reliability Standard(s) could extend to other equipment condition monitoring such as Doble testing.

In many instances, equipment owners already recognize the value of major equipment monitoring and have equipment and/or procedures in place addressing this technology. However, there is far less assurance that monitoring equipment is properly maintained, that scheduled routine sampling is being fully performed, and that full use is being made of data obtained. Again, as with the Protective Relay Standard PRC-005, the proposed Reliability Standard(s) would contribute to insuring that equipment owners have a program addressing this technology and are indeed following their program. In other instances, equipment owners without such equipment might be obligated to establish a monitoring program.

Project 2012-02 Physical Protection

Standards Involved:
New

Research Needed:
None

Project Description:
This project was proposed Mr. Wayne E. Guthrie during the 2009 revision of the Reliability Standards Development Plan.

The development of reliability standards for the physical protection of essential equipment, buildings and people located in power generation, transmission, or distribution system locations should be considered in on order to mitigate the associated reliability risks to the bulk power system. The ANSI NFPA 850 standard "Recommended Practice for Fire Protection for Electric Generating Plants and High Voltage Direct Current Converter Stations" provides a potential starting reference for such standards.

If further information or discussion is required, please contact:

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Issues List

Project	Standard	Source	Issue
2006-01	PER-002-0	Fill in the Blank Team	R3.1 has regional text but it is unnecessary and could be removed
		NERC Audit Observation Team	The question was raised concerning how each of the regions interpret "training program objectives? High level and/or down to the lesson plan objectives
		Order 693	Thus, we direct the ERO to develop a modification to make PER-002-0 applicable to generator operators. Accordingly, the training requirements developed by the ERO should be tailored in their scope, content and duration so as to be appropriate to generation operations personnel and the objective of promoting system reliability. Thus, in addition to modifying the Reliability Standard to identify generator operators as applicable entities, we direct the ERO to develop specific Requirements addressing the scope, content and duration appropriate for generator operator personnel. Include the use of simulators by reliability coordinators, transmission operators, and balancing authorities that have operational control over a significant portion of load and generation. Use the systematic approach to training methodology in the development of new training programs. Expand the applicability section to include reliability coordinators, local transmission control center operating personnel, generator operators centrally-located at a generator control center with direct impact on the reliable operation of the bulk power system, and operations planning and operations support staff that carry out outage planning and assessments and those who develop SOLs, IROLs, or operating nomograms. Identify the expectations of the training for each job function/position.

Issues List

Project	Standard	Source	Issue
2006-01	PER-002-0	Order 693	Consider whether personnel that support EMS applications should be included in the mandatory training requirements. Determine the feasibility of developing meaningful performance metrics associated with the effectiveness of the training programs. Consider FirstEnergy's comments regarding the nuclear plant operators' training program as part of the standards development process. The Commission notes that no commenters specifically addressed the proposed modifications directing the ERO to expand the Applicability section to include reliability coordinators, and to identify the expectations of the training for each job function and develop training programs tailored to each job function with consideration of the individual training needs of the personnel. However, in responding to the proposals to expand the applicability of the Reliability Standard, many commenters acknowledged the need to have clear training expectations and training programs tailored to specific job functions. The Commission finds that these two modifications will enhance the training by focusing on expectations and tailoring the training to specific job functions; therefore, the Commission adopts these modifications to the Reliability Standard Training programs for operations planning and operations support staff must be tailored to the needs of the function, the tasks performed and personnel involved.
		Other	Modify standard to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure.
		Version 0 Team	Measure is weak Other entities should be included

Issues List

Project	Standard	Source	Issue
2006-01	PER-002-0	Version 0 Team	Replace 5 days with 32 contact hours as per agreement
			Specify calendar year time increment
	PER-004-1	Order 693	Include formal training requirements for reliability coordinators similar to those addressed under PER-002.
			Consider the suggestions of FirstEnergy and Xcel as part of the standards development process.
		Other	Modify standard to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure.
		Version 0 Team	Calendar year timing increment
			Other training needs to be defined
2006-02	TOP-001-1	AEP Comments	AEP would like to make a suggestion that any future revision of TPL-001-1 should place appropriate restrictions on the use of Special Protection Systems as a permanent solution in the Corrective Action Plan. While AEP recognizes that there are acceptable applications of SPS on a permanent basis, we are concerned that in highly interconnected portions of the grid the use of multiple SPS can cause complex interactions that would be difficult to predict and could lead to unintended consequences. AEP also recognizes that an SPS may be the only practical option on an interim basis.
	TPL Family	Order 693	Accordingly, to ensure that neighboring systems are not adversely affected and to provide an early opportunity for input and coordination of plans, the Commission directs the ERO to include these modifications to the Reliability Standard through its Reliability Standards development process to provide for the appropriate sharing of information with neighboring systems

Issues List

Project	Standard	Source	Issue
2006-02	TPL Family	Order 693	1693 - Submit an informational filing, in addition to regional criteria, all utility and RTO/ISO differences in transmission planning criteria that are more stringent than those specified by the TPL standards. 1692 - Consider integrating TPL-001 through TPL-004 into one standard. 1694, 1704, & 1706 - Consider the full range of variables when determining critical system conditions but only those deemed to be significant need to be assessed and documentation provided that explain the rational for selection. Determine critical system conditions and study years by conducting sensitivity analysis with due consideration of the factors outlined by the Commission. 1716 - System performance should be assessed based on contingencies that mimic what happens in real-time. The Commission directs the ERO to modify the planning Reliability Standards to require the assessment of planned outages consistent with the entity's pare equipment strategy. With regard to SDG&E's suggestion to clarify specific elements of this Reliability Standard, we direct the ERO to consider such suggestions in its Reliability Standards development process 1719 - Consider appropriate revisions to the reliability standards to deal with cyber security events.
		Order 705-FAC V1 Standards	direct that any revised TPL Reliability Standards must reflect consistency in the lists of contingencies between the two
	TPL-001-0	Fill in the Blank Team	No action needed

Issues List

Project	Standard	Source	Issue
2006-02	TPL-001-0	Order 693	1786 - Require assessments of outages of critical long lead time equipment, consistent with an entity's spare equipment strategy
			1751 - Require a peer review of planning assessments with neighboring entities
			1694, 1704, & 1706 - Consider the full range of variables when determining critical system conditions but only those deemed to be significant need to be assessed and documentation provided that explain the rational for selection.
			Determine critical system conditions and study years by conducting sensitivity analysis with due consideration of the factors outlined by the Commission.
			1759 - Modify requirement R1.3 to substitute the reference to regional reliability organization with regional entity.
			1797 - Address concerns with footnote (a) of Table 1 with regard to applicability of emergency ratings and consistency of normal ratings and voltages with values obtained from other reliability standards and concerns raised by International Transmission with regard to the footnotes in Table 1
		Other	Modify standard to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure.
		Phase III/IV Team	Add a requirement to identify where UVLS should be installed
			Add a requirement to verify that there are sufficient reactive resources
		Team Comments	Provide clarity where the Planning Authority is mentioned

Issues List

Project	Standard	Source	Issue
2006-02	TPL-001-0	Version 0 Team	Define critical system conditions
			Need to address deliverability to load
			Several semantic issues
			Clarify use of applicable ratings in Table 1, note 'a'
			Clarify timing for submittal of corrective plan
			Having all projected firm transfers modeled may not be practical to achieve in a single shapshot of a powerflow model. The requirement should allow engineering judgment to determine the appropriate level of system utilization to assess reliability considering all projected firm uses.
			Table 1, note 'b' – clarify when to curtail firm deliveries
			Table 1, items 6, 7, 8 & 9 need footnote stating that they do not apply to generator breaker failure
			Table 1 – C.5 goes beyond double circuit outage criteria
			What is a major load center?
			Need to include multiple time frames
			Does planned facilities include just those under construction?
		VRFs Team	R1 – time horizon should be long-term planning
	TPL-002-0	Comment received for the 11/4/09 Tech Conf.	The clause in R1.3.10, "including backup or redundant protection systems," seems to be unnecessary and could be a source of confusion

Issues List

Project	Standard	Source	Issue
2006-02	TPL-002-0	Order 693	1694, 1704, & 1706 - Determine critical system conditions in the same manner as proposed in TPL-001. The Commission, therefore, directs the ERO to modify the second sentence of footnote (b) to clarify that manual system adjustments other than shedding of firm load or curtailment of firm transfers are permitted to return the system to a normal operating state after the first contingency, provided these adjustment can be accomplished within the time period allowed by the short term or emergency ratings. 1788 - Consider NRC's comments regarding clarifying the N-1 state as being always applicable to the current conditions as part of the standards development process. 1773 - Clarify the phrase "permit operating steps necessary to maintain system control" in the footnote (a) and the use of emergency ratings. 1789 - Document the load models used in system studies and the rationale for their use. 1787 - Requires all generators to ride through the same set of category B and C contingencies as required by wind generators in Order No. 661, or to simulate without this capability as tripping. 1795 - Commission, therefore, suggests that the ERO consider developing a ceiling on the amount and duration of consequential load loss that will be acceptable. If the ERO determines that such a ceiling is appropriate, it should be developed through the ERO's Reliability Standards development process 1786 - Requires assessment of planned outages of long lead time critical equipment consistent with the entity's spare equipment strategy.

Issues List

Project	Standard	Source	Issue
2006-02	TPL-002-0	Order 693	1794 - Standard should be clarified to not allow an entity to plan for the loss of non-consequential load in the event of a single contingency.
			Regarding the comments of Entergy and Northern Indiana that the Reliability Standard should allow entities to plan for the loss of firm service for a single contingency, the Commission finds that their comments may be considered through the Reliability Standards development process. However, we strongly discourage an approach that reflects the lowest common denominator
		Phase III/IV Team	Add a requirement to identify where UVLS should be installed
			Add a requirement to verify that there are sufficient reactive resources
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Define critical system conditions
			Don’t include planning outage
			Single terminals are not included
			Don’t include generation runback or redispatch
			Clarify applicable ratings in Table 1, note ‘a’
			Address deliverability of generation to load
			Clarify timing for corrective plan
			Must study all contingencies and multiple demand levels & time frames

Issues List

Project	Standard	Source	Issue
2006-02	TPL-002-0	VRFs Team	Time horizon should be long-term planning and R2.2 – redundant with R1.3.8
	TPL-003-0	Fill in the Blank Team	No action required
		Order 693	1820 - Applicable entities must define and document the proxies necessary to simulate cascading outages.
			1824 - Consider the comments on major load pockets as part of the standards development process.
			1765 - Determine critical system conditions in the same manner as proposed in TPL-001.
			1806 - Clarify the term “controlled load interruption”.
			1788 - Address NRC concerns as described in TPL-002 through the standards development process.
			1821 - Tailor the purpose statement to reflect the specific goal of the standard.
		Phase III/IV Team	Add a requirement to identify where UVLS should be installed
			Add a requirement to verify that there are sufficient reactive resources
			Add a requirement to identify where UVLS should be installed
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Same as TPL-001 & 002

Issues List

Project	Standard	Source	Issue
2006-02	TPL-003-0	Version 0 Team	TO should provide plan of action
			Don't base penalties on low probability, low consequence events
			Use NERC Compliance Reporting Process
			Development of mitigation plans requires subsequent studies, and may actually be done by a different entity than the entity performing the assessment (the TO instead of the RTO who may have done the assessment)
			Clearly identify outages
		VRFs Team	R2.2 - lack of consistency with TPL-001 & TPL-007
			R2.1 - lack of consistency with TPL-001
			R2.1.3 - lack of consistency with TPL-001 & TPL-006
			R2.1.1 - lack of consistency with TPL-001 & TPL-004
			R2 – lack of consistency with TPL-001 & TPL-002
			Time horizon should be long-term planning
			R2.1.2 - lack of consistency with TPL-001 & TPL-005
	TPL-004-0	Fill in the Blank Team	No action required
		Order 693	1765 - Determine critical system conditions in the same manner as proposed in TPL-001.

Issues List

Project	Standard	Source	Issue
2006-02	TPL-004-0	Order 693	1835 - Tailor the purpose statement to reflect the specific goal of the standard.
			1836 - Expand the list of category D events to include recent actual events.
			1836 - Identify options for reducing the probability or impacts of extreme events that cause cascading.
		Phase III/IV Team	Add a requirement to verify that there are sufficient reactive resources
			Add a requirement to identify where UVLS should be installed
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	TO should determine which events to study
			R1.3.9 – remove from extreme events
			Perform analysis on credible contingency
			Same as TPL-001
	TPL-005-0	Fill in the Blank Team	New SAR needed
		Order 693	1841 - Encourages NERC to utilize input from the Commission's technical conferences on regional planning as directed in Order No. 890 to improve this standard.
		Version 0 Team	An RRO can't make a mandatory request for another RRO to perform a study
			Define fuel adequacy

Issues List

Project	Standard	Source	Issue
2006-02	TPL-006-0	Fill in the Blank Team	No action required
2006-03	EOP-005-1		See notes for EOP-007
			Address EOP-005, EOP-006 EOP-007 and EOP-009 concurrently.
			References in EOP-005, EOP-006, and EOP-009 to meet RRO/Regional requirements need to be modified and EOP-007 needs to be more specific.
		NERC Audit Observation Team	"How do you include load to be shed in the System Restoration plan"
		Order 693	Directs the ERO to consider the issues raised by NRC in future revisions of the Reliability Standard through the Reliability Standard development process.
			628 - Consider commenters concerns in future modifications of the reliability standard, including those that refer to Attachment 1.
			629. NERC shall gather data from simulations and drills of system restoration on the time it takes to restore power to the auxiliary power systems of nuclear power plants under its data gathering authority and report the information to the Commission on a quarterly basis.
			Identify time frames for training and review of restoration plan requirements to simulate contingencies and prepare operators for anticipated and unforeseen events.
		Phase III/IV Team	Add a requirement for a blackstart agreement between the transmission operator and the generator owner - include items such as identification of generator owner/operator facilities required to participate in the blackstart plan; when and how quickly a blackstart unit must respond; and what cranking path requires energization

Issues List

Project	Standard	Source	Issue
2006-03	EOP-005-1	Phase III/IV Team	R3 – revise to place emphasis for TOP on restoring local transmission system as preparation for restoring the integrity of the Interconnection. Add LSEs to Applicability Condense the requirements and measures - R1 the requirement to develop the restoration plan and all the components required of that plan; and R2 the requirement to prove and document that the plan works. Then, two measurements would follow: one to assess the contents of the plan and one to assess the simulation or testing of the plan. Need to resolve the issue of the elements on the Attachment – are these mandatory or not – there is a mismatch between R1 and levels of non-compliance R4 – Add LSEs R5 – replace 'periodic' with a specific periodicity for testing R6 – add specificity to frequency and scope of required training R11.5 - replace the word, 'may' with: The affected Transmission Operators shall not resynchronize the isolated area(s) with the surrounding area(s) until the following conditions are met: the voltage, frequency, and phase angle permit, the affected reliability coordinator(s) and the adjacent areas are notified, and reliability coordinator approval is given. Delete R11.5.4. It does not seem reasonable or logical for a control area to be required to shed 5,000 MWs of load, for example, in order for their neighbor to reconnect 1,000 MWs of their own load. R11.5. Should exclude islands within a system that do not affect surrounding areas

Issues List

Project	Standard	Source	Issue
2006-03	EOP-005-1	Phase III/IV Team	Add a requirement for a cranking path agreement between the transmission operator and the generator owner/operator
		Version 0 Team	Can't really test plan
			Additional element consideration
			LSE & GO should have plans
			Interdependency of planning and implementation missing as well as between functional entities
			BA does not have all required information
			Priority to integrity of interconnection
		VRFs Team	R11.5 - This needs to be looked at for 30 days - should be done prior to access being granted.
			R1, 5 & 8 – Does not just apply to local restoration
			R2 – Could be broken up into 2 requirements
			R11.4 – Ambiguous
	EOP-006-1	Fill in the Blank Team	Address EOP-005, EOP-006 EOP-007 and EOP-009 concurrently
			See notes for EOP-007
			References in EOP-005, EOP-006, and EOP-009 to meet RRO/Regional requirements need to be modified and EOP-007 needs to be more specific

Issues List

Project	Standard	Source	Issue
2006-03	EOP-006-1	Order 693	632 - Ensure the reliability coordinator is involved in the development and approval of system restoration plans.
	EOP-007-0	Fill in the Blank Team	Consider rewording of references in EOP-005, EOP-006, and EOP-009 to RRO/regional requirements and Consider developing testing requirements on a national basis – this is already well established across the regions. The harder task is isolating the restoration issues in the various standards as described in the EOP-007 write-up to merge into a new NERC standard which then establishes which units are designated Blackstart units. This standard could be written independent of the units' identity and focus on testing of any Blackstart unit. Define the specific requirements for R 1.2, R 1.3, etc. and either clearly define in EOP-007 or retire EOP-007 and place specific requirements in EOP-005, EOP-006, and EOP-009. Consider retiring EOP-007 and moving these elements to EOP-005; EOP-006; and EOP-009. That would remove fill-in-blank elements. Still may need to evaluate role of RRO.R1 & R2 considerations This is currently a fill-in-the-blank standard tied to EOP-005, EOP-006, and EOP-009; every region should have procedures currently in place required by EOP-007-0; question why this is even an RRO function; they are not operating entities, should be RCs and operating entities that have the black start plan; black start plans need to be coordinated regionally. References in EOP-005, EOP-006, and EOP-009 to meet RRO/Regional requirements need to be modified and EOP-007 needs to be more specific. Address EOP-005, EOP-006 EOP-007 and EOP-009 concurrently

Issues List

Project	Standard	Source	Issue
2006-03	EOP-007-0	Order 693	With regard to TANC's request for regional flexibility in determining the appropriate mix of facilities needed to achieve the reliability objectives, it is our understanding that the Reliability Standard provides for the number and location of blackstart units to vary depending on the specific requirements of each system. We believe that uniformity will be required, however, in the criteria used to determine the number and location of blackstart units and testing requirements
			"642 & 643 - EEI suggests that EOP-007-0 be rewritten so that compliance obligations are assigned directly to those entities that provide the data and other information. FirstEnergy and MRO state that the reliability coordinator, not the Regional Entity, should be responsible for the regional blackstart plan for its area of responsibility."
		Version 0 Team	Clarify testing requirements
	EOP-009-0	Fill in the Blank Team	See notes for EOP-007
			Address EOP-005, EOP-006 EOP-007 and EOP-009 concurrently.
			References in EOP-005, EOP-006, and EOP-009 to meet RRO/Regional requirements need to be modified and EOP-007 needs to be more specific.
		NERC Audit Observation Team	Test 1/3 of the black-start units per year
			Test per year
		Order 693	676 - Consider suggestions for improvements in future revisions of the standards.
		Version 0 Team	Distinction between RA & TO vs. RRO for test results
2006-04	EOP-008-0	Fill in the Blank Team	No comments

Issues List

Project	Standard	Source	Issue
2006-04	EOP-008-0	NERC Audit Observation Team	Compliance levels don't align with the measures or requirements
		Order 693	670. Include large, centrally dispatched generation control centers.
			651 - Provide for backup capabilities that, at a minimum, must be capable of operating for a prolonged period of time, generally defined by the time it takes to restore the primary control center.
			672 - Provide for backup capabilities that, at a minimum, must include a requirement that all reliability coordinators have full backup control centers;
			651 - Provide for backup capabilities that, at a minimum, must provide for a minimum functionality to replicate the critical reliability functions of the primary control center.
			672 - Provide for backup capabilities that, at a minimum, must provide that the extent of the backup capability be consistent with the impact of the loss of the entity's primary control center on the reliability of the bulk power system.
			672 - Provide for backup capabilities that, at a minimum, must require transmission operators and balancing authorities that have operational control over significant portions of generation and load to have minimum backup capabilities discussed above but may do so through contracting for these services instead of through dedicated backup control centers.
			Provide for backup capabilities that, at a minimum, must be independent of the primary control center
		Version 0 Team	How does staff know control center is lost? (Note – A system health monitor concept or equivalent functionality is what is desired here.)

Issues List

Project	Standard	Source	Issue
2006-04	EOP-008-0	Version 0 Team	Max. time to restore capabilities How is backup control achieved?
		VRFs Team	R1 - Not having a written plan does not 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 R1.1 - Not having a written plan 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.
2006-06	COM-001-1	NERC Standards DT Coordinators Meeting 20080520	COM-001-1 Telecommunications is being reviewed and revised under Project 2006-06 Reliability Coordination; however, it has been agreed that all requirements of COM-001-1 except R4 will be addressed by the SDT for Project 2006-06 and that requirement R4 will be addressed by the SDT for Project 2007-02 Operating Personnel Communications Protocols. If either part of this agreement is not maintained, COM-001-1 will need revisited.

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Project	Standard	Source	Issue
2006-06	COM-001-1	Order 693	"Address TAPS, Entergy, Six Cities, and FirstEnergy concerns through the standard development process. Entergy Paragraph 499. Entergy states that it is unclear what cyber assets are covered by COM-001-0. Entergy believes that the Reliability Standard should focus on telecommunications that support the operation of critical assets. Entergy also believes that COM-001-0 should be expanded to include advances in communications technology. It states that NERC should consider addressing the following in a way that will facilitate an understanding of the Reliability Standards' requirements: (1) voice communications; (2) command and control data communications; (3) security coordination data communications; (4) digital messaging communications; (5) human linguistic convention and (6) other types of communications, including video conferencing and communications with remote security cameras. Entergy believes that this could be accomplished through an enhancement to the definition of communications in the NERC glossary and recasting COM-001-0 to improve the specificity of requirements for each form of communication. Finally,Entergy believes that Requirement R4 of COM-001-0, which requires reliability coordinators, transmission operators and balancing authorities to use English in all types of communications, should apply only to verbal and written communications."

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Project	Standard	Source	Issue
2006-06	COM-001-1	Order 693	"Include generator operators and distribution providers in the list of applicable entities and create appropriate requirements for them. Paragraph 487. The Commission reaffirms its position that generator operators and distribution providers should be included as applicable entities in COM-001-1 to ensure there is no reliability gap during normal and emergency operations. For example, during a blackstart when normal communications may be disrupted, it is essential that the transmission operator, balancing authority and reliability coordinator maintain communications with their distribution providers and generator operators. However, the current version of Reliability Standard COM-001-1 does not require this because it does not include generator operators and distribution providers as applicable entities. We clarify that the NOPR did not propose to require redundancy on generator operators' or distribution providers' telecommunication facilities or that generator operators or distribution providers be trained on anything not related to their functions during normal and emergency conditions. We expect the telecommunication requirements for all applicable entities will vary according to their roles and that these requirements will be developed under the Reliability Standards development process." "Specify requirements for using telecommunication facilities during normal and emergency conditions that reflect the roles of the applicable entities and their impact of reliable operation, and include adequate flexibility. Paragraph 490. In response to SDG&E, the Commission's intent is not to subject generator operators and distribution providers to the same requirements placed on transmission operators. As part of the modification of this Reliability Standard or development of a new Reliability Standard to include the appropriate telecommunications facility requirements for generator operators and distribution providers, the ERO should take into account what would be required of generator operators and distribution providers in terms of telecommunications for the Reliable Operation of the Bulk-Power System, instead of applying the same requirements as are placed on other reliability entities such as reliability coordinators, balancing authorities and transmission operators."

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Project	Standard	Source	Issue
2006-06	COM-001-1	Order 693	Address TAPS, Entergy, Six Cities, and FirstEnergy concerns through the standard development process. TAPS Paragraph 483. TAPS states that Requirement R1.4 has an ambiguous requirement that, if applied to distribution providers and generator operators, would impose redundancy requirements well beyond what is reasonably necessary for Bulk-Power System reliability. Further it asserts that the NOPR provides no basis for expanding the Reliability Standard to small entities, such as a 2-MW distribution provider or generator, much less than one that has no connection to the bulk transmission system. Finally, TAPS contends that, in making this proposal, the Commission is "over-stepping its bounds" by not leaving it to the ERO's expert judgment whether COM-001-1 has sufficient coverage to protect Bulk-Power System reliability and states that, in any event, applicability should be limited through NERC's registry criteria and definition of bulk electric system.
		Version 0 Team	Apply R1 to all but smallest entities Many players missing Redundant with Policy 5A, R1
		VRFs Team	R6 – administrative requirement
	COM-002-2	NERC Standards DT Coordinators Meeting 20080520	COM-002-2 Communication and Coordination is being reviewed and revised under both Project 2006-06 Reliability Coordination and Project 2007-02 Operating Personnel Communications Protocols; however, it has been agreed that: •Requirement R1will be addressed by the SDT for Project 2006-06 and •Requirement R2 will be addressed by the SDT for Project 2007-02 Operating Personnel Communications Protocols. If either part of this agreement is not maintained, COM-002-2 will need revisited.

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Project	Standard	Source	Issue
2006-06	IRO-001-1	Fill in the Blank Team	Consider removing "Standards of conduct are necessary to ensure the Reliability Coordinator does not act in a manner that favors one market participant over another." from the Purpose section of the standard. Remove ", sub-region, or interregional coordinating group" from R1
		NERC Audit Observation Team	All applicable registered functions shall comply with RC directives unless such actions would violate safety, equipment or regulatory or statutory requirements. Inform the RC immediately of the inability to perform such directives. For audit purposes, what is acceptable evidence?
		Order 693	Consider adding measures and levels of non-compliance. . Further, the Commission directs the ERO to consider adding Measures and Levels of Non-Compliance in the Reliability Standard as requested by APPA.

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Project	Standard	Source	Issue
2006-06	IRO-001-1	Order 693	Consider commenters' suggestions as part of the standards development process. 893. FirstEnergy suggests that NERC clarify whether Requirement R8, which requires entities to comply with a reliability coordinator directive "unless such actions would violate safety, equipment or regulatory or statutory requirements," refers to personnel safety, equipment safety or both. In addition, it suggests the establishment of a chain of command so that, for example, if a generator receives conflicting instructions from a balancing authority and a transmission operator, it can determine which instruction governs. Consider commenters' suggestions as part of the standards development process. Paragraph 892. APPA supports the approval of the Reliability Standard but expresses concern that the Version 1 standard does not include Measures that correspond to Requirements R2 and R9. APPA emphasizes the need for Measures corresponding to Requirement R9, which requires the reliability coordinator to act in the interests of reliability for the overall reliability coordinator area and the Interconnection before the interests of any other entity. APPA supports Requirement R8 with the extended applicability, provided that applicability is determined by reference to the NERC compliance registry. APPA agrees that the regional reliability organization should be eliminated as an applicable entity and suggests it be replaced with Regional Entities. 894. Requirement R3 provides that a reliability coordinator "shall have clear decisionmaking authority to act and direct actions to be taken" by applicable entities to "preserve the integrity and reliability of the Bulk Electric System and these actions shall be taken without delay but no longer than 30 minutes." Santa Clara contends that some actions would require driving to a remote site and therefore, mandating completion of the required action within 30 minutes would be unreasonable. Thus, it recommends that NERC modify Requirement R3 to provide that "actions shall commence without delay, but in any event shall commence within 30 minutes." 895. California Cogeneration comments that the Reliability Standard fails to address the operational limitations of QFs because they have contractual

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Project	Standard	Source	Issue
			obligations to provide thermal energy to their industrial hosts. It contends that a QF can be directed to change operations only in the case of a system emergency, pursuant to 18 CFR § 292.307. Eliminate the references to the regional reliability organization as an applicable entity. Paragraph 896. In the NOPR, the Commission proposed to approve the Reliability Standard as mandatory and enforceable. In addition, as a separate action under section 215(d)(5), the NOPR proposed to direct the ERO to develop modifications to Requirement R1291 to substitute “Regional Entity” for “regional reliability organization” and reflect NERC’s Rules of Procedure for registering, certifying and verifying entities, including reliability coordinators. Commenters do not raise any concerns regarding the proposed action. Accordingly, for the reasons stated in the NOPR, the Commission approves IRO-001-1 as mandatory and enforceable. In addition, for the reasons discussed in the NOPR, the Commission directs the ERO to develop modifications to the Reliability Standard through the Reliability Standards development process that reflect the process set forth in the NERC Rules of Procedures and eliminate the regional reliability organization as an applicable entity.

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Project	Standard	Source	Issue
2006-06	IRO-001-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Version 0 Team	What is meant by 'interest of other entity'? What is meant by 'interest of other entity'? Inability to perform needs to be communicated

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Project	Standard	Source	Issue
2006-06	IRO-001-1	VRFs Team	R6 - Since the RC must be NERC certified, it stands to reason that anyone performing RC tasks should be certified. However, since the RC still retains the accountability for actions, and requirement 4 handles the agreements, this requirement is a medium risk.
			R6 - Since the RC must be NERC certified, it stands to reason that anyone performing RC tasks should be certified. However, since the RC still retains the accountability for actions, and requirement 4 handles the agreements, this requirement is a medium risk.
	IRO-002-1	Order 693	"Require a minimum set of tools that must be made available to the reliability coordinator. Paragraph 905. Further, consistent with the NOPR, the Commission directs the ERO to modify IRO-002-1 to require a minimum set of tools that must be made available to the reliability coordinator. We believe that this requirement will ensure that a reliability coordinator has the tools it needs to perform its functions. Further, as noted by Dominion, such a requirement promotes a more proactive approach to maintaining reliability."
		Version 0 Team	Words such as 'easily understood' and 'particular emphasis' need to be tightened
			R7 – define 'adequate' tools and 'wide-area'
			R5 – define synchronized information system
	IRO-003-2	Order 693	Consider the suggestions of APPA, Entergy, and Xcel when doing so.
			Create criteria to define the term "critical facilities" in a reliability coordinator's area and its adjacent systems.
	IRO-005-1	Fill in the Blank Team	R14 has regional reference

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Project	Standard	Source	Issue
2006-06	IRO-005-1	Order 693	"Conduct a survey on IROL practices and actual operating experiences by requiring reliability coordinators to report any violations of IROLS, their causes, the date and time, the durations and magnitudes in which actual operations exceeds IROLs to NERC. "Measures and levels of non-compliance specific to IROL violations must be commensurate with the magnitude, duration, frequency, and causes of the violations and whether these occur during normal or contingency conditions. Paragraph 951. Accordingly, the Commission approves Reliability Standard IRO-005-1 asmandatory and enforceable. Further, because IRO-005-1 has no Measures or Levels ofNon-Compliance, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of ourregulations, the Commission directs the ERO to develop a modification to IRO-005-1through the Reliability Standards development process that includes Measures and Levelsof Non-Compliance. The Commission further directs that the Measures and Levels of Non-Compliance specific to IROL violations must be commensurate with the magnitude, duration, frequency and causes of the violations and whether these occur during normal or contingency conditions. Include measures and levels of non-compliance. "Provide further clarification that reliability coordinators and transmission operators direct control actions, not LSEs as part of the standard development process. Paragraph 950. We do not share TAPS' concern regarding LSEs initiating load shedding as their own control action to respect IROLs or SOLs. The appropriate control actions to respect IROLs and SOLs are the responsibilities of a reliability coordinator and transmission operator. If load shedding is required, it is the responsibility of a reliability coordinator or a transmission operator to direct the appropriate entities including LSEs to carry it out. However, we urge the ERO to provide further clarification in this regard and include TAPS' concern in developing the modification of this Reliability Standard."

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Project	Standard	Source	Issue
2006-06	IRO-005-1	Version 0 Team	R10, 11 & 12 – RA not empowered to do this
	IRO-014-1	FERC Order 890	"911. The Commission has determined that modifications to the current planning redispatch requirement and creation of a conditional firm option are both necessary for provision of reliable and non-discriminatory point-to-point transmission service. The planning redispatch and conditional firm options represent different ways of addressing similar problems. They can be used to remedy a system condition that occurs infrequently and prevents the granting of a long-term firm point-to-point service. These options also can be used to provide service until transmission upgrades are completed to provide fully firm service. Planning redispatch involves an ex ante determination of whether out-of-merit order generation resources can be used to maintain firm service. Conditional firm involves an ex ante determination of whether there are limited conditions or hours under which firm service can be curtailed to allow firm service to be provided in all other conditions or hours. As we explain below, both techniques are currently used under certain conditions by transmission providers to serve native load and, hence, it is necessary to make comparable services available to transmission customers in order to avoid undue discrimination.".
	IRO-016-1	VRFs Team	R1.2.1 & R2 – ambiguous
2006-07		NAESB Standards Review Subcommittee	NAESB Standards Review Subcommittee as input to the Reliability Standards Development Plan:2010-2012: Should additional work be required to modify standards related to 2006-07, NAESB requests that NERC work with them to ensure their Business Practices and the NERC Reliability Standards remain complementary.

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Project	Standard	Source	Issue
2006-07	FAC-012-1	FERC Order 890	223. With respect to a timeline for completion, the Commission concurs with NERC that a significant amount of work remains to be done on ATC-related reliability standards development. We also agree with the many commenters who state that the NOPR's proposed six-month timeline is too short for such a complex assignment. Although NERC projects that it may be able to complete the process by the summer of 2007 (which is approximately six months from the date of the Final Rule), we believe NERC should have additional flexibility with respect to its timeline. Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. We also direct public utilities to work through NAESB to develop business practices that complement NERC's new reliability standards within 360 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.160
		Fill in the Blank Team	Remove "required by its Regional Reliability Organization to establish inter-regional and intra-regional Transfer Capabilities "from Applicability section (4.1 and 4.2) of both FAC-012 and FAC-013.
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer

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Project	Standard	Source	Issue
2006-07	FAC-012-1	Order 693	Should be an umbrella organization within the Eastern Interconnection and others to assure consistency. This is best done by NERC as the ERO. Process used to determine transfer capabilities should be transparent to the stakeholders. The results of those calculations should be available to qualified entities on a confidential basis. Should provide a framework for transfer capability calculation methodology, including data inputs and modeling assumptions. The process and criteria used to determine transfer capabilities for use in calculating ATC must be identical to those used in planning and operating the system.
		Order 890	237. The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to develop consistent practices for calculating TTC/TFC. We direct public utilities, working through NERC, to address, through the reliability standards process, any differences in developing TTC/TFC for transmission provided under the pro forma OATT and for transfer capability for native load and reliability assessment studies.
		Team Comments	Provide clarity where the Planning Authority is mentioned
	FAC-013-1	FERC Order 890	237. The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to develop consistent practices for calculating TTC/TFC. We direct public utilities, working through NERC, to address, through the reliability standards process, any differences in developing TTC/TFC for transmission provided under the pro forma OATT and for transfer capability for native load and reliability assessment studies.

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Project	Standard	Source	Issue
2006-07	FAC-013-1	FERC Order 890	223. With respect to a timeline for completion, the Commission concurs with NERC that a significant amount of work remains to be done on ATC-related reliability standards development. We also agree with the many commenters who state that the NOPR's proposed six-month timeline is too short for such a complex assignment. Although NERC projects that it may be able to complete the process by the summer of 2007 (which is approximately six months from the date of the Final Rule), we believe NERC should have additional flexibility with respect to its timeline. Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. We also direct public utilities to work through NAESB to develop business practices that complement NERC's new reliability standards within 360 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.160
		Fill in the Blank Team	Remove "required by its Regional Reliability Organization to establish inter-regional and intra-regional Transfer Capabilities "from Applicability section (4.1 and 4.2) of both FAC-012 and FAC-013.
		NERC Audit Observation Team	What do we mean by "schedule for delivery"?

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Project	Standard	Source	Issue
2006-07	FAC-013-1	NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	Make the standard applicable to reliability coordinators.
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Not reviewed
	MOD-001-0	FERC Order 693	we direct the ERO to modify Reliability Standard MOD-001-0 to require disclosure of the algorithms and processes used in ATC calculation, and also to implement the following principles for firm and non-firm ATC calculations: (1) for firm ATC calculations, the transmission provider shall account only for firm commitments and (2) for non-firm ATC calculations, the transmission provider shall account for both firm and non-firm commitments, postbacks of redirected service, unscheduled service and counterflows. direct the ERO to modify Reliability Standard MOD-001-0 to require disclosure of the algorithms and processes used in ATC calculation. In addition, consistent with Order No. 890, the Commission believes that further clarification is necessary regarding the ATC calculation algorithm for firm and non-firm ATC.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	FERC Order 890	295. We offer the following clarifications. In response to Southern, we clarify that we require consistent use of assumptions underlying operational planning for short-term ATC and expansion planning for long-term ATC calculation. We also clarify that there must be a consistent basis or approach to determining load levels. For example, one approach may be for transmission providers to calculate load levels using an on- and offpeak model for each month when evaluating yearly service requests and calculating yearly ATC. The same (peak- and off-peak) or alternative approaches may be used for monthly, weekly, daily and hourly ATC calculations. Regardless of the ultimate choice of approach, it is imperative that all transmission providers use the same approach to modeling load levels to enable the meaningful exchange of data among transmission providers. Accordingly, we direct public utilities, working through NERC, to develop consistent requirements for modeling load levels in MOD-001 for the services offered under the pro forma OATT. 211. As TDU Systems note, there is neither a definition of AFC in NERC's Glossary nor an existing reliability standard that discusses the AFC method. In order to achieve consistency in each component of the ATC calculation (discussed below), we direct public utilities, working through NERC, to develop an AFC definition and requirements used to identify a particular set of transmission facilities as a flowgate. However, we remind transmission providers that our regulations require the posting of ATC values associated with a particular path, not AFC values associated with a flowgate. Transmission providers using an AFC methodology must therefore convert flowgate (AFC) values into path (ATC) values for OASIS posting. In order to have consistent posting of the ATC, TTC, CBM, and TRM values on OASIS, we direct public utilities, working through NERC, to develop in the MOD-001 standard a rule to convert AFC into ATC values to be used by transmission providers that currently use the flowgate methodology.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	FERC Order 890	223. With respect to a timeline for completion, the Commission concurs with NERC that a significant amount of work remains to be done on ATC-related reliability standards development. We also agree with the many commenters who state that the NOPR's proposed six-month timeline is too short for such a complex assignment. Although NERC projects that it may be able to complete the process by the summer of 2007 (which is approximately six months from the date of the Final Rule), we believe NERC should have additional flexibility with respect to its timeline. Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. We also direct public utilities to work through NAESB to develop business practices that complement NERC's new reliability standards within 360 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.160
		Fill in the Blank Team	Depending on new SAR R1 contains regional reference
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 693	Provides for the conversion of AFC to ATC. Provide a framework for ATC, TTC, and ETC calculation, developing industry-wide consistency of all ATC components. Three methodologies are expected: contract path ATC, network ATC, and network AFC. we find that reservations that have the same point of receipt (POR) (generator) but different point of delivery (POD) (load), for the same time frame, should not be modeled in the ETC calculation simultaneously if their combined reserved transmission capacity exceeds the generator's nameplate capacity at a POR. This will prevent unrealistic use of transmission capacity associated with power output from a generator identified as a POR. One approach that could be used is examining historical patterns of actual reservation use during a particular season, month, or time of day. direct the ERO to develop in MOD-001-0 a requirement that each transmission service provider provide on OASIS its OATT Attachment C, in which Order No. 890 requires transmission providers to include a detailed description of the specific mathematical algorithm the transmission provider uses to calculate both firm and non-firm ATC for various time frames such as: (1) the scheduling horizon (same day and real-time), (2) operating horizon (day ahead and pre-schedule) and (3) planning horizon (beyond the operating horizon). In addition, a transmission provider must include a process flow diagram that describes the various steps that it takes in performing the ATC calculation. the Commission directs the ERO to modify Reliability Standard MOD-001-0 to require ATC to be updated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, e.g., generation and transmission outages, load forecasts, interchange schedules, transmission reservations, facility ratings and other necessary data. This process must also consider whether ATC should be calculated more frequently for constrained facilities.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 693	Regarding transmission reservations modeling, we direct the ERO to develop requirements in Reliability Standard MOD-001-0 that specify: (1) a consistent approach on how to simulate reservations from points of receipt to points of delivery when sources and sinks are unknown and (2) how to model existing reservations. With respect to modeling of generation dispatch, we direct the ERO to develop requirements in MOD-001-0 specifying how transmission providers should determine which generators should be modeled in service, including guidance on how independent generation should be considered. Accordingly, we direct the ERO to revise Reliability Standard MOD-001-0 by specifying that base generation dispatch will model: (1) all designated network resources and other resources that are committed to or have the legal obligation to run, as they are expected to run and (2) all uncommitted resources that are deliverable within the control area, economically dispatched as necessary to meet balancing requirements. Accordingly, we direct the ERO to develop consistent requirements for modeling load levels in MOD-001-0 Include a requirement that assumptions used in the ATC and AFC calculations should be consistent with those used for planning the expansion of or operation of the bulk power system. identifies to whom MOD-001-0 Reliability Standards apply, i.e., users, owners and operators of the Bulk-Power System. Require disclosure of algorithms for both firm and non-firm ATC and processes used in the calculation.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 693	The Commission directs the ERO to develop a consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses. We expect that the ERO will address ETC through the MOD-001-0 Reliability Standard rather than through a separate Reliability Standard. we determine that ETC should be defined to include committed uses of the transmission system, including: (1) native load commitments (including network service); (2) grandfathered transmission rights; (3) firm and non-firm point-to-point reservations; (4) rollover rights associated with long-term firm service and (5) other uses identified through the ERO process. ETC should not be used to set aside transfer capability for any type of planning or contingency reserve; these are to be addressed through CBM and TRM. In addition, in the short-term ATC calculation, all reserved but unused transfer capability (non-scheduled) must be released as non-firm ATC. there is neither a definition of AFC/TFC (Total Flowgate Capability) in the ERO's glossary nor an existing Reliability Standard that discusses AFC. Consistent with our approach to achieving consistency and transparency, we direct the ERO to develop AFC/TFC definitions and requirements used to identify a particular set of transmission facilities as flowgates. Identify applicable entities in terms of users, owners, and operators of the bulk power system. Focus of ATC/AFC with this standard; FAC-012-1 should focus on TTC/TFC. Applicable entities must make available their assumptions and contingencies underlying ATC and TTC calculations. Require ATC to be updated on a consistent time interval.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 693	Identify a detailed list of information to be exchanged among transmission providers for the purposes of ATC modeling.
		Order 890	245. We agree with TDU Systems that inclusion of all requests for transmission service in ETC would likely overstate usage of the system and understate ATC. We therefore find that reservations that have the same point of receipt (POR) (generator) but different point of delivery (POD) (load), for the same time frame, should not be modeled in the ETC calculation simultaneously if their combined reserved transmission capacity exceeds the generator's nameplate capacity at POR. This will prevent overly unrealistic utilization of transmission capacity associated with power output from a generator identified as a POR. We direct public utilities, working through NERC, to develop requirements in MOD-001 that lay out clear instructions on how these reservations should be accounted. One approach that could be used is examining historical patterns of actual reservation use during a particular season, month, or time of day. 292. The Commission also adopts the NOPR proposal to require transmission providers to use data and modeling assumptions for the short- and long-term ATC calculations that are consistent with that used for the planning of operations and system expansion, respectively, to the maximum extent practicable. This includes, for example: (1) load levels, (2) generation dispatch, (3) transmission and generation facilities maintenance schedules, (4) contingency outages, (5) topology, (6) transmission reservations, (7) assumptions regarding transmission and generation facilities additions and retirements, and (8) counterflows. We find that requiring consistency in the data and modeling assumptions used for ATC calculations will remedy the potential for undue discrimination by eliminating discretion and ensuring comparability in the manner in which a transmission provider operates and plans its system to serve native load and the manner in which it calculates ATC for service to third parties. The Commission directs public utilities, working through NERC, to modify ATC standards to achieve this consistency.

Issues List

Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	244. In order to provide specific direction to public utilities and NERC, we determine that ETC should be defined to include committed uses of the transmission system,including (1) native load commitments (including network service), (2) grandfathered transmission rights, (3) appropriate point-to-point reservations,170 (4) rollover rights associated with long-term firm service, and (5) other uses identified through the NERC process. ETC should not be used to set aside transfer capability for any type of planning or contingency reserve, which are to be addressed through CBM and TRM.171 In addition, in the short-term ATC calculation, all reserved but unused transfer capability (non-scheduled) shall be released as non-firm ATC. 237. The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to develop consistent practices for calculating TTC/TFC. We direct public utilities, working through NERC, to address, through the reliability standards process, any differences in developing TTC/TFC for transmission provided under the pro forma OATT and for transfer capability for native load and reliability assessment studies.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	212. The Commission also believes that further clarification is necessary regarding the calculation algorithms for firm and non-firm ATC.150 Currently, NERC has no standards for calculating non-firm ATC. We find that the same potential for discrimination exists for non-firm transmission service as for firm service and that greater uniformity in both firm and non-firm ATC calculations will substantially reduce the remaining potential for undue discrimination. Therefore, we direct public utilities, working through NERC, to modify related ATC standards by implementing the following principles for firm and non-firm ATC calculations: (1) for firm ATC calculations, the transmission provider shall account only for firm commitments; and (2) for non-firm ATC calculations, the transmission provider shall account for both firm and non-firm commitments, postbacks of redirected services, unscheduled service, and counterflows. We understand that these principles are currently followed by most transmission providers and believe they should be clearly set forth in the ATC-related reliability standards. As described below, each transmission provider's Attachment C must include a detailed formula for both firm and non-firm ATC, consistent with the modified ATC-related reliability standards. 243. To achieve greater consistency in ETC calculations and further reduce the potential for undue discrimination, the Commission adopts the NOPR proposal and directs public utilities, working through NERC and NAESB, to develop a consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses. We expect that NERC will address ETC through the MOD-001 reliability standard rather than through a separate reliability standard.169 By using MOD-001, the ETC calculation can be adjusted to be applicable to each of the three ATC methodologies under development by NERC.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	293. With regard to EPSA's request for the standardization of additional data inputs, we believe they are already captured in the Commission's proposal as adopted in this Final Rule. Xcel asks the Commission to require consistency in the determination of counterflows in the calculation of ATC. Counterflows are included in the list of assumptions that public utilities, working through NERC, are required to make consistent. We believe that counterflows, if treated inconsistently, can adversely affect reliability and competition, depending on how they are accounted for. Accordingly, we reiterate that public utilities, working through NERC and NAESB, are directed to develop an approach for accounting for counterflows, in the relevant ATC standards and business practices. We find unnecessary Xcel's request that we require a date certain for specific issues in the Western Interconnection to be addressed. Above we require public utilities,working through NERC, to modify the ATC standards within 270 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	296. With respect to modeling of generation dispatch, we direct public utilities, working through NERC, to develop requirements in NERC's MOD-001 reliability standard specifying how transmission providers shall determine which generators should be modeled in service, including guidance on how independent generation should be considered. We agree with Ameren that any modeling of base generation dispatch must model generators, including merchant generators, as they are expected to run. Accordingly, we direct public utilities, working through NERC, to revise reliability standard MOD-001 by specifying that base generation dispatch will model (1) all designated network resources and other resources that are committed or have the legal obligation to run, as they are expected to run and (2) uncommitted resources that are deliverable within the control area, economically dispatched as necessary to meet balancing requirements. In order to have consistent posting of the ATC, TTC, CBM, and TRM values on OASIS, we direct public utilities, working through NERC, to develop in the MOD-001 standard a rule to convert AFC into ATC values to be used by transmission providers that currently use the flowgate methodology. In order to achieve consistency in each component of the ATC calculation (discussed below), we direct public utilities, working through NERC, to develop an AFC definition and requirements used to identify a particular set of transmission facilities as a flowgate. In addition, in the short-term ATC calculation, all reserved but unused transfer capability (non-scheduled) shall be released as non-firm ATC.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	301. The Commission adopts the NOPR proposal and requires the development of reliability standards that ensure ATC is calculated at consistent intervals among transmission providers. The Commission thus directs public utilities, working through NERC and NAESB, to revise reliability standard MOD-001 to require ATC to be recalculated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, e.g., generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. This process must also consider whether ATC should be calculated more frequently for constrained facilities. ATC-related requirements for OASIS posting are discussed below. 310. The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to revise the related MOD reliability standards to require the exchange of data and coordination among transmission providers and, working through NAESB, to develop complementary business practices. The following data shall, at a minimum, be exchanged among transmission providers for the purposes of ATC modeling: (1) load levels; (2) transmission planned and contingency outages; (3) generation planned and contingency outages; (4) base generation dispatch; (5) existing transmission reservations, including counterflows; (6) ATC recalculation frequency and times; and (7) source/sink modeling identification. The Commission concludes that the exchange of such data is necessary to support the reforms requiring consistency in the determination of ATC adopted in this Final Rule. As explained above, transmission providers are required to coordinate the calculation of TTC/TFC and ATC/AFC with others and this requires a standard means of exchanging data. We direct public utilities, working through NERC, to develop consistent requirements for modeling load levels in MOD-001 for the services offered under the pro forma OATT.

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Project	Standard	Source	Issue
2006-07	MOD-001-0	Order 890	We offer the following clarifications. In response to Southern, we clarify that we require consistent use of assumptions underlying operational planning for short-term ATC and expansion planning for long-term ATC calculation. 389. We affirm our statement in the NOPR proposal acknowledging that transfer capability associated with transmission reservations that are not scheduled in real time is required to be made available as non-firm, and posted on OASIS. Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. 297. Regarding transmission reservations modeling, we direct public utilities, working through NERC, to develop requirements in reliability standard MOD-001 that specify (1) a consistent approach on how to simulate reservations from points of receipt to points of delivery when sources and sinks are unknown and (2) how to model existing reservations.
		Version 0 Team	Need to include BA List those not required to post ATC Delete – NAESB business Delete 'in conjunction with members' as not part of NERC's concern Clarify R.1.7
	MOD-002-0	Fill in the Blank Team	Currently under revision

Issues List

Project	Standard	Source	Issue
2006-07	MOD-002-0	NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Version 0 Team	Evidence = mail receipt Should be in conjunction with BA Should be with NAESB
	MOD-003-0	Fill in the Blank Team	Currently under revision.
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	Consider APPA's suggestion that MOD-003 may be redundant and should be eliminated through the standards development process if certain reporting requirements are included in MOD-001.

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Project	Standard	Source	Issue
2006-07	MOD-003-0	Version 0 Team	Recourse needs to be specified Need to include BA
	MOD-004-0	FERC Order 890	260. We direct public utilities, working through NERC, to develop clear requirements for allocating CBM over transmission paths and flowgates. While we do not mandate a particular methodology for allocating CBM to paths and flowgates, one approach could be based on the location of the outside resources or spot market hubs that an LSE has historically relied on during emergencies resulting from an energy deficiency. 204 While changes requiring a reevaluation of CBM are longer-term in nature (e.g., installation of a new generator or a long-term outage), quarterly may be too frequent, though two years may be too long and may prevent a portion of the CBM setaside from being released as ATC. Moreover, annual reevaluation is consistent with the current NERC standard being developed in MOD-005.205 The requirement to evaluate CBM at least every year also is consistent with the CBM Order in that the Commission directed transmission providers to periodically reevaluate their generation reliability needs so as to make known the need for CBM and to post on OASIS their practices in this regard.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	FERC Order 890	273. The Commission also adopts the NOPR proposal to establish standards specifying the appropriate uses of TRM to guide NERC and NAESB in the drafting process. Transmission providers may set aside TRM for (1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process. Because load, facility loading and other uncertainties constantly deviate, we will not require that TRM set aside capacity be set at zero in the non-firm ATC calculation. In other words, we will not require transfer capability that is set aside as TRM to be sold on a non-firm basis. We find that clear specification in this Final Rule of the permitted purposes for which entities may reserve CBM and TRM will virtually eliminate double-counting of TRM and CBM.
		Fill in the Blank Team	Currently under revision
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	Ensure that CBM, TRM, and ETC cannot be used for the same purpose, e.g. loss of the identical generating unit. Clarify that CBM shall be set aside upon request of any LSE within a balancing area to meet its verifiable historical, state, RTO, or regional generation reliability criteria.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	Order 693	We continue to believe this Reliability Standard should be modified to include a provision ensuring that CBM, TRM and ETC cannot be used for the same purpose, such as loss of the identical generating unit. In order to limit misuse of transfer capability set aside as CBM, we direct the ERO to provide more specific requirements for how CBM should be determined and allocated across transmission paths or flowgates. Consider APPA's suggestion that MOD-004 may be redundant and could be eliminated is MOD-002 is modified to include reporting requirements. Coordinate with NAESB business practices. Make clear the process for how CBM is allocated across transmission paths or flowgates. Develop requirements regarding transparency of the generation planning studies used to determine CBM values. Add LSE as an applicable entity.
		Order 890	259. To ensure CBM is used for its intended purpose, CBM shall only be used to allow an LSE to meet its generation reliability criteria. Consistent with Duke's statement, we clarify that each LSE within a transmission provider's control area has the right to request the transmission provider to set aside transfer capability as CBM for the LSE to meet its historical, state, RTO, or regional generation reliability criteria requirement such as reserve margin, loss of load probability (LOLP), the loss of largest units, etc.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	Order 890	The Commission also adopts the NOPR proposal to establish standards specifying the appropriate uses of TRM to guide NERC and NAESB in the drafting process. Transmission providers may set aside TRM for (1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process. In addition, we direct that transmission set aside as CBM shall be zero in non-firm ATC calculations. Finally, we order public utilities to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage. 261. We concur with TAPS' proposal that all LSEs should have access to CBM and meaningful input into how much transfer capability is set aside as CBM. In the transparency section below, we provide detailed requirements regarding availability of documentation used to determine the amount of transfer capability to be set aside as CBM and the posting of CBM values and narratives. Access to this documentation will enable LSEs to validate how much transfer capability is set aside as CBM on each system and provide them with information to question whether the set-aside is consistent with the reliability standards and this Final Rule.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	Order 890	262. Concerning TAPS' proposal to remove the reservation decision from the sole discretion of transmission providers, we determine that LSEs should be permitted to call for use of CBM, if they do so pursuant to conditions established in the reliability standards development process. We direct public utilities working through NERC to modify the CBM-related standards to specify the generation deficiency conditions during which an LSE will be allowed to use the transfer capability reserved as CBM. In addition, we direct that transmission set aside as CBM shall be zero in non-firm ATC calculations. Finally, we order public utilities to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage. 257. The Commission therefore adopts a combination of the NOPR options one and two, and declines to adopt option three. First, we require public utilities, working through NERC and NAESB, to develop clear standards for how the CBM value shall be determined, allocated across transmission paths, and used. We understand that NERC has already begun the process of modifying several of the CBM-related reliability standards and that the drafting process is a joint project with NAESB. Second, we require transmission providers to reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	Order 890	256. The Commission concludes that it is appropriate to allow LSEs to retain the option of setting aside transfer capability in the form of CBM to maintain their generation reliability requirement. We agree with commenters that, without CBM, LSEs would have to increase their generation reserve margins by contracting for generation capacity, which may result in higher costs without additional reliability benefits. We require, however, the development of standards for how CBM is determined, allocated across transmission paths, and used in order to limit misuse of transfer capability set aside as CBM. Transmission providers also must reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service to ensure comparable treatment for point-to-point to customers. 358. The Commission incorporates into its regulations the requirement in the CBM Order for a transmission provider to periodically reevaluate its transfer capability setaside for CBM. With respect to TAPS' concerns over the effort involved in the reevaluation process, we will require CBM studies to be performed at least every year. This requirement is consistent with the CBM Order, in which the Commission stated that the level of ATC set aside for CBM should be reevaluated periodically to take into account more certain information (such as assumptions that may not have, in fact, materialized.) Because load, facility loading and other uncertainties constantly deviate, we will not require that TRM set aside capacity be set at zero in the non-firm ATC calculation. In other words, we will not require transfer capability that is set aside as TRM to be sold on a non-firm basis. We find that clear specification in this Final Rule of the permitted purposes for which entities may reserve CBM and TRM will virtually eliminate double-counting of TRM and CBM.

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Project	Standard	Source	Issue
2006-07	MOD-004-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Version 0 Team	Regional coordination missing RRO members not a NERC issue Restrictions on TSP unfair

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Project	Standard	Source	Issue
2006-07	MOD-004-0	Version 0 Team	Gen. planning criteria not available
	MOD-005-0	Fill in the Blank Team	Currently under revision
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	Consider APPA's comment to incorporate MOD-004 and MOD-005 into MOD-006 through the standards development process.
		Version 0 Team	Relationship between shared reserves & CBM
			Some systems are exempt and aren't noted here
			Remove reference to members

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Project	Standard	Source	Issue
2006-07	MOD-006-0	NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	We adopt the NOPR proposal that CBM should be used only when the LSE's local generation capacity is insufficient to meet balancing Reliability Standards, with the clarification that the local generation is that generation capacity that is either owned or contracted for by the LSE. Expand applicability section to include entities that use CBM, such as LSEs. CBM should be zero in the calculation of non-firm ATC. Modify requirement R1.2 to define generation deficiency based on a specific energy emergency alert level. CBM should be used for emergency generation deficiencies. Include a requirement that CBM and TRM will not be used for the same purpose. We direct that CBM may be implemented up to the reserved value when a LSE is facing firm load curtailments.
		Version 0 Team	CBM restrictions unfair and could lead to unreliability

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Project	Standard	Source	Issue
2006-07	MOD-006-0	Version 0 Team	CBM is import only
	MOD-007-0	NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Order 693	Expand applicability section to include balancing authorities as well. Expand applicability section to include entities that use CBM, such as LSEs.
		Version 0 Team	Definition required as to who and when to report to
	MOD-008-0	Fill in the Blank Team	Currently under revision
		NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer

Issues List

Project	Standard	Source	Issue
2006-07	MOD-008-0	Order 693	Clear requirements for availability of documentation that supports TRM determination. Clear requirements for permitted purposes for which TRM can be set aside and used. Include clear requirements for how TRM should be calculated, including a methodology for determining maximum TRM values, and allocated across paths. Expand the applicability to include planning authorities and reliability coordinators.
		Order 890	275. In addition, we direct public utilities, working through NERC, to establish an appropriate maximum TRM. One acceptable method may be to use a percentage of ratings reduction, i.e., model the system assuming all facility ratings are reduced by a specific percentage. This is a relatively simple method and, if adopted as the reliability standard's method, should not restrict a transmission provider from using a more sophisticated method that may allow for greater ATC without reducing overall reliability. 272. The Commission adopts the NOPR proposal and requires public utilities, working through NERC, to complete the ongoing process of modifying TRM standards MOD-008 and MOD-009. We understand that the standard drafting process is underway as a joint project with NAESB.
		Version 0 Team	RRO in conjunction with its members is not NERC subject matter Exemptions missing
	MOD-009-0	Fill in the Blank Team	Currently under revision

Issues List

Project	Standard	Source	Issue
2006-07	MOD-009-0	NERC/NAESB Coordination	The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Firm Transmission Service Network Integration Transmission Service Non-Firm Transmission Service Open Access Same-time Information System Point-to-Point Transmission Service Transmission Customer
		Version 0 Team	Margin values not provided to users
2006-08		NAESB Standards Review Subcommittee	NAESB Standards Review Subcommittee as input to the Reliability Standards Development Plan:2010-2012: NAESB requests that NERC continue its coordination with NAESB on this project.
	IRO-006-3	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT should review the definition of the following term and coordinate with NAESB so that the definition is consistent between NERC and NAESB: Reallocation
		Order 693	Consider the suggestions of MidAmerican and Xcel when developing the modification. Include a clear warning that TLR procedures are not appropriate and not effective to mitigate an actual IROL violation. Identifies the available alternatives to mitigate an IROL violation other than the use of the TLR procedure.

Issues List

Project	Standard	Source	Issue
2006-08	IRO-006-3	Order 693	Modify the WECC and ERCOT load relief procedures to ensure consistency with the standard form of the reliability standard including requirements, measures, and levels of non-compliance.
		Version 0 Team	Some inconsistencies with current usage
			Usage of TLR log questioned
		VRFs Team	R2.1, .2 & .3 – not a requirement, just a suggested instruction
			R6 – redundant
	IRO-006-4	Order 713-A INT and TLR Standards	directs the ERO to develop a modification of Requirement R1.1 with respect to the term “alone,” consistent with this discussion.

Issues List

Project	Standard	Source	Issue
2006-08	MOD-010-0	ATFNSDT	The ATFNSDT identified several issues with regard to modeling data during their deliberations on revising the TPL standards. At one time, they talked about incorporating the gaps they found in TPL but after some deliberation and multiple comments, it was decided to pass them over to the eventual MOD SDT for inclusion in their SAR and the ultimate revisions to MOD-010. These items need to be entered in the issues database so that they are accurately passed on to that SDT: Each Distribution Provider shall provide its respective Planning Coordinator with modeling information for real and reactive Load forecast data for each year of the Transmission planning horizon at Transmission nodes based on expected or historical System performance including the expected mix of industrial, commercial, and residential Loads, within ninety days of a request for such information. Each Transmission Planner shall provide its respective Planning Coordinator with modeling information for Firm Transmission Service data, Interchange Schedules, and resources required to supply Load for each of its Balancing Authorities for each year of the Transmission planning horizon, within ninety days of a request for such information. Each Transmission Owner shall provide its respective Planning Coordinator with modeling information for known planned outages and long-term outages for Transmission equipment for each year of the Transmission planning horizon with consideration given to spare equipment strategy, within ninety days of a request for such information. Each Generator Owner shall provide its respective Planning Coordinator with modeling information for known planned outages and long-term outages for generation equipment for each year of the Transmission planning horizon, within ninety days of a request for such information. Each Resource Planner shall provide its respective Planning Coordinator with the modeling information for new planned Facilities for each year of the Transmission planning horizon including but not limited to generators, Reactive Power devices, and new technologies, within ninety days of a request for such information. Each Transmission Planner shall provide its respective Planning Coordinator with modeling information for new planned Facilities for each year of the Transmission planning horizon including but not limited to Transmission

Issues List

Project	Standard	Source	Issue
			Lines, circuit breakers, Reactive Power devices, Protection System equipment and control devices, and new technologies, within ninety days of a request for such information. These items are seen as gaps in the supply of modeling data that need to be filled. The revised TPL standards will require that a TP/PC use this data and place the onus on acquiring it on the TP/PC. FERC staff is concerned that this approach is lacking in that it doesn't have a corresponding requirement for the applicable entities to supply said data and want to make certain that this 'gap' is eventually closed in MOD.
	TLR Family	Other	Gerry, Hey, I was looking something up in the standards and I couldn't find a definition for "TLR." I ended up downloading the whole set of standards and doing a search. I finally found it. Should TLR be included in the glossary? Kevin J. Conway NERC Reliability Readiness Evaluator North American Electric Reliability Corporation 116-390 Village Blvd. Princeton, NJ 08540-5721 Cellular Phone: 509-750-5441 kevin.conway@nerc.net
2006-09	FAC-008-1	Order 693	Consider International Transmission's comments regarding applying this directive only for lines where the conductor itself is not the limiting element as part of the standards development process. Consider the comments by the Valley Group regarding dynamic line ratings as part of the standards development process.

Issues List

Project	Standard	Source	Issue
2006-09	FAC-008-1	Order 693	Consider Xcel's comments that an actual test be used by generator operators to determine capabilities as part of the standards development process. Consider comments from FirstEnergy and MISO that generators will have difficulty determining the increase in ratings due to the next limiting element through the standards development process. Consider FirstEnergy's comments that compliance with NRC rating methodologies should be assumed to comply with NERC reliability standards as part of the standards development process. Identify and document the limiting component for all facilities and the increase in rating if that component were no longer the limiting component, i.e. the rating for the second-most limiting component, for facilities associated with an IROL, a limitation of TTC, an impediment to generator deliverability, or an impediment to service in major cities or load pockets. Consider comments raised by LPPC and MRO as part of the standards development process. Ensure that the methodology chosen is consistent with standards developed in an open process like IEEE or CIGRE. Require transmission and generator facility owners to document underlying assumptions and methods used to determine normal and emergency facility ratings. Consider EEI's suggestion for having this information available for review upon request of a registered user, owner, and operator as part of the standards development process.

Issues List

Project	Standard	Source	Issue
2006-09	FAC-008-1	Order 693	Add or update the compliance measures in the standard as part of the standards development process.
		Team Comments	Provide clarity where the Planning Authority is mentioned
	FAC-009-1		Provide clarity where the Planning Authority is mentioned
2007-01	PRC-006-0	Fill in the Blank Team	PRC-006 will be a continent-wide standard supported by Regional Reliability Standards. Development of regional standards needs to be coordinated with Regional entities. Regional entities should begin process for developing regional standards once the drafting team for the North American standard has determined what elements of UFLS should be included in the continent-wide standard and what elements should be included in the regional standards. Determine what elements (if any) of UFLS should be included in the North American standard and what elements should be included in the regional standards. Modify R1 to require each Region to develop a regional standard, and Related PRC-007, PRC-008, and 009.
		Order 693	Transfer responsibility from the regional reliability organization to the regional entity.
		Version 0 Team	Not a standalone standard Who do you submit compliance material to?

Issues List

Project	Standard	Source	Issue
2007-01	PRC-006-0	Version 0 Team	Need to define evidence
	PRC-007-0	Fill in the Blank Team	Coordinated with PRC-006.
			Change "program" to "standard” in R1.
			The regional procedures need to be converted to a standard to implement this.

Issues List

Project	Standard	Source	Issue
2007-01	PRC-007-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Version 0 Team	Need to include RA Need to refine levels of non-compliance
	PRC-009-0	Fill in the Blank Team	Change "program" to "standard'.

Issues List

Project	Standard	Source	Issue
2007-01	PRC-009-0	Fill in the Blank Team	See notes for PRC-007.

Issues List

Project	Standard	Source	Issue
2007-01	PRC-009-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Version 0 Team	Exemptions for those with shunt reactors who don't shed load 90 days vs. 30 days Define evidence

Issues List

Project	Standard	Source	Issue
2007-02	COM-001-1	NERC Standards DT Coordinators Meeting 20080520	COM-001-1 Telecommunications is being reviewed and revised under Project 2006-06 Reliability Coordination; however, it has been agreed that all requirements of COM-001-1 except R4 will be addressed by the SDT for Project 2006-06 and that requirement R4 will be addressed by the SDT for Project 2007-02 Operating Personnel Communications Protocols. If either part of this agreement is not maintained, COM-001-1 will need revisited.
		Order 693	Although we direct that the regional reliability organization should not be the compliance monitor for NERCNet, we leave it to the ERO to determine whether it is the appropriate compliance monitor or if compliance should be monitored by the Regional Entities for NERCNet User Organizations
	COM-002-2	NERC Standards DT Coordinators Meeting 20080520	"COM-002-2 Communication and Coordination is being reviewed and revised under both Project 2006-06 Reliability Coordination and Project 2007-02 Operating Personnel Communications Protocols; however, it has been agreed that:•Requirement R1will be addressed by Project 2006-06" Requirements R1, R3, R4, and R5 (for coordination in planning time frame) of PRC-001-1 System Protection Coordination are better addressed in COM-002 Communications and Coordination. (Note: These requirements are being removed from PRC-001 under Project 2007-06 System Protection. If this recommendation is not implemented, PRC-001 will need revisited.)
		Order 693	Address Santa Clara, FirstEnergy, and Six Cities concerns in the reliability standards development process. Establish tightened communication protocols, especially for communications during alerts and emergencies. Establish uniformity to the extent practical on a continent-wide basis.

Issues List

Project	Standard	Source	Issue
2007-02	COM-002-2	Order 693	Consider Xcel's suggestion that the entity taking operating actions should not be held responsible for the delays caused by the reliability coordinator's assessment and approval. Include a requirement for the reliability coordinator to assess and approve only those actions that have impacts beyond the area views of the transmission operators and balancing authorities. Include how to determine whether an action needs to be assessed by the reliability coordinator. Include distribution providers in the list of applicable entities. Regarding APPA's suggestion that it may be beneficial to include communication protocols in the relevant Reliability Standard that governs those types of emergencies, we direct that it be addressed in the Reliability Standards Development process. Address APPA's concern through the standard development process.
		Version 0 Team	R1 – include reliability authority R4 – clarify repeat back requirement with regard to emergency R2 – include sabotage and security R4 – clarify repeat back requirement with regard to emergency R2 – include sabotage and security Voice with generators not required
		Version 1 Team	Voice with generators not required

Issues List

Project	Standard	Source	Issue
2007-02	COM-002-2	Version 1 Team	R4 – clarify repeat back requirement with regard to emergency R1 – include reliability authority R2 – include sabotage and security
	TOP-001-1	Version 0 Team	Need to define single, central communications point during emergencies
2007-03	PER-001-0		Data retention should be 1 year
	PRC-001-1	Order 693	Clarify the term “corrective action”. 1440. We believe that “[t]he transmission operator shall take corrective action as soon as possible” refers to transmission operators taking operator control actions. It does not refer to troubleshooting, repairing or replacing failed relays or equipment, etc., since these time-consuming corrective actions would prolong the risk of cascading failures to the Bulk-Power System. 1441…. We direct the ERO to clarify the term “corrective action” consistent with this discussion when it modifies PRC-001-1 in the Reliability Standards development process. 1420. Once informed, transmission operators must carry out corrective control actions that return the system to a stable state that respects system requirements as soon as possible and no longer than 30 minutes. 1440. “[t]he transmission operator shall take corrective action as soon as possible” refers to transmission operators taking operator control actions. It does not refer to troubleshooting, repairing or replacing failed relays or equipment, etc., since these time-consuming corrective actions would prolong the risk of cascading failures to the Bulk-Power System.

Issues List

Project	Standard	Source	Issue
2007-03	PRC-001-1	Order 693	Upon detection of failures in relays or protection system elements on the bulk power system that threaten reliability, relevant transmission operators must be informed promptly, but within a specified period of time. -- (2) a requirement that transmission and generator operators be informed immediately upon the detection of failures in relays or protection system elements on the Bulk-Power System that would threaten reliable operation, so that these entities could carry out appropriate corrective control actions consistent with those used in mitigating IROL violations. Consider FirstEnergy's and the California PUC's comments about the maximum time for corrective actions in the standards development process. 1428. California PUC contends that imposing a time restriction for returning a system to a stable state may cause more harm than good since additional information and options may be available as time elapses. It repeats its suggestion from its earlier comments on the Staff Preliminary Assessment and proposes the following alternative language: "Transmission or generation operators shall carry out corrective control actions, i.e., returning the system to a stable state that respects system requirements as soon as possible, and no longer than 30 minutes, except where a longer response time is feasible, or where a longer response is demonstrated to produce a better ultimate solution without unacceptable interim risk." 1431. FirstEnergy contends that Requirement R2.1 essentially requires generator operators to report all protective relay or equipment failures, since generator operators may not be able to tell which failures will reduce system reliability. FirstEnergy suggests that R2.1 should be revised to require generator operators to report all equipment failures or outages. FirstEnergy further suggests that PRC-001-1 be revised to provide that if a company performs reasonable testing procedures, undiscoverable equipment failures will not be violations of R2.1.
	TOP-001-1	FERC Order 693	1585 - Clarify the definition of "emergency" and define the criteria for entering into the various states. Also define the authority for declaring these states.

Issues List

Project	Standard	Source	Issue
2007-03	TOP-001-1	NERC Audit Observation Team	Does this imply that a GOP can call another GOP and request an output change without going through the RC, BA or TOP?
		Order 693	1580 - Consider adding other measures and levels of non-compliance.
			1588 - Consider Santa Clara's comments on requirements R7.2 and R7.3 on transmission operator notification requirements as part of the standards development process.
		Version 0 Team	Need to expand included entities
			Some emergencies will require follow up notification as opposed to immediate
			Define emergency
			What is 'clear decision making authority'?
	TOP-002-1	Fill in the Blank Team	Remove "in accordance with NERC, Regional Reliability Organization, subregional, and local reliability requirements" from R6 and "in accordance with filed tariffs and/or regional Total Transfer Capability and Available Transfer Capability calculation processes" from R12 .
		Version 0 Team	Coordination of planning required
			Reliability should 'trump' confidentiality
			Define 'without intentional delay'
			Limit of 2 tests per year
			Define N-1

Issues List

Project	Standard	Source	Issue
2007-03	TOP-002-1	VRFs Team	R9 – related to INT-003
			R14 & 14.1 – ambiguous
			R2 – administrative in nature, not a real requirement
	TOP-002-2	NERC Standards DT Coordinators Meeting 20080520	Requirements R2, R5, and R6 (for coordination in real-time) of PRC-001-1 System Protection Coordination are better addressed in the TOP family of standards: Consider putting R5 of PRC-001-1 in: TOP-002 R1, R3, R4, or R5 or TOP-003 – R1, R3, R4
			(Note: These requirements are being removed from PRC-001 under Project 2007-06 System Protection. If this recommendation is not implemented, PRC-001 will need revisited.)
		Order 693	1608 - Address critical energy infrastructure confidentiality as part of the routine standard development process.
			1603 - Inform the nuclear plant operator in real-time if the auxiliary power bus voltages cannot be maintained.
			1608 - Requires next-day analysis of minimum voltages at nuclear power plants auxiliary power buses.
			1608 - Next-day analysis for all IROLs must identify and communicate control actions to system operators that can be implemented within 30 minutes following a contingency.
			1607 - Consider the comments of ISO-NE and the NRC with respect to requirement R12 and measure M7 as part of the standard development process.

Issues List

Project	Standard	Source	Issue
2007-03	TOP-002-2	Order 693	1608 - Delete references to confidentiality in requirements R3 and R4. Commenters did not take issue with the proposed interpretation of the term “deliverability” as “the ability to deliver the output from generation resources to firm load without any reliability criteria violations for plausible generation dispatches.” The Commission adopts this proposed interpretation. In order to ensure the necessary clarity, the term as used in Requirement R7 of TOP-002-2 should be understood in this manner. 1608 - Requires simulation contingencies to match what will actually happen in the field.

Issues List

Project	Standard	Source	Issue
2007-03	TOP-002-2	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
	TOP-003-0	Frank Gaffney (FMPA) RSDP Input	With respect to requirement R1.2, why is the TOP responsible for providing generator outage information? Isn't that the BA's or GOP's responsibility and isn't this redundant with IRO-010-1?

Issues List

Project	Standard	Source	Issue
2007-03	TOP-003-0	NERC Standards DT Coordinators Meeting 20080520	Requirements R2, R5, and R6 (for coordination in real-time) of PRC-001-1 System Protection Coordination are better addressed in the TOP family of standards: •Consider putting R5 of PRC-001-1 in: TOP-002 R1, R3, R4, or R5 or TOP-003 – R1, R3, R4 •Consider putting R6 of PRC-001-1 in: TOP-003 R5 or TOP-006 (Note: These requirements are being removed from PRC-001 under Project 2007-06 System Protection. If this recommendation is not implemented, PRC-001 will need revisited.)
		Order 693	1622 - Consider TVA's suggestion for including breaker outages within the meaning of facilities that are subject to advance notice for planned outages. 1624 - Require any facility, that in the opinion of the reliability coordinator, balancing authority, or transmission operator, will have a direct impact on the reliability of the bulk power system be subject to the requirement R1 for planned outage coordination 1626 - Incorporate an appropriate lead time for planned outages using suggestions from the various commenters. 1626 - Communicate scheduled outages to all affected entities well in advance to ensure reliability and accuracy of ATC calculations.
		Version 0 Team	RA can't request outage cancellation Outage information needed sooner than 1 day prior Submit outage data ASAP but no later than noon day ahead

Issues List

Project	Standard	Source	Issue
2007-03	TOP-003-0	VRFs Team	R4 – poorly written
	TOP-004-1	Fill in the Blank Team	No action required
		NERC Audit Observation Team	Transmission operator enters an unknown state. What does this mean?
		Order 693	1639 - Consider Santa Clara's comments regarding changes to requirement R2 in the standards development process. (Santa Clara states that Requirement R2 of the Reliability Standard should be revised to include frequency monitoring in addition to the monitoring of voltage, real and reactive power flows.)
			1640 - Defines high risk conditions under which the system must be operated to respect multiple outages in requirement R3.
			1630 - Modify requirement R4 to state that the system should be restored to respect proven limits as soon as possible taking no more than 30 minutes.
			1628 - Perform a survey of the prevailing operating practices and actual operating experiences surrounding IROL limits.
		Version 0 Team	Operations should conform to planning standards
			Vagueness in application of IROL limits
			Specify disconnection as acceptable in R5
			Define (or remove) practical
			Define SOL & IROL

Issues List

Project	Standard	Source	Issue
2007-03	TOP-004-1	Version 0 Team	Clarify roles

Issues List

Project	Standard	Source	Issue
2007-03	TOP-005-1	Comment received for the 11/4/09 Tech Conf.	NERC staff believes that the interpretation does not support the stated purpose of IRO-005-1: ”The Reliability Coordinator must be continuously aware of conditions within its Reliability Coordinator Area and include this information in its reliability assessments. The Reliability Coordinator must monitor BES parameters that may have significant impacts upon the Reliability Coordinator Area and neighboring Reliability Coordinator Areas.” Given that Requirement R12 pre-supposes that the SPS is armed to address inter-Balancing Authority or inter-Transmission Operator impacts (e.g., could potentially affect transmission flows resulting in a SOL or IROL violation), the argument not discussed in the interpretation is that the SPS itself with one communication channel in service can be viewed for advance planning or reliability assessment purposes as a single contingency (loss of the communication channel). The question asked by the requestor indicates that the operation of the SPS on a single channel is known ahead of the timeframe for which the SPS may be armed and that the condition was not first identified when the SPS was called to operate. In this regard, the Reliability Coordinator must be aware of the less dependable state of the SPS in order to properly assess the impact and plan for the next single contingency that it conceivably could experience. In this case, the Reliability Coordinator may wish to consider the loss of an armed SPS when performing its reliability assessments. While the Reliability Coordinator may not elect to proactively position the system to withstand the loss of the SPS that is operating on a single communication channel, the Reliability Coordinator may elect to develop a contingency plan in the event the SPS does fail to operate as designed or if the remaining communication channel is lost. The importance of the SPS relative to current or anticipated system conditions would be considerations for the Reliability Coordinator. This consideration only becomes possible if the Transmission Operator notifies the Reliability Coordinator that the SPS is operating on a single communication channel. Therefore, Transmission Operator notification to the Reliability Coordinator of this condition raises the Reliability Coordinator’s situational awareness that may influence current or future operating conditions or decisions in a preventive rather than reactive manner. NERC staff does agree that the SPS is still mission capable with only one communication channel in service, but

Issues List

Project	Standard	Source	Issue
			degraded in terms of its dependability due to the unavailability of redundant communications channels. The fact that a second communications channel was part of the original design of the SPS suggests that both channels were important to the dependability of the system, and that the unavailability of either channel causes some degradation in the overall dependability of the SPS. Additionally, the team equated "any degradation" with "potential failure to operate as expected" in IRO-005. The use of the term "or" connecting these two phrases in the standard indicates these were not intended to be equivalent. Therefore, NERC staff believes the conclusion reached by the team that the two terms are synonymous is incorrect. Further, the specific circumstances contemplated in the interpretation request are not likely to occur often and the additional burden to Transmission Operators to notify the Reliability Coordinator is de minimis when compared to the improved situational awareness that would result. On this basis, NERC staff believes the interpretation is not serving the best interests of reliability and should be remanded to the team for further consideration of the NERC staff opinion.
		NERC Standards DT Coordinators Meeting 20080520	Requirements R2, R5, and R6 (for coordination in real-time) of PRC-001-1 System Protection Coordination are better addressed in the TOP family of standards: •Consider putting R2 of PRC-001-1 in TOP-005 (Note: These requirements are being removed from PRC-001 under Project 2007-06 System Protection. If this recommendation is not implemented, PRC-001 will need revisited.)
		Order 693	1649 - Delete references to confidentiality agreements but ensure critical energy infrastructure confidentiality is addressed in the standards development process.

Issues List

Project	Standard	Source	Issue
2007-03	TOP-005-1	Order 693	1650 - Consider FirstEnergy's modifications to Attachment 1 and ISO-NE's recommended revision to requirement R4 in the standards development process. ISO-NE recommends that the reference to "purchasing-selling entity" in Requirement R4 should be replaced with "generator owner, transmission owner, and LSE.
			1651 - Include information about the operational status of special protection systems and power system stabilizers in Attachment 1.
		Version 0 Team	Need to include GO & LSE
			Generator data should include voltage control & stabilizers
			GO needs to supply data to BA & TO
			Data update is too slow
	TOP-006-1	Frank Gaffney (FMPA) RSDP Input	With respect to requirement R3 why does the BA need to understand protective relaying? Isn't that the role of the TOP and GOP?
			With respect to requirement R2, why is the BA responsible for monitoring transmission line status, voltage, load tap changer settings, and reactive power in general? Monitoring and managing reactive resources, voltage and tap settings is clearly made the responsibility of the TOP in VAR-001-1a.
			With respect to requirements R1 and R1.2, why are BAs responsible for information regarding transmission resources available for use? Isn't that the role of the TOP?

Issues List

Project	Standard	Source	Issue
2007-03	TOP-006-1	NERC Standards DT Coordinators Meeting 20080520	Requirements R2, R5, and R6 (for coordination in real-time) of PRC-001-1 System Protection Coordination are better addressed in the TOP family of standards: •Consider putting R6 of PRC-001-1 in: TOP-003 R5 or TOP-006 (Note: These requirements are being removed from PRC-001 under Project 2007-06 System Protection. If this recommendation is not implemented, PRC-001 will need revisited.)
		Order 693	1658 - Consider APPA's comments regarding missing measures in the standards development process. 1653 - Add requirement related to the provision of minimum capabilities that are necessary to enable operators to deal with real-time situations and to ensure reliable operation of the bulk power system. 1653 - Clarify the meaning of "appropriate technical information" concerning protective relays.
		Version 0 Team	Load forecasting data required GO needs to provide normal & emergency data Monitor frequency at multiple points Need to match roles with FM
		VRFs Team	R4 – What information is required and what is a load pattern? R1, 1.1, 1.2 – 'available in emergency situation' may be needed

Issues List

Project	Standard	Source	Issue
2007-03	TOP-006-1	VRFs Team	R3 – define appropriate
	TOP-007-0	Order 693	1668 - Eliminate overlapping matters in TOP-007 and TOP-008.
			1671 - Consider the NRC's comments on voltage requirements as part of the standards development process.
		Version 0 Team	Need to tighten the non-compliance terms
			Need to define evidence of evaluation
			More of a compliance issue than an true standard
			RA should be included
			Not enforceable with current criteria
	TOP-008-1	Order 693	1678 - Consider APPA's comments regarding missing measures in the standards development process.
2007-04	PER-003-0	NERC Audit Observation Team	Who needs to be certified?
		Order 693	Consider grandfathering certification requirements for transmission operator personnel as part of the standards development process.
			Specify the minimum competencies that must be demonstrated to become and remain a certified operator.
		Version 0 Team	Problem with wording change from 'both' to 'either'
			Staffing plan is out of scope

Issues List

Project	Standard	Source	Issue
2007-04	PER-003-0	Version 0 Team	Need to define 'current'
			Non-compliance levels missing
			Need to specify exact position titles and match to credentials
			Need to define critical tasks
	PER-004-1	Order 693	With regard to APPA's comments, consistent with our discussion above regarding Measures and Levels of Non-Compliance, we leave it to the discretion of the ERO whether it is necessary that each Requirement of this Reliability Standard have a corresponding Measure
			Include requirements pertaining to personnel credentials for reliability coordinators similar to PER-003.
2007-05		NAESB Standards Review Subcommittee	NAESB Standards Review Subcommittee as input to the Reliability Standards Development Plan:2010-2012: NAESB requests that NERC continue its coordination with NAESB on this project as it relates to item 1.d and 1.e in the NAESB WEQ 2009 Annual Plan.
	BAL-002-0	Fill in the Blank Team	Each RRO will need to create a regional standard specifying its Contingency Reserve policy.
			Regional reliability standards will be developed in support of North American standard BAL-002.
			Development of regional standards needs to be coordinated with Regional entities. Regional entities should begin process for developing regional standards once the drafting team for the North American standard has determined what elements of contingency reserve should be included in the continent-wide standard and what elements should be included in the regional standards.

Issues List

Project	Standard	Source	Issue
2007-05	BAL-002-0	Fill in the Blank Team	Determine what elements of contingency reserve should be included in the North American standard and what elements should be included in the regional standard. Modify R2 to remove reference to "sub-Regional Reliability Organization or Reserve Sharing Group", and
		NERC Audit Observation Team	What is a sub-region Should the reserve sharing group be audited or the members? This should be tied to registration for consistency.
		NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Frequency Bias Setting Time Error Time Error Correction
		Order 693	Substitute regional entity for regional reliability organization as the compliance monitor Include a continent-wide contingency reserve policy Modify to make requirements R4.2 and R6.2 refer to NERC rather than the NERC Operating Committee. DSM should be treated on a comparable basis and must meet similar technical requirements as other resources providing this service

Issues List

Project	Standard	Source	Issue
2007-05	BAL-002-0	Order 693	Define a significant (frequency) deviation and a reportable event, taking into account all events that have an impact on frequency, and how balancing authorities should respond. Requires any single reportable disturbance that has a recovery time of 15 minutes or longer be reported as a violation. Address Commission concerns about having enough contingency reserves to respond to an event on the system in requirement 3.1 and how such reserves are measured. Include a requirement that explicitly provides that DSM may be used as a resource for contingency reserves.
		Version 0 Team	Determine N. America vs. regional elements Need regional standards in support of N. American Modify R2
	BAL-004-0	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Frequency Bias Setting Time Error Time Error Correction
		Order 693	In the five-year review cycle of the standard, perform research that would provide a technical basis for the present or any alternative approach that is more effective and helps reduce inadvertent interchange.

Issues List

Project	Standard	Source	Issue
2007-05	BAL-004-0	Order 693	Include levels of non-compliance and additional measures for requirement R3.
	BAL-005-0	Fill in the Blank Team	No comments
		NERC Audit Observation Team	What the difference between this and BAL-005-1?
		Order 693	Clarify R5 to specify the required type of transmission or backup plans when receiving regualtion service from outside the BA when using non-firm service.
			Include a measure that provides for a verification process over the required automatic generation control, or regulating reserves a balancing authority maintains

Issues List

Project	Standard	Source	Issue
2007-05	BAL-005-0	Order 693	Address comments of Xcel and FirstEnergy when the standard is revisited in the work plan. Xcel requests that the Commission reconsider Requirement R17 of this Reliability Standard stating that the accuracy ratings for older equipment (current and potential transformers) may be difficult to determine and may require the costly replacement of this older equipment on combustion turbines and older units while adding little benefit to reliability. Xcel states that the Commission should clarify that Requirement R17 need only apply to interchange metering of the balancing area in those cases where errors in generating metering are captured in the imbalance responsibility calculation of the balancing area. FirstEnergy suggests that a single entity should have the responsibility to establish, through an annual review process, the level of regulating reserves that a balancing authority must maintain pursuant to the control performance standard requirements. FirstEnergy suggests that all generators and technically qualified DSM that participate in energy markets should install automatic generation control as a condition of market participation. In non-market areas, FirstEnergy suggests that balancing authorities could meet requirements through bilateral contracts or the normal scheduling process and suggests that the Commission might have to assert its jurisdiction and order technically qualified DSM providers to install automatic generation control at their facilities. FirstEnergy states that further work would need to be conducted on the technical qualifications and capacity thresholds that would control whether installation of automatic generation control would be required. FirstEnergy states that Requirement R17 should include only “control center devices” instead of devices at each substation. FirstEnergy states that accuracy at the substation level is unnecessary and the costs to install automatic generation control equipment at each substation would be high. FirstEnergy also states that the term “check” in Requirement R17 needs to be clarified.

Issues List

Project	Standard	Source	Issue
2007-05	BAL-005-0	Order 693	Change title to be neutral as to the source of regulating reserves and allows the inclusion of technically qualified DSM. Develop a process to calculate the minimum regulating reserve for a balancing authority, taking into account expected load and generation variation and transactions being ramped in and out. The ERO is directed to consider those (FirstEnergy) suggestions in its Reliability Standards development process.
		Version 0 Team	Define data requirements Non-compliance missing Re-order & re-word requirements Purpose statement
		VRFs Team	R12.3 – redundant R14 - Check for redundancy of second statement. This seems to be a real-time requirement - not planning. Is this for archival data requirements? R12 - sub-requirements should be separate requirements
	BAL-005-1	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Frequency Bias Setting Time Error Time Error Correction

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Project	Standard	Source	Issue
2007-05	BAL-005-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
	BAL-006-1	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT should review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Frequency Bias Setting Time Error Time Error Correction

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Project	Standard	Source	Issue
2007-05	BAL-006-1	Order 693	Regional Differences to BAL-006-1: Inadvertent Interchange Accounting and Financial Inadvertent Settlement: Explore FirstEnergy's request to define the function of a waiver in the reliability standard development process.
			Regional Differences to BAL-006-1: Inadvertent Interchange Accounting and Financial Inadvertent Settlement: Reference the current reliability standards and are in the standard form, which includes requirements, measures, and levels of non-compliance.
			Examine the WECC time error correction procedure as a possible guide…..the Commission asks the ERO, when filing the new Reliability Standard, to explain how the new Reliability Standard satisfies the Commission's concerns
			Add measures concerning the accumulation of large inadvertent interchange balances and levels of non-compliance.
		Version 0 Team	Purpose/Requirement contradiction
			Wording in R4
			Non-compliance missing
			Requirements mixed in Compliance
			Split requirements
2007-06	PRC-001-1	Order 693	1420 & 1449. Measures and levels of non-compliance incorrectly reference non-existent requirements.
		Version 0 Team	Not all criteria moved over from policies

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Project	Standard	Source	Issue
2007-06	PRC-001-1	Version 0 Team	Consistent terminology as to neighbor vs. affected
			Effects on reliability may not be known
2007-07	FAC-003-1	NERC Audit Observation Team	It was pointed out that an entity did not need to be registered as a TO for FAC-003-1 to apply to them, only that they have transmission lines operated at 200 kV and above. This could include radial lines as well as generation leads at the 200kV and above level. This could mean functions other than TO would require FAC-003-1 to be in the audit scope. How are you looking at the applicability of FAC-003-1 as it applies to DPs, LSEs, GOs etc. This could be applicable to many entities registered in multiple regions
			TO's shall demonstrate compliance through self certification. Compliance monitoring shall conduct an on-site audit every five years or more frequently as deemed appropriate. Does this over-ride the six year audit cycle for TO's?
			With regards to the vegetation management standard, what type of event would trigger a compliance investigation?
		Order 693	Address issues that develop in the interim on a case-by-case basis
			Evaluate suggestions by LPPC, APPA, and Avista in the standards development process.
			Address the issue of “bright-line” applicability of 200 kV and above through the standards development process.
			Collect outage data for transmission outages of lines that cross both federal and non-federal lands, analyze it, and use the results to develop a standard that would apply to both federal and non-federal lands.

Issues List

Project	Standard	Source	Issue
2007-07	FAC-003-1	Order 693	Incorporate suggestions to include facilities at lower voltages that are associated with IROLs. …We recognize that many commenter's would like a more precise definition for the applicability of this Reliability Standard, and we direct the ERO to develop an acceptable definition that covers facilities that impact reliability but balances extending the applicability of this standard against unreasonably increasing the burden on transmission owners… …. FirstEnergy and Xcel suggest that if the applicability of this Reliability Standard is expanded, the Commission should allow flexibility in complying with this Reliability Standard for lower-voltage facilities, or allow lower-voltage facilities one year before the Reliability Standard is implemented. The ERO should consider these comments when determining when it would request that the modification of this Reliability Standard to go into effect….. Accordingly, the Commission directs the ERO to develop compliance audit procedures, using relevant industry experts, which would identify appropriate inspection cycles based on local factors. These inspection cycles are to be used in compliance auditing of FAC-003-1 by the ERO or Regional Entity to ensure such inspection cycles and vegetation management requirements are properly met by the responsible entities. FirstEnergy suggests that rights-of-way be defined to encompass the required clearance areas instead of the corresponding legal rights, and that the standards should not require clearing the entire right-of-way when the required clearance for an existing line does not take up the entire right-of-way. The Commission believes this suggestion is reasonable and should be addressed by the ERO. Accordingly, the Commission directs the ERO to address this suggestion in the Reliability Standards development process. Define the minimum clearance needed to avoid sustained vegetation-related outages that apply to line crossing federal and non-federal lands.

Issues List

Project	Standard	Source	Issue
2007-07	FAC-003-1	Version 0 Team	Format inconsistencies
			Too weak on compliance
			RA vs. RRO
2007-09	MOD-024-1	Fill in the Blank Team	Goal is uniform North American standards for real and reactive power verification. Look at regional requirements and identify the best practice, commonalities and differences, and whether differences are needed for reliability.
			Review MOD-024 and MOD-025 concurrently to transition to uniform North American standards.
			Remove the fill-in-the-blank aspects (correct reference to "…Regional Reliability Organization's procedures…").
		Order 693	Require users, owners, and operators of the system to provide this information.
			Document test conditions and the relationships between test conditions and generator output so that the amount of power that can be expected to be delivered from a generator at different conditions can be determined.
			Clarify requirement R2 that specifies that the regional reliability organization shall provide generator gross and net real power capability verification within 30 calendar days of approval. The confusion centers on "approval" and when the 30-day period starts.
			Similarly, we respond to Constellation that any modification of the Levels of Non-Compliance in this Reliability Standard should be reviewed in the ERO Reliability Standards development process.

Issues List

Project	Standard	Source	Issue
2007-09	MOD-024-1	Order 693	Provide a work plan and compliance filing regarding the collection of information specified for standards that are deferred.
		Phase III/IV Team	It is not clear in R3 to whom the Generator Owner will report the information.
			No requirement for the RRO to demonstrate that its procedures result in accurate information of gross and net real power capability of generators for steady state models
			Non compliance levels are too strict. A small utility with 15-20 units will be L4 non-compliant if they miss one unit
		Team Comments	Provide clarity where the Planning Authority is mentioned
	MOD-025-1	Fill in the Blank Team	Review MOD-024 and MOD-025 concurrently to transition to uniform North American standards.
			Refer to MOD-024.
			Remove the fill-in-the-blank aspects (correct reference to "… Regional Reliability Organization's procedures…").
		Order 693	Provide a work plan and compliance filing regarding the collection of information specified for standards that are deferred.
			Clarify requirement R2 that specifies that the regional reliability organization shall provide generator gross and net reactive power capability verification within 30 calendar days of approval. The confusion centers on "approval" and when the 30-day period starts.
			Require verification of reactive power capability at multiple points over a unit's operating range.

Issues List

Project	Standard	Source	Issue
2007-09	MOD-025-1	Phase III/IV Team	These standards do not provide for uniform testing of generator capability. The determination of which units are tested, how frequently they are tested, and the criteria used for determining capability are left to individual regions. Fundamental guidelines outlining some basic requirements (e.g., all units over 20 MW shall be tested annually under conditions that permit full net output of the unit for normal operation) are lacking. There is no clear reason for regional variations in capability testing. A generator in Georgia does not have more or less capability than an identical unit applied across the Florida line, despite the fact that one is in SERC and the other in FRCC. R1.5.1: The benefit of verifying maximum capability of generators to absorb VArs at seasonal real power generation capability is unclear, particularly if this standard applies to virtually all generators. For the vast majority of units, the need to absorb VArs occurs during low-load conditions, when unit real power production is below maximum capability and the unit's ability to absorb VArs is greater. Therefore, the single datum for unit VAr absorption capability determined pursuant to this standard seems to be of little practical use, except for relatively few generators in a limited set of circumstances. It is not clear in R3 to whom the Generator Owner will report the information. Non compliance levels are too strict. A small utility with 15-20 units will be L4 non-compliant if they miss one unit.

Issues List

Project	Standard	Source	Issue
2007-09	MOD-025-1	Phase III/IV Team	Severity of non-compliance should be based on the percentage of the generator owner's total generation capability comprised of units required to be verified, rather than on the percentage (number) of generating units. Exempt units should be excluded from the total generation capability for determining level of non-compliance.
		Team Comments	Provide clarity where the Planning Authority is mentioned

Issues List

Project	Standard	Source	Issue
2007-09	PRC-024-1	Standards Committee Action From 01/13/2010	As part of a regional compliance violation investigation, a reliability gap was identified in the area of turbine controls. Improper tripping of generators due to unbalances in mechanical and electrical power during system faults have occurred resulting in BES frequency deviations that resulted in underfrequency load shedding. Specifically, consider modifications to the draft PRC-024-1 — Generator Performance During Frequency and Voltage Excursions standard requiring generator operators and generator owners coordinate, maintain and test generator turbine controls (including PLU's – Power Load Unbalance protection) such that faults on the transmission system do not result in unit tripping due to improper turbine control operation. Although only PLUs are identified here, the standard drafting team should consider if other control devices should be included. The PLU is a turbine control function that is installed on most newer steam turbine generators to prevent a machine tripping due to overspeed. PLU logic senses turbine stream pressure and generator electrical output to determine quickly if the unit has suffered a 100% load rejection (complete loss of output path). The PLU functions to trigger a rapid closing of the steam valves reducing the mechanical power input to zero, thereby preventing unit acceleration that could result in overspeed. The valves are subsequently reopened if the PLU condition clears. Two conditions activate the PLU –- gross power unbalance between electrical and mechanical power and a settable rate of current loss. With proper setting and system design, the PLU should not operate for system faults. PLU control however has operated for system faults due to improper setting and/or design. This has resulted in tripping the generator and in some cases multiple generations, which have reduced BES frequencies to dangerous levels. In addition, the system effects of the PLU need to be modeled properly in dynamic studies to account for their action during system transient conditions.

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Project	Standard	Source	Issue
			Consider requiring generator owner and generator operators to coordinate the setting of the PLU so that it would not operate for power system faults. A requirement to maintain and test turbine control devices (including PLUs) would help ensure that such systems will operate properly when required, and will not operate when not required.
2007-11	PRC-002-1	Order 693	Consider if greater consistency can be achieved in the standard as suggested by Otter Tail, APPA, and Alcoa.
		Phase III/IV Team	There is no criteria that the RROs must use in specifying the process for identifying locations where DMEs are required
		Version 0 Team	Digital inputs and load need to be added
			IDWG identified deficiencies
			More specificity in equipment requirements needed
		VRFs Team	R1 - This standard and all related sub requirements are after the fact data analysis
	PRC-018-1	Fill in the Blank Team	Need regions to develop and submit regional standards. NERC standard requires region to have this done in 9 months from board adoption (from August 9). Regions need to do this as a regional standard, not a procedure or some other document.
			PRC-002 will be a continent-wide standard supported by Regional Reliability Standards.

Issues List

Project	Standard	Source	Issue
2007-11	PRC-018-1	Fill in the Blank Team	Development of regional standards needs to be coordinated with Regional entities. Regional entities should begin process for developing regional standards once the drafting team for the North American standard has determined what elements of disturbance monitoring should be included in the continent-wide standard and what elements should be included in the regional standards. Determine what elements (if any) of disturbance monitoring should be included in the North American standard and what elements should be included in the regional standards. PRC-002 is directly related to PRC-018. PRC-018 requires the functional entities to comply with the requirements developed by each RRO.
		VRFs Team	R3.4, 3.5, 3.6, 3.7 – Ambiguous
2007-12	BAL-003	Order - BAL-003 Modifications	While the Commission, in Order No. 693, did not set a deadline for submitting modifications to BAL-003-0, we note that almost three years have passed since the issuance of the directive in Order No. 693. Accordingly, pursuant to section 39.5(g) of the Commission's regulations, the Commission directs NERC to submit a modification to BAL-003-0 that is responsive to the Commission's directive in Order No. 693 within six months from the date of issuance of this order. .....(1) Determine an appropriate periodicity of frequency response surveys necessary to ensure that Requirement R2 and other requirements of the Reliability Standard are being met.

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Project	Standard	Source	Issue
2007-12	BAL-003	Order Granting Rehearing & Scheduling Technical Conference - BAL-003	direct that NERC submit, within 30 days after the technical conference, a proposed schedule that includes firm deadlines for completing studies, analyses needed to develop a frequency response requirement, and for submission of a modified Reliability Standard that is responsive to the Commission directives in Order No. 693 pertaining to Reliability Standard BAL-003-0. The Commission will provide notice and opportunity to comment on the proposed schedule, as well as other matters discussed at the technical conference. In the meantime, we will defer the six month compliance deadline set forth in the March 18 Order pending further order by the Commission.
	BAL-003-0	Order 693	Modify BAL-003 to include Levels of Non-Compliance Define the necessary amount of frequency response needed for reliable operation for each balancing authority with methods of obtaining and measuring that the frequency response is achieved. Determine the appropriate periodicity of frequency response surveys necessary to ensure requirement R2 and other requirements are being met; also modify measure M1 based on this determination.
2007-17	PRC-005-1	FERC Order 693	Maintenance and testing of a protection system must be carried out within a maximum allowable time interval that is appropriate for the type of protection system and its impact on the reliability of the bulk power system. 1475. In addition, for the reasons discussed in the NOPR, the Commission directs the ERO to develop a modification to PRC-005-1 through the Reliability Standards development process that includes a requirement that maintenance and testing of a protection system must be carried out within a maximum allowable interval that is appropriate to the type of the protection system and its impact on the reliability of the Bulk-Power System.

Issues List

Project	Standard	Source	Issue
2007-17	PRC-005-1	NERC Audit Observation Team	How do you verify DC control power? All regions require functional testing of the breaker. This should include functional relay & station battery checks, including breaker tripping, not just a visual inspection. Determine what on schedule means. Is an entity who maintained/tested 95% of their relays at the same level of non-compliance as an entity who maintained/tested 10% of their relays? As applicable, each TO,DP and GOP shall have a protection system maintenance and testing program for protection systems that affect the reliability of the BES. Does this include major equipment like circuit breakers and transformers? How do you verify compliance for for cts/pts? How do you audit these within a scheduled maintenance program. As part of the procedure, most have accepted visual inspection. Some entities state that testing of the relays verify functionality of the ct/pts
		Order 693	Consider FirstEnergy's and ISO-NE's suggestions to combine PRC-005, PRC-008, PRC-011, and PRC-017 into a single standard. Develop a modification to PRC-005-1 through the Reliability Standards development process that includes a requirement that maintenance and testing of a protection system must be carried out within a maximum allowable interval that is appropriate to the type of the protection system and its impact on the reliability of the Bulk-Power System.
		Phase III/IV Team	Modify applicability to clarfify that the requirements are applicable to the following: All protection systems on the bulk electric system.

Issues List

Project	Standard	Source	Issue
2007-17	PRC-005-1	Phase III/IV Team	Need to add language to ensure the Regional Requirements focus on the most impactive scenarios
			PRC 003 to 005 only address generator (and transmission) protective systems, without defining this term.
			All generation protection systems whose misoperations impact the bulk electric system
			There is no performance requirement or measure of effectiveness of a maintenance program required by the standard
		Version 0 Team	Define evidence
			Include breakers/switches in list
			Not a standalone standard
	PRC-008-0	Fill in the Blank Team	Okay if PRC-006 is fixed
		Order 693	Maintenance and testing of a protection system must be carried out within a maximum allowable time interval that is appropriate for the type of protection system and its impact on the reliability of the bulk power system.
		Version 0 Team	Consistent wording from standard to standard required
			Definition of evidence required
	PRC-011-0	Order 693	Maintenance and testing of a protection system must be carried out within a maximum allowable time interval that is appropriate for the type of protection system and its impact on the reliability of the bulk power system.

Issues List

Project	Standard	Source	Issue
2007-17	PRC-011-0	Version 0 Team	Exemptions for those with shunt reactors
			Define evidence
	PRC-017-0	Order 693	Maintenance and testing of a protection system must be carried out within a maximum allowable time interval that is appropriate for the type of protection system and its impact on the reliability of the bulk power system.
			Require that documentation identified in requirement R2 be routinely provided to NERC or the regional entity. that includes: (1) …… and (2) a requirement that documentation identified in Requirement R2 shall be routinely provided to the ERO or Regional Entity
		Version 0 Team	Define evidence
			Need to retain two dates

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Project	Standard	Source	Issue
2007-18	BAL-001-0	Order 693	Regional Differences to BAL-001-0: ERCOT Control Performance Standard 2: Include requirements concerning frequency response contained in Section 5 of the ERCOT protocols. Paragraph 313. The Commission approves the ERCOT regional difference as mandatory and enforceable. Order No. 672 explains that "uniformity of Reliability Standards should be the goal and the practice, the rule rather than the exception." However, the Commission has stated that, as a general matter, regional differences are permissible if they are either more stringent than the continent-wide Reliability Standard, or if they are necessitated by a physical difference in the Bulk-Power System. Regional differences must still be just, reasonable, not unduly discriminatory or preferential and in the public interest. 314. The Commission finds that ERCOT's approach under section 5 of the ERCOT protocols appears to be a more stringent practice than Requirement R2 in BAL-001-0 and therefore approves the regional difference. 315. As proposed in the NOPR, the Commission directs the ERO to file a modification of the ERCOT regional difference to include the requirements concerning frequency response contained in section 5 of the ERCOT protocols. As with other new regional differences, the Commission expects that the ERCOT regional difference will include Requirements, Measures and Levels of Non-Compliance sections.
	BAL-003-0	NERC Audit Observation Team	Both requirements need to be met?

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Project	Standard	Source	Issue
2007-18	EOP-002-2	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.

Issues List

Project	Standard	Source	Issue
2007-18	IRO-005-2	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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2007-23	All	Order 713-A INT and TLR Standards	directs the ERO to review the violation severity levels for IRO-006-4. The ERO must include in the compliance filing required by Ordering Paragraph (E) of the Violation Severity Levels Order a certification that it has revied each violation severity level assignment corresponding to the requirements of IRO-006-4 for consistency with certain guidelines (specifically, guidelines 2b, 3, and 4), validating the assignments that meet the guidelines and proposing revisions to those that fail to meet the guidelines.

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Project	Standard	Source	Issue
2007-23	All	Order 722 - FAC Standards V2	directs the ERO to review the violation severity levels assigned to Requirement R4 for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review either within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier. directs the ERO to review the violation severity levels assigned to the subject requirements for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review either within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier. directs the ERO to review the violation severity levels assigned to Requirement R4 for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier. directs the ERO to review those requirements for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review the earlier of six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing due in September 2009, whichever is earlier.
		VSL Order	directed to submit a compliance filing within six months certifying that it has revied each of the Violation Severity Level Assignments for consistency with Guidelines 2b, 3 and 4, validating the assignments that meet Guidelines 2b, 3, and 4, and proposing revisions to those that fail to meet Guidelines 2b, 3, and 4, as discussed in the body of this order.
		VSL Order 2	The deadline for NERC's compliance filing of the historical/2008 compliance report and the Guideline 2b, 3, and 4 review is hereby extended to September 18, 2009, as discussed in the body of this order.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Frank Gaffney (FMPA) RSDP Input	Requirement R2 requires the TOP to acquire sufficient reactive resources. The statement probably ought to clearly delineate that this requirement is applicable to the operating horizon only and that the TP is responsible for adequate reactive resources in the planning horizon.
		NERC Audit Observation Team	If the TOP does not supply the GOP with a voltage or reactive power schedule is that a noncompliance for the TOP?

Issues List

Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	Include controllable load among the reactive resources to satisfy reactive requirements, considering the comments of Southern California Edison and SMA in the development of the standard. Paragraph 1879. The Commission noted in the NOPR that in many cases, load response and demand-side investment can reduce the need for reactive power capability in the system.476 Based on this assertion, the Commission proposed to direct the ERO to include controllable load among the reactive resources to satisfy reactive requirements for incorporation into Reliability Standard VAR-001-1. While we affirm this requirement, we expect the ERO to consider the comments of SoCal Edison with regard to reliability and SMA in its process for developing the technical capability requirements for using controllable load as a reactive resource in the applicable Reliability Standards. 1877. SMA supports adoption of the proposal to include controllable load as a reactive resource. SMA notes that its members' facilities often include significant capacitor banks, and further, reducing load can reduce local reactive requirements. 1878. SoCal Edison suggests caution regarding the Commission's proposal to include controllable load as a reactive resource. It agrees that, when load is reduced, voltage will increase and for that reason controllable load can lessen the need for reactive power. However, SoCal Edison believes that controllable load is typically an energy product and there are other impacts not considered by the Commission's proposal to include controllable load as a reactive resource. For example, activating controllable load for system voltage control lessens system demand, requiring generation to be backed down. It is not clear to SoCal Edison whether any consideration has been given to the potential reliability or commercial impacts of the Commission's proposal.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	Address the power factor range at the interface between LSEs and the transmission grid. Paragraph 1861. In the NOPR, the Commission asked for comments on acceptable ranges of net power factor at the interface at which the LSEs receive service from the Bulk-Power System during normal and extreme load conditions. The Commission asked for these comments in response to concerns that during high loads, if the power factor at the interface between many LSEs and the Bulk-Power System is so low as to result in low voltages at key busses on the Bulk-Power System, then there is risk for voltage collapse. The Commission believes that Reliability Standard VAR-001-1 is an appropriate place for the ERO to take steps to address these concerns by setting out requirements for transmission owners and LSEs to maintain an appropriate power factor range at their interface. We direct the ERO to develop appropriate modifications to this Reliability Standard to address the power factor range at the interface between LSEs and the Bulk-Power System. 1862. We direct the ERO to include APPA's concern in the Reliability Standards development process. We note that transmission operators currently have access to data through their energy management systems to determine a range of power factors at which load operates during various conditions, and we suggest that the ERO use this type of data as a starting point for developing this modification. 1863. The Commission expects that the appropriate power factor range developed for the interface between the bulk electric system and the LSE from VAR-001-1 would be used as an input to the transmission and operations planning Reliability Standards. The range of power factors developed in this Reliability Standard provides the input to the range of power factors identified in the modifications to the TPL Reliability Standards. In the NOPR, the Commission suggested that sensitivity studies for the TPL Reliability Standards should consider the range of load power factors.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	Address the concerns of Dynegy, EEI, and MISO through the standards development process. Paragraph 1864. Dynegy supports the Commission's proposal to include more definitive requirements on "established limits" and "sufficient reactive resources." It recommends that VAR-001-1 be further modified to require the transmission operator to have more detailed and definitive requirements when setting the voltage schedule and associated tolerance band that is to be maintained by the generator operator. Dynegy states that the transmission operator should not be allowed to arbitrarily set these values, but rather should be required to have a technical basis for setting the required voltage schedule and tolerance band that takes into account system needs and any limitations of the specific generator. Dynegy believes that such a requirement would eliminate the potential for undue discrimination, as well as the possibility of imposing overly conservative and burdensome voltage schedules and tolerance bands on generator operators that could be detrimental to grid reliability, or conversely, the imposition of too low a voltage schedule and too wide a tolerance band that could also be detrimental to grid reliability. 1865. While MISO supports the concept of including more detailed requirements, it believes that there needs to be a definitive reason for establishing voltage schedules and tolerances, and that any situations monitored in this Reliability Standard need to be limited to core reliability requirements. 1866. EEI seeks clarification about whether the Commission is suggesting that reactive requirements should aim for significantly greater precision, especially in terms of planning for various emergency conditions. If so, EEI cautions the Commission against "'putting too many eggs' in the reactive power 'basket.'"474 To the extent compliance takes place pursuant to all other modeling and planning assessments under the other Reliability Standards, EEI strongly believes that the Commission should have some high level of confidence that the system's reactive power needs can be met satisfactorily across a broad range of contingencies that planners might reasonably anticipate. Moreover, EEI believes that requirements to successfully predict reactive power requirements in conditions of near-system collapse would require significantly more creative guesswork than solid analysis and contingency planning. For example, EEI notes that the combinations and permutations of how a voltage collapse could occur on a system as large as the eastern Interconnection are numerous. 1867. EEI

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Project	Standard	Source	Issue
			suggests that, alternatively, the Commission should consider that reactive power evaluations should be conducted within a process that is documented in detail and includes a range of contingencies that might be reasonably anticipated, because this would avoid the 'one size fits all' problem, where a prescriptive analytical methodology does not fit with a particular system configuration. EEI believes that this flexible approach would provide a more effective planning tool for the industry, while satisfying the Commission's concerns over potentially inadequate reactive reserves. MRO notes that the need for, and method of providing for, reactive resources varies greatly, and if this Reliability Standard is expanded it must be done carefully. MRO believes that all entities should not be required to follow the same methodology to accomplish the goal of a reliable system. "Include APPA's comments regarding varying power factor requirements due to system conditions and equipment in the standards development process.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	"Expand the applicability to include LSEs and reliability coordinators and define the reliability coordinators monitoring responsibilities. 1855. Since a reliability coordinator is the highest level of authority overseeing the reliability of the Bulk-Power System, the Commission believes that it is important to include the reliability coordinator as an applicable entity to assure that adequate voltage and reactive resources are being maintained. As MISO points out, other Reliability Standards address responsibilities of reliability coordinators, but we agree with EEI that it is important to include reliability coordinators in VAR-001-1 as well. Reliability coordinators have responsibilities in the IRO and TOP Reliability Standards, but not the specific responsibilities for voltage levels and reactive resources addressed by VAR-001-1, which have a great impact on system reliability. For example, voltage levels and reactive resources are important factors to ensure that IROLs are valid and operating voltages are within limits, and that reliability coordinators should have responsibilities in VAR-001-1 to monitor that sufficient reactive resources are available for reliable systemoperations. Accordingly, the ERO should modify VAR-001-1 to include reliability coordinators as applicable entities and include a new requirement(s) that identifies the reliability coordinator's monitoring responsibilities." The Commission expects that the appropriate power factor range developed for the interface between the bulk electric system and the LSE from VAR-001-1 would be used as an input to the transmission and operations planning Reliability Standards. The range of power factors developed in this Reliability Standard provides the input to the range of power factors identified in the modifications to the TPL Reliability Standards. In the NOPR, the Commission suggested that sensitivity studies for the TPL Reliability Standards should consider the range of load power factors.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	"Address reactive power requirements for LSEs on a comparable basis with purchasing-selling entities. Paragraph 1856. The Commission agrees with SoCal Edison that not all LSEs are purchasingselling entities, because not all LSEs purchase or sell power from outside of their balancing authority area. This understanding is consistent with the NERC functional model and NERC glossary. Both LSEs and purchasing-selling entities should have some requirements to provide reactive power to appropriately compensate for the demand they are meeting for their customers. Neither a purchasing-selling entity nor a LSE should depend on the transmission operator to supply reactive power for their loads during normal or emergency conditions."

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Order 693	"Includes detailed and definitive requirements on “established limits” and “sufficient reactive resources”, and identifies acceptable margins above the voltage instability points. Paragraph 1868. In the NOPR, the Commission expressed concern that the technical requirements containing terms such as “established limits” or “sufficient reactive resources” are not definitive enough to address voltage instability and ensure reliable operations.475 To address this concern, the NOPR proposed directing the ERO to modify VAR-001-1 to include more detailed and definitive requirements on “established limits” and “sufficient reactive resources” and identify acceptable margins (i.e. voltage and/or reactive power margins) above voltage instability points to prevent voltage instability and to ensure reliable operations. We will keep this direction, and direct the ERO to include this modification in this Reliability Standard. 1869. We recognize that our proposed modification does not identify what definitive requirements the Reliability Standard should use for “established limits” and “sufficient reactive resources.” Rather, the ERO should develop appropriate requirements that address the Commission’s concerns through the ERO Reliability Standards development process. The Commission believes that the concerns of Dynegy, EEI and MISO are best addressed by the ERO in the Reliability Standards development process. 1870. In response to EEI’s concerns about a prescriptive analytical methodology, we clarify that the Commission is not asking that the Reliability Standard dictate what methodology must be used to determine reactive power needs. Rather, the Commission believes that the Reliability Standard would benefit from having more defined requirements that clearly define what voltage limits are used and how much reactive resources are needed to ensure voltage instability will not occur under normal and emergency conditions. For example, in the NOPR, the Commission suggested that NERC consider WECC’s Reliability Criteria, which contain specific and definitive technical requirements on voltage and margin application. While we are not directing that the WECC reliability criteria be adopted, we believe they represent a good example of clearly-defined requirements for voltage and reactive margins. 1871. In sum, the Commission believes that minimum requirements for voltage levels and reactive resources should be clearly defined by placing more detailed requirements on the terms “established limits” and “sufficient reactive resources” in the Reliability Standard as discussed in the NOPR and the

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Project	Standard	Source	Issue
			Staff Preliminary Assessment. As mentioned above, EEI's concerns should be considered in the ERO's Reliability Standards development process."
			we expect the ERO to consider the comments of SoCal Edison with regard to reliability and SMA in its process for developing the technical capability requirements for using controllable load as a reactive resource in the applicable Reliability Standards
			Perform voltage analysis periodically, using on-line techniques where commercially available and off-line techniques where not available on-line, to assist real-time operations, for areas susceptible to voltage instability. Paragraph 1875. In response to the concerns of APPA, SDG&E and EEI on the availability of tools, the Commission recognizes that transient voltage stability analysis is often conducted as an offline study, and that steady-state voltage stability analysis can be done online. The Commission clarifies that it does not wish to require anyone to use tools that are not validated for real-time operations. Taking these comments into consideration, the Commission clarifies its proposed modification from the NOPR. For the Final Rule, we direct the ERO, through its Reliability Standards development process, to modify Reliability Standard VAR-001-1 to include Requirements to perform voltage stability analysis periodically, using online techniques where commercially-available, and offline simulation tools where online tools are not available, to assist real-time operations. The ERO should consider the available technologies and software as it develops this modification to VAR-001-1 and identify a process to assure that the Reliability Standard is not limiting the application of validated software or other tools.
		Phase III/IV Team	R3 covers normal and contingency conditions, while R10 mentions only first contingency conditions. Is there a reason for this difference?
			No requirement for verifying that the reactive resources are truly available.
			No criteria for what is an acceptable reactive margin.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Phase III/IV Team	R3, R6, R10 go beyond the control of the responsible entity noted. R3, the Transmission Operator only has the reactive resources that exist in the area-- how does the TO "acquire sufficient reactive resources" if existing resources are not adequate? R10.1, does 'disperse and locate' mean the same as 'dispatch'? If so, changing the wording to 'dispatch' would make the meaning clearer. Will R6 also apply to wind generation absorbing reactive power at the point of interconnection? Should the word "acquire" in R3 be replaced with the word "operate"? R7 and R8 – consider adding more specificity to distinguish the TOP's authority to direct others to operate (Each Transmission Operator shall operate owned devices or direct the operation of, within their normal operating parameters and capabilities, capacitive and inductive reactive resources within its area-including reactive generation scheduling; transmission line and reactive resource switching; and, if necessary, load shedding- to maintain system and Interconnection voltages within established limits.) Should R3 be assigned to the TP? Consolidate R8 and R9 R9.1 This requirement is not feasible. Cannot dictate where generation resources are to be disbursed or located.

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Phase III/IV Team	R7 obligates Transmission Operators to know the status of all reactive power sources including AVRs and PSSs. Clarify that this means the generator is available and if dispatched will operate in voltage control mode and with the PSS active. R5 This requirement is an Open Access Transmission Tariff requirement and does not belong in a reliability standard. R11 –Redundant with TOP-007 The language in the measures and compliance sections such as "2.1.2 One incident of failing to maintain a voltage or reactive power schedule" is too vague and does not specify any duration that is acceptable or unacceptable to be off schedule. What does the second sentence in R3 mean by the phrase 'transmission operator's share of the reactive requirements of interconnecting transmission circuits'. What would be the reactive requirements of transmission circuits? R3 Suggest changing the phrase…"to protect the voltage"…. To "maintain the voltage" VAR-001 requirements (R1, R2, R7, R8, R9, R10, and R12) are redundant to the TOP standards R6 and R10.1 presume that sufficient reactive resources are available. R10 remove "first" so as not to limit this requirement to first contingency conditions. As written with or without removing "first", R10 provides no additional information not already required in R3.
		Version 0 Team	Define voltage levels

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Project	Standard	Source	Issue
2008-01	VAR-001-1	Version 0 Team	Expand to include relays
			Clarify if this includes distribution
			Add GO as entity
			Add BA (R1 & 3)and RA (R5, 7, 8, 10 & 11)
			Move R9 to 5.2
			Delete SOL violations
			Define high probability
			Clarify responsibility for voltage support
			Not a standard but a business practice
			Mention power factor requirements for distribution
	VAR-002-1	NERC Audit Observation Team	If a generator does not have an automatic voltage regulator do they need to install one?

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Project	Standard	Source	Issue
2008-01	VAR-002-1	Order 693	Consider Dynegy's suggestion to improve the standard. Paragraph 1883. Dynegy believes that VAR-002-1 should be modified to require more detailed and definitive requirements when defining the time frame associated with an "incident" of non compliance (i.e., each 4-second scan, 10-minute integrated value, hourly integrated value). Dynegy states that, as written, this Reliability Standard does not define the time frame associated with an "incident" of non-compliance, but apparently leaves this decision to the transmission operator. Dynegy believes that either more detail should be added to the Reliability Standard to cure this omission, or the Reliability Standard should require the transmission operator to have a technical basis for setting the time frame that takes into account system needs and any limitations of the generator. Dynegy believes that this approach will eliminate the potential for undue discrimination and the imposition of overly conservative or excessively wide time frame requirements, both of which could be detrimental to grid reliability.
		Phase III/IV Team	R5 of VAR-002: Recognizing that such action would require the generator to change its loading level or cycle, the transmission operator should not rely on tap position changes on a step-up transformer with a no-load tap changer (NLTC) for periodic or seasonal system control, unless there is an explicit voluntary arrangement with the Generator Operator. For each instance of an urgent directive for such action, the transmission operator must justify its action to affected parties
2008-02	PRC-010-0	Fill in the Blank Team	Placeholder

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Project	Standard	Source	Issue
2008-02	PRC-010-0	Order 693	Require that an integrated and coordinated approach be included in all protection systems on the bulk power system, including generators and transmission lines, generators' low-voltage ride-through capabilities, and UFLS and UVLS systems. Paragraph 1509. We appreciate MEAG's feedback to our response in the NOPR. For the reasons discussed in the NOPR, as well as our explanation above, the Commission approves Reliability Standard PRC-010-0 as mandatory and enforceable. In addition, the Commission directs the ERO to develop a modification to PRC-010-0 through the Reliability Standards development process that requires that an integrated and coordinated approach be included in all protection systems on the Bulk-Power System, including generators and transmission lines, generators' low voltage ride-through capabilities, and UFLS and UVLS programs.

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Project	Standard	Source	Issue
2008-02	PRC-010-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Phase III/IV Team	What is the reliability-related need for the RRO to collect data on misoperations and operations of UVLS programs? Is this information used for anything? There is no requirement that identifies the desired performance of a UVLS program (what voltage set points and timing are acceptable?).

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Project	Standard	Source	Issue
2008-02	PRC-010-0	Phase III/IV Team	PRC-010 is a very weak standard – it only requires documentation and, in very broad terms, 'coordination' – it doesn't specify any level of desired performance or any specific scope for coordination. There should be some details to identify what the coordination must achieve – such as verification that the UVLS will trip when voltage drops to a specified voltage and verification that only a specified amount of load will be tripped and that other special protection systems will not be activated by the UVLS program.
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Define evidence
			Exemptions for some who use shunt reactors
			Level 4 vs. level 1 changes
	PRC-022-1	Order 693	Consider FirstEnergy's suggestions to revise requirement R1.3 as part of the standards development process. Paragraph 1564. FirstEnergy comments that Requirement R1.3 requires "a simulation of the event, if deemed appropriate by the RRO" and believes that the applicable entities such as transmission operators may not be able to simulate large system events. FirstEnergy suggests that Requirement R1.3 be revised to state that "a simulation of the event, if deemed appropriate, and assisted by the [regional reliability organization]."

Issues List

Project	Standard	Source	Issue
2008-02	PRC-022-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		Phase III/IV Team	Consider incorporating into this family of standards a requirement that each TO should study, and implement if found effective, a UVLS program to mitigate the risk of voltage collapse or voltage instability in the BES. The TO should also be required to demonstrate that its UVLS program is coordinated with adjacent TOs.

Issues List

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2008-02	PRC-022-1	Phase III/IV Team	The reliability-related need for the RRO to collect data on operations and misoperations isn't clear – should this be revised and made available instead to the Compliance Monitor or to the Planning Authority?
2008-03	EOP-003-1	FERC Order 693	Consider comments from APPA and ISO-NE in the standards development process.
			Require periodic drills of simulated load shedding.
		NERC Audit Observation Team	The purpose of the standard states that the BA and TOP must have the capability and authority to shed load. What do we mean by capability? Is directing someone to take action to open breakers the same thing as capability?
		Order 693	Suggest a review of industry best practices in determining nationwide criteria.
			Develop specific minimum load shedding capability that should be provided ….. based on overarching nationwide criteria that take into account system characteristics.
			Develop specific maximum amount of delay before load shedding can be implemented based on overarching nationwide criteria that take into account system characteristics
		Version 0 Team	Add UVLS
			Move implementation requirements
			Re-state purpose
			Move to Policy 5 & 9

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Project	Standard	Source	Issue
2008-03	EOP-003-1	VRFs Team	R4 – Needs clarification R6 - Failure to shed load in this condition can inhibit restoration.
2008-04	PRC-012-0	Fill in the Blank Team	Modify R1 to require each Region to have a regional standard, and Consider removing R1.2 from PRC-012-0 (see notes for PRC-015 for additional details. Make sure data requirements have been addressed adequately in PRC-013 and PRC-015 such that R1.2 of PRC-012 can be removed). Also consider: R1 needs to be changed to state Regional Standard instead of Regional criteria (once they become standards). Identify what elements (if any) of SPS schemes should be included in the North American standard and what elements should be included in the regional standards. Development of regional standards needs to be coordinated with Regional entities. Regional entities should begin process for developing regional standards once the drafting team for the North American standard has determined what elements of SPS schemes should be included in the continent-wide standard and what elements should be included in the regional standards. Consider removing R1.6 and capitalize "Misoperation" in the current R1.7 as "misoperation" has been added to the glossary of the standards manual. PRC-012 is related to PRC- 016. Justified as regional standard; network specific. Review PRC-012 and PRC-016 together to properly reference regional standards.

Issues List

Project	Standard	Source	Issue
2008-04	PRC-012-0	Fill in the Blank Team	PRC-012 will be a continent-wide standard supported by Regional Reliability Standards.
		Order 693	Consider APPA's suggestions for interconnection-wide consistency in the standards development process.
		Version 0 Team	Levels of compliance need to differentiate severity of different items within requirements
			Should be RA and not RRO
	PRC-014-0	Fill in the Blank Team	Not a fill in the blank
			No action required
		Order 693	Consider APPA's suggestions for interconnection-wide consistency in the standards development process.
		Version 0 Team	Assessment should be by TO or TP, not RRO
			Already covered elsewhere
	PRC-016-0	Fill in the Blank Team	Review PRC-012 and PRC-016 together to properly reference regional standards (see notes of PRC-015 for options).
			Tied to PRC-012.
		Version 0 Team	Only need evidence that action was taken
			Define evidence
			Not really a standalone standard

Issues List

Project	Standard	Source	Issue
2008-04	PRC-016-0	Version 0 Team	Define what makes up an SPS
2008-06		Order 706	We direct the ERO to develop modifications to the CIP Reliability Standards that require a responsible entity to implement plans, policies and procedure that it must develop pursuant to the CIP Reliability Standards
	CIP	ORDER APPROVING REVISED RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION AND REQUIRING COMPLIANCE FILING	"We direct NERC to submit, within 90 days of the date of issuance of this order, a compliance filing that includes a revised Version 2 Implementation Plan, addressing the Version 2 CIP Reliability Standards, that clarifies the matters specified in the attachment to this order."
			"We direct NERC to submit as part of the compliance filing required by this order an update of the timetable that reflects the plan to address remaining Commission directives from Order No. 706."
	CIP-002 - CIP-009	Order 706	We direct the ERO to revise Requirement R9 to state that the changes resulting from modifications to the system or controls shall be documented quicker than 90 calendar days.
			The Commission adopts the CIP NOPR proposal to direct the ERO to revise 43 Violation Risk Factors.
			Therefore, the Commission directs the ERO to eliminate the acceptance of risk language from Requirements R2.3 and R3.2.
			Therefore, the Commission directs the ERO to eliminate the acceptance of risk language from Requirement R4.2
			Therefore, we will not allow NERC to reconsider the Violation Risk Factor designations in this instance but, rather, direct below that NERC make specific modifications to its designations.

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Project	Standard	Source	Issue
2008-06	CIP-002 - CIP-009	Order 706	Consistent with the Violation Risk Factor Order, the Commission directs NERC to submit a complete Violation Risk Factor matrix encompassing each Commission approved CIP Reliability Standard. Commission therefore directs the ERO to revise Requirement R3 to remove the acceptance of risk language and to impose the same conditions and reporting requirements as imposed elsewhere in the Final Rule regarding technical feasibility. The Commission adopts with modifications the proposal to direct the ERO to modify Requirement R3 of CIP-004-1 to provide that newly-hired personnel and vendors should not have access to critical cyber assets prior to the satisfactory completion of a personnel risk assessment, except in specified circumstances such as an emergency. The Commission adopts the CIP NOPR proposal to direct the ERO to modify Requirement R3 of CIP-009-1 to shorten the timeline for updating recovery plans. The Commission adopts its CIP NOPR interpretation that Requirement R2 of CIP-003-1 requires the designation of a single manager who has direct and comprehensive responsibility and accountability for implementation and ongoing compliance with the CIP Reliability Standards The Commission adopts the CIP NOPR's proposal and directs the ERO to develop a modification to CIP-004-1 that would require affected personnel to receive required training before obtaining access to critical cyber assets (rather than within 90 days of access authorization), but allowing limited exceptions, such as during emergencies, subject to documentation and mitigation.
	CIP-002CIP-009		the Commission directs the ERO to develop through its Reliability Standards development process revised CIP Reliability Standards that eliminate references to acceptance of risk.

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Project	Standard	Source	Issue
2008-06	CIP-002CIP-009	Order 706	The Commission adopts the CIP NOPR proposals and directs NERC to modify the CIP Reliability Standards through the Reliability Standards development process to remove the first two Terms [“reasonable business judgment,” and “acceptance of risk”], and develop specific conditions that a responsible entity must satisfy to invoke the “technical feasibility” exception The Commission directs the ERO to develop modifications to the CIP Reliability Standards that do not include this term. We note that many commenters, including NERC, agree that the reasonable business judgment language should be removed based largely on the rationale articulated by the Commission in the CIP NOPR. the Commission directs the ERO to modify the CIP Reliability Standards through its Reliability Standards development process to remove references to reasonable business judgment before compliance audits begin. The Commission, therefore, directs the ERO to remove acceptance of risk language from the CIP Reliability Standards. The Commission adopts its CIP NOPR proposal and directs the ERO to develop, pursuant to its Reliability Standards development process, a modification to CIP-002-1 to explicitly require that a senior manager annually review and approve the risk-based assessment methodology. the Commission directs the ERO to develop a modification to CIP-002-1 to explicitly require that a senior manager annually review and approve the risk-based assessment methodology.

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2008-06	CIP-002-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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	CIP-003-1	NERC Audit Observation Team	Security Management Controls specifies the minimum Critical Cyber Asset information to be protected in requirement R4.1. Among the information asset types identified by R4.1. are network topology diagrams. The context of this requirement is clear and applies to computer network topology diagrams relating to Critical Cyber Asset information only.

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2008-06	CIP-003-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		VRFs Team	R4.2 – only an administrative requirement

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2008-06	CIP-004-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		VRFs Team	R3 - This needs to be looked at for 30 days - should be done prior to access being granted.

Issues List

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2008-06	CIP-005-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		VRFs Team	R1.3 – administrative definition R1.5 – standard to comply with a standard = double jeopardy

Issues List

Project	Standard	Source	Issue
2008-06	CIP-006-1	ORDER APPROVING REVISED RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION AND REQUIRING COMPLIANCE FILING	the Commission directs the ERO to develop a modification to Reliability Standard CIP-006-2, through the NERC Reliability Standards development process, to add a requirement on visitor control programs, including the use of visitor logs to document entry and exit

Issues List

Project	Standard	Source	Issue
2008-06	CIP-006-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		VRFs Team	R2.1, .2, .3 & .4 - These are 4 things from which to choose one or more, so no one of them is required. Should be a bulleted list, not subrequirements. R3.1 – May statement

Issues List

Project	Standard	Source	Issue
2008-06	CIP-006-1	VRFs Team	R1.8 - A requirement to meet other standard requirements - double jeopardy R1.5 & .9 – Should be consistent with CIP-005

Issues List

Project	Standard	Source	Issue
2008-06	CIP-007-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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		VRFs Team	R3 - An improper patch can lead to loss of system integrity. R2 & 2.3 - An open port can lead to loss of system integrity.

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2008-06	CIP-008-1	ORDER APPROVING REVISED RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION AND REQUIRING COMPLIANCE FILING	the Commission directs the ERO to develop a modification to Reliability Standard CIP-008-2, Requirement R1.6, through the NERC Reliability Standards development process, to remove the last sentence of CIP-008-2 Requirement R1.6

Issues List

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2008-06	CIP-008-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.

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2008-06	CIP-009-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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Project	Standard	Source	Issue
2008-06	CIP-010 - CIP-011	Order Approving Interpretation of CIP-007-2 R2	The Commission recognizes and encourages NERC's intention to address physical ports to eliminate the current gap in protection as part of its ongoing CIP Reliability Standards project scheduled for completion by the end of 2010. Should this effort fail to address the issue, however, the Commission will take appropriate action, which could include directing NERC to produce a modified or new standard that includes security of physical ports. The term "ports and services" is a well-established term of art that refers to logical ports only. Thus, to avoid potential continued confusion and commingling of common and well-established terms of art, the Commission strongly encourages NERC to approach the security of physical ports as a separate provision, apart from the existing logical "ports and services" language, so that the clarity established by this interpretation remains intact.
	CIP-010CIP-011	Order 706	The Commission adopts the CIP NOPR proposal to direct the ERO to modify CIP- 009-1 to incorporate guidance that the backup and restoration processes and procedures required by Requirement R4 should include, at least with regard to significant changes made to the operational control system, verification that they are operational before the backups are stored or relied upon for recovery purposes For the reasons discussed in the CIP NOPR, the Commission adopts the proposal to direct the ERO to modify CIP-009-1 to include a specific requirement to implement a recovery plan. the Commission adopts the ERO's recommendation of requiring active vulnerability assessments of test systems. The Commission further directs the ERO to include language in CIP-008-1 to require revisions to the incident response plan to address these lessons learned.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	The Commission adopts the CIP NOPR proposal to direct the ERO to modify CIP-009-1 to provide direction that backup practices include regular procedures to ensure verification that backups are successful and backup failures are addressed, so that backups are available for future use. we are directing the ERO to determine, through the Reliability Standards development process, what would constitute a modification that would require an active vulnerability assessment the Commission directs the ERO to revise the Reliability Standard so that annual vulnerability assessments are sufficient, unless a significant change is made to the electronic security perimeter or defense in depth measure, rather than with every modification. We further adopt the proposal to enforce this Reliability Standard such that, if an entity has the required recovery plan but does not implement it when the anticipated event or conditions occur, the entity will not be in compliance with this Reliability Standard. the Commission cautions that certain changes to a production or test environment might make the differences between the two greater and directs the ERO to take this into account when developing guidance on when to require updated documentation to ensure that there are no significant gaps between what is tested and what is in production. Consistent with the CIP NOPR, the Commission directs the ERO to determine what, if any, modifications to CIP-004-1 should be made to assure that security trainers are adequately trained themselves. The Commission adopts its CIP NOPR proposal and directs the ERO to develop modifications to Reliability Standards CIP-003-1, CIP-004-1, and/or CIP-007-1, to ensure and make clear that, when access to protected information is revoked, it is done so promptly.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	The Commission adopts its CIP NOPR proposal and directs the ERO to clarify that the exceptions mentioned in Requirements R2.3 and R3 of CIP-003-1 do not except responsible entities from the Requirements of the CIP Reliability Standards. The Reliability Standards development process should decide the degree to which the revised CIP-007-1 describes acceptable log sampling. The ERO could also provide additional guidance on how to create the sampling of log entries, which could be in a reference document. The Commission continues to believe that, in general, logs should be reviewed at least weekly and therefore adopts the CIP NOPR proposal to require the ERO to modify CIP-007-1 to require logs to be reviewed more frequently than 90 days, but leaves it to the Reliability Standards development process to determine the appropriate frequency, given our clarification below, similar to our action with respect to CIP-005-1 The Commission also directs the ERO to modify Requirement R4 to include safeguards against personnel introducing, either maliciously or unintentionally, viruses or malicious software to a cyber asset within the electronic security perimeter through remote access, electronic media, or other means, consistent with our discussion above The Commission adopts the CIP NOPR's proposal to direct the ERO to identify examples of specific verification technologies that would satisfy Requirement R2.4, while also allowing compliance pursuant to other technically equivalent measures or technologies. The Commission directs the ERO to develop modifications to Requirement R6 of CIP-003-1 to provide an express acknowledgment of the need for the change control and configuration management process to consider accidental consequences and malicious actions along with intentional changes.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	The Commission adopts the CIP NOPR proposal with regard to CIP-007-1, Requirement R4. [The Commission proposed to direct the ERO to eliminate the acceptance of risk language from Requirement R4.2, and also attach the same documentation and reporting requirements to the use of technical feasibility in Requirement R4, pertaining to malicious software prevention, as elsewhere. The Commission discussed the issues of defense in depth, technical feasibility, and risk acceptance elsewhere in the CIP NOPR and applied those conclusions here. The Commission further proposed to direct the ERO to modify Requirement R4 to include safeguards against personnel introducing, either maliciously or unintentionally, viruses or malicious software to a cyber asset within the electronic security perimeter through remote access, electronic media, or other means] The Commission adopts the CIP NOPR proposal to direct the ERO to clarify what it means to prevent unauthorized retrieval of data from a cyber asset prior to discarding it or redeploying it. we direct the ERO to revise the Reliability Standard to require each responsible entity to document differences between testing and production environments in a manner consistent with the discussion above. We therefore direct the ERO to develop requirements addressing what constitutes a “representative system” and to modify CIP-007-1 accordingly. The Commission directs the ERO to consider providing further guidance on testing systems in a reference document. The Commission adopts the CIP NOPR proposal and directs the ERO to develop a modification to CIP-006-1 to require a responsible entity to test the physical security measures on critical cyber assets more frequently than every three years, The Commission directs the ERO, using its Reliability Standards development process, to develop a process of external review and approval of critical asset lists based on a regional perspective.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	The Commission adopts its CIP NOPR proposal to direct that the ERO develop through its Reliability Standards development process a mechanism for external review and approval of critical asset lists. We direct the ERO to consider the comment from ISA99 Team [ISA99 Team objects to the exclusion of communications links from CIP-002-1 and non-routable protocols from critical cyber assets, arguing that both are key elements of associated control systems, essential to proper operation of the critical cyber assets, and have been shown to be vulnerable – by testing and experience]. We direct NERC to address revisions to the CIP Reliability Standards CIP-002-1 through CIP-009-1 considering applicable features of the NIST framework. The Commission adopts the CIP NOPR proposal to require the ERO to modify CIP-005-1 to require logs to be reviewed more frequently than 90 days We direct the ERO to consider, in developing modifications to CIP-004-1, whether identification of core training elements would be beneficial and, if so, develop an appropriate modification to the Reliability Standard. We direct the ERO to consult with federal entities that are required to comply with both CIP Reliability Standards and NIST standards on the effectiveness of the NIST standards and on implementation issues and report these findings to the Commission. We adopt the ERO's proposal to provide for active vulnerability assessments rather than full live vulnerability assessments.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	the Commission clarifies its direction with regard to reviewing logs. In directing manual log review, the Commission does not require that every log be reviewed in its entirety. Instead, the ERO could provide, through the Reliability Standards development process, clarification that a responsible entity should perform the manual review of a sampling of log entries or sorted or filtered logs. The Commission adopts its proposals in the CIP NOPR with a clarification. As a general matter, all joint owners of a critical cyber asset are responsible to protect that asset under the CIP Reliability Standards. The owners of joint use facilities which have been designated as critical cyber assets are responsible to see that contractual obligations include provisions that allow the responsible entity to comply with the CIP Reliability Standards. This is similar to a responsible entity's obligations regarding vendors with access to critical cyber assets. We also adopt our proposal to direct the ERO to modify Requirement R4 to make clear that unescorted physical access should be denied to individuals that are not identified on the authorization list, with clarification. The Commission adopts the CIP NOPR proposal to direct the ERO to develop modifications to CIP-004-1 to require immediate revocation of access privileges when an employee, contractor or vendor no longer performs a function that requires physical or electronic access to a critical cyber asset for any reason (including disciplinary action, transfer, retirement, or termination). We also direct the ERO to identify the parameters of such exceptional circumstances through the Reliability Standards development process We direct the ERO to modify CIP-004-1, and other CIP Reliability Standards as appropriate, through the Reliability Standards development process to address critical cyber assets that are jointly owned or jointly used, consistent with the Commission's determinations above.

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Project	Standard	Source	Issue
2008-06	CIP-010CIP-011	Order 706	The Commission adopts the CIP NOPR proposal to direct the ERO to modify CIP-008-1, Requirement R2 to require responsible entities to maintain documentation of paper drills, full operational drills, and responses to actual incidents, all of which must include lessons learned. The Commission directs the ERO to modify CIP-005-1 to require some manual review of logs, consistent with our discussion of log sampling below, to improve automated detection settings, even if alerts are employed on the logs. the Commission directs the ERO to modify CIP-005-1 through the Reliability Standards development process to require manual review of those logs without alerts in shorter than 90 day increments. the Commission directs the ERO to modify CIP-008-1 to require a responsible entity to, at a minimum, notify the ESISAC and appropriate government authorities of a cyber security incident as soon as possible, but, in any event, within one hour of the event, even if it is a preliminary report. The Commission adopts the CIP NOPR proposal to direct the ERO to modify CIP-008-1 to require each responsible entity to contact appropriate government authorities and industry participants in the event of a cyber security incident as soon as possible, but, in any event, within one hour of the event, even if it is a preliminary report. the Commission directs the ERO to develop a modification to CIP-008-1 to: (1) include language that takes into account a breach that may occur through cyber or physical means; (2) harmonize, but not necessarily limit, the meaning of the term reportable incident with other reporting mechanisms, such as DOE Form OE 417; (3) recognize that the term should not be triggered by ineffectual and untargeted attacks that proliferate on the internet; and (4) ensure that the guidance language that is developed results in a Reliability Standard that can be audited and enforced

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Project	Standard	Source	Issue
2008-06	CIP-010 CIP-011	Order 706	The Commission adopts the CIP NOPR proposal to direct the ERO to provide guidance regarding what should be included in the term reportable incident. … we direct the ERO to develop and provide guidance on the term reportable incident. the Commission directs the ERO to revise Requirement R7 of CIP-007-1 to clarify, consistent with this discussion, what it means to prevent unauthorized retrieval of data. The Commission adopts the CIP NOPR's proposal to direct the ERO to modify Requirement R2 of CIP-004-1 to clarify that cyber security training programs are intended to encompass training on the networking hardware and software and other issues of electronic interconnectivity supporting the operation and control of critical cyber assets.
		Order 706-A - CIP	consider whether section 1500 is the appropriate safeguard for keeping technical feasibility information confidential or if such information should be protected another way.
	CIP-011	Order 706	The Commission adopts, with modifications, the CIP NOPR proposal to develop modifications to CIP-009-1 through the Reliability Standards development process to require an operational exercise once every three years (unless an actual incident occurs, in which case it may suffice), but to permit reliance on table-top exercises annually in other years. Therefore, we direct the ERO to revise CIP-009-1 to require data collection, as provided in the Blackout Report. The Commission adopts, with clarification, the CIP NOPR proposal to direct the ERO to modify CIP-009-1 to incorporate use of good forensic data collection practices and procedures into this CIP Reliability Standard.

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2008-06	CIP-011	Order 706	we direct the ERO to modify Requirement R4 to require these representative active vulnerability assessments at least once every three years, with subsequent annual paper assessments in the intervening years The Commission is directing the ERO to revise the Reliability Standard to require two or more defensive measures. The Commission adopts the CIP NOPR's proposal to direct the ERO to develop a requirement that each responsible entity must implement a defensive security approach including two or more defensive measures in a defense in depth posture when constructing an electronic security perimeter The Commission adopts its proposal to direct the ERO to provide more direction on what features, functionality, and vulnerabilities the responsible entities should address when conducting the vulnerability assessments, and to revise Requirement R8.4 to require an entity-imposed timeline for completion of the already-required action plan. The Commission adopts the CIP NOPR proposal to direct the ERO to modify this CIP Reliability Standard to state that a responsible entity must, at a minimum, implement two or more different security procedures when establishing a physical security perimeter around critical cyber assets. The Commission directs that a responsible entity must implement two or more distinct security measures when constructing an electronic security perimeter, the specific requirements should be developed in the Reliability Standards development process.
	N/A		NERC is directed to develop a timetable for development of the modifications to the CIP Reliability Standards and, if warranted, to develop and file with the Commission for approval, a second implementation plan.

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2008-06	N/A	Order 706	We direct the ERO to submit a work plan for Commission approval for developing and filing for approval the modifications to the CIP Reliability Standards that we are directing in this Final Rule
2008-12		NAESB Standards Review Subcommittee	NAESB Standards Review Subcommittee as input to the Reliability Standards Development Plan:2010-2012: NAESB requests that NERC engage in coordination with with them as needed on this project as it relates to item 3.a.viii in the NAESB WEQ 2009 Annual Plan.
	INT-001-1	Order 693	Regional Difference to INT-001/4: WECC Tagging Dynamic Schedules and Inadvertent Payback: Submit a filing within 90 days of the Order that provides the needed information or withdraws the regional variance.
		Version 0 Team	R1 – Who tags dynamic schedules?
			R1 - Too stringent
			Lack of compliance
			More commercial problem than reliability
			Onerous to BA's
			Question on generation scheduling
			R2.2 – 60 minute time frame questioned
			Clarify tagging of reserves
			Load PSE responsibility is new restriction
		VRFs Team	R1, 1.1, 2, 2.1, 2.2 – commercial and administrative

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Project	Standard	Source	Issue
2008-12	INT-001-2	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider Santa Clara's comments about the applicability of the LSE in the standard as part of the standards development process. "Santa Clara submits that LSEs should be applicable entities under proposed revised INT-001-2 to ensure that they have adequate notice of the requirements of this Reliability Standard. It states that the actions of LSEs are implicated in Requirement R1 of this proposed Reliability Standard." Include a requirement that interchange information must be submitted for all point-to-point transfers entirely within a balancing authority area, including all grandfathered and "non-Order No. 888" transfers.

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2008-12	INT-001-2	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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	INT-003-1	VRFs Team	R1, 1.1, 1.1.2, 1.2 – commercial and administrative

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Project	Standard	Source	Issue
2008-12	INT-003-2	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
	INT-004-1		NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider adding levels of non-compliance to the standard.
		Version 0 Team	Use WECC criteria Non-compliance based on % Suggested non-compliance levels Need to address tag curtailment Replace TSP with TOP

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Project	Standard	Source	Issue
2008-12	INT-004-1	VRFs Team	R2, 2.2, 2.3 – commercial and administrative
	INT-005-2	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider adding levels of non-compliance to the standard.
		VRFs Team	R5 – administrative
	INT-006-1	Order 693	Require reliability coordinators and transmission operators to review energy interchange transactions from the wide-area and local area reliability viewpoints respectively and, where their review indicates a potential detrimental reliability impact, communicate to the sink balancing authorities necessary transaction modifications before implementation.

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2008-12	INT-006-1	Order 693	Consider the suggestions made by EEI and TVA and address questions raised by Entergy and Northern Indiana as part of the standard development process. EEI states that the "wide-area reliability impact" review envisioned by the Commission, which involves review of the composite energy interchange transactions,probably already takes place under Reliability Standards INT-005 through INT-009 in a cost-effective manner. EEI explains that since most transactions submitted by wholesale markets to the transactions tagging process span multiple hours with varying sizes (in MW), and are often submitted days before transaction start times, the wide-area review consists of ensuring that sufficient generator ramping capability exists, as well as examining for limits on transfer capabilities. This review is generally considered sufficient to the extent that analyses are taking place on the basis of projected system conditions. EEI suggests that the Commission-proposed review and validation of composite energy interchange transactions by reliability coordinators might be more effectively addressed through "near real-time" system review. It explains that, at this time, the broad range of system condition parameters is better known, and the reliability coordinators can make use of the TLR process to maintain system reliability. TVA suggests that the term "composite Tag" should be defined as part of the proposed modifications. CAISO also questions the meaning of "composite Tag" and seeks clarification on that issue. TVA notes that depending on the type of reliability analysis required to validate a "composite Tag," it may prove impractical to conduct this evaluation for hourly transactions. Entergy disagrees with the Commission's proposed modifications. It contends that they will require substantial changes to the tagging specifications. Entergy believes that the Commission's concerns may already be addressed by Reliability Standards INT- 005 through INT-009. Northern Indiana contends that the NOPR's discussion of INT-006-1 is unclear and confusing. It states that it does not understand what the Commission means by "validate" when the Commission proposes that

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Project	Standard	Source	Issue
			reliability coordinators and transmission operators review and validate composite arranged interchanges. Northern Indiana also questions whether both reliability coordinators and transmission operators would be required to validate and approve the Tags and what the basis for approval would be. It questions what falls within the term "potential detrimental reliability impact," what happens if a Tag is not validated within 20 minutes to the hour, and whether all schedules are canceled outright or passively approved. Include reliability coordinators and transmission operators as applicable entities.
	INT-006-2	NERC Audit Observation Team	Does confirmed action mean direct action needs to be taken or, does confirmed action mean that a process has been put in place that will take action and, the entity agrees with such since they have employed the program.
		NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA

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2008-12	INT-007-1	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		VRFs Team	R1, 1.1, 1.3, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.4 – administrative
	INT-008-2	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider APPA's suggestion to clarify what reliability entity the standard applies as part of the standard development process.
		VRFs Team	R1.1.1 & 1.1.2 – commercial and administrative

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2008-12	INT-009-1	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider APPA's suggestion to clarify what reliability entity the standard applies as part of the standard development process.
	INT-010-1	NERC/NAESB Coordination	NERC/NAESB Coordination • The SDT review the definitions of the following terms and coordinate with NAESB so that the definition of each term is consistent between NERC and NAESB: Interchange Schedule Interchange Transaction Interchange Transaction Tag (Tag) Request for Interchange Source BA Sink BA
		Order 693	Consider Northern Indiana's and ISO-NE's suggestions in the standards development process.
		VRFs Team	R1 & 3 – administrative

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Project	Standard	Source	Issue
2008-13	TOP-002-2	Other	Although NPCC realizes that no changes are allowed per the existing process we would like to include the following comment and request it be included in the NERC Standards issues database for consideration during the next revision of this standard... "In the response to Question #3 that appears in the Interpretation, it states the following-"Requirement R-11 is meant to include both determining new limits and identifying potential exceedances of pre-defined SOLs". This could be viewed by some to change the intent of the Requirement and it is believed the SDT meant to say "Requirement R-11 is meant to include both determining new limits and verification of other predefined/predetermined SOLs"." Thank you. Response: The language of the requirement is meant to determine new SOLs and verify existing SOLs. The interpretation notes that the language is also meant to include identifying potential exceedances of pre-defined limits.
2009-01	CIP-001-1	NERC Audit Observation Team	"What is meant by: “establish contact with the FBI”. Is a phone number adequate. Many entities which call the FBI are referred back to the local authority. The AOT noted that on the FBI website it states to contact the local authorities. Is this a question for Homeland Security to deal with for us?" Registered Entities have sabotage reporting processes and procedures in place but not all personnel has been trained. Establish communications contacts, as applicable with local FBI and RAMP officials. Some entities are very remote and the sheriff is the only local authority does the FBI still need to be contacted? Question: How do you“and make the operator aware” How does this standard pertain to Load Serving Entities, LSE's.

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Project	Standard	Source	Issue
2009-01	CIP-001-1	Order 693	We direct the ERO to explore ways to address these concerns – including central coordination of sabotage reports and a uniform reporting format – in developing modifications to the Reliability Standard with the appropriate governmental agencies that have levied the reporting requirements. "Define “sabotage” and provide guidance on triggering events that would cause an entity to report an event. Paragraph 461. Several commenters agree with the Commission’s concern that the term “sabotage” should be defined. For the reasons stated in the NOPR, we direct that the ERO further define the term and provide guidance on triggering events that would cause an entity to report an event. However, we disagree with those commenters that suggest the term “sabotage” is so vague as to justify a delay in approval or the application of monetary penalties. As explained in the NOPR, we believe that the term sabotage is commonly understood and that common understanding should suffice in most instances The ERO should consider suggestions raised by commenters such as FirstEnergy and Xcel to define the specified period for reporting an incident beginning from when an event is discovered or suspected to be sabotage, and APPA’s concerns regarding events at unstaffed or remote facilities, and triggering events occurring outside staffed hours at small entities Modify CIP-001-1 to require an applicable entity to contact appropriate governmental authorities in the event of sabotage within a specific period of time, even if it is a preliminary report. Further, in the interim while the matter is being addressed by the Reliability Standards development process, we direct the ERO to provide advice to entities that have concerns about the reporting of particular circumstances as they arise.

Issues List

Project	Standard	Source	Issue
2009-01	CIP-001-1	Order 693	Consider the need for wider application of the standard. Consider whether separate, less burdensome requirements for smaller entities may be appropriate. Paragraph 458. The Commission acknowledges the concerns of the commenters about the applicability of CIP-001-1 to small entities and has addressed the concerns of small entities generally earlier in this Final Rule. Our approval of the ERO Compliance Registry criteria to determine which users, owners and operators are responsible for compliance addresses the concerns of APPA and others. 459. However, the Commission believes that there are specific reasons for applying this Reliability Standard to such entities, as discussed in the NOPR. APPA indicates that some small LSEs do not own or operate "hard assets" that are normally thought of as "at risk" to sabotage. The Commission is concerned that, an adversary might determine that a small LSE is the appropriate target when the adversary aims at a particular population or facility. Or an adversary may target a small user, owner or operator because it may have similar equipment or protections as a larger facility, that is, the adversary may use an attack against a smaller facility as a training "exercise." The knowledge of sabotage events that occur at any facility (including small facilities) may be helpful to those facilities that are traditionally considered to be the primary targets of adversaries as well as to all members of the electric sector, the law enforcement community and other critical infrastructures. 460. For these reasons, the Commission remains concerned that a wider application of CIP-001-1 may be appropriate for Bulk-Power System reliability. Balancing these concerns with our earlier discussion of the applicability of Reliability Standards to smaller entities, we will not direct the ERO to make any specific modification to CIP-001-1 to address applicability. However, we direct the ERO, as part of its Work Plan, to consider in the Reliability Standards development process, possible revisions to CIP-001-1 that address our concerns regarding the need for wider application of the Reliability Standard. Further, when addressing such applicability issues, the ERO should consider whether separate, less burdensome requirements for smaller entities may be appropriate to address these concerns.

Issues List

Project	Standard	Source	Issue
2009-01	CIP-001-1	Order 693	The Commission affirms the NOPR directive and directs the ERO to incorporate a periodic review or updating of the sabotage reporting procedures and for the periodic testing of the sabotage reporting procedures. At this time, the Commission does not specify a review period as suggested by FirstEnergy and MRO and, rather, believes that the appropriate period should be determined through the ERO's Reliability Standards development process. However, the Commission directs that the ERO begin this process by considering a staggered schedule of annual testing of the procedures with modifications made when warranted formal review of the procedures every two or three years. Consider FirstEnergy's suggestions to differentiate between cyber and physical security sabotage and develop a threshold of materiality. Paragraph 451. A number of commenters agree with the Commission's concern that the term "sabotage" needs to be better defined and guidance provided on the triggering events that would cause an entity to report an event. FirstEnergy states that this definition should differentiate between cyber and physical sabotage and should exclude unintentional operator error. It advocates a threshold of materiality to exclude acts that do not threaten to reduce the ability to provide service or compromise safety and security. SoCal Edison states that clarification regarding the meaning of sabotage and the triggering event for reporting would be helpful and prevent over-reporting.

Issues List

Project	Standard	Source	Issue
2009-01	CIP-001-1	Order 693	"Include a requirement to report a sabotage event to the proper government authorities. Develop the language to specifically implement this directive. Paragraph 467. CIP-001-1, Requirement R4, requires that each applicable entity establish communications contacts, as applicable, with the local FBI or Royal Canadian Mounted Police officials and develop reporting procedures as appropriate to its circumstances. The Commission in the NOPR expressed concern that the Reliability Standard does not require an applicable entity to actually contact the appropriate governmental or regulatory body in the event of sabotage. Therefore, the Commission proposed that NERC modify the Reliability Standard to require an applicable entity to "contact appropriate federal authorities, such as the Department of Homeland Security, in the event of sabotage within a specified period of time."212 468. As mentioned above, NERC and others object to the wording of the proposed directive as overly prescriptive and note that the reference to "appropriate federal authorities" fails to recognize the international application of the Reliability Standard.The example of the Department of Homeland Security as an "appropriate federal authority" was not intended to be an exclusive designation. Nonetheless, the Commission agrees that a reference to "federal authorities" could create confusion. Accordingly, we modify the direction in the NOPR and now direct the ERO to address our underlying concern regarding mandatory reporting of a sabotage event. The ERO's Reliability Standards development process should develop the language to implement this directive."

Issues List

Project	Standard	Source	Issue
2009-01	CIP-001-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
		Version 0 Team	Object to multi-site requirement Definition of sabotage required
		VRFs Team	Adequate procedures will insure it is unlikely to lead to bulk electric system instability, separation, or cascading failures.

Issues List

Project	Standard	Source	Issue
2009-01	EOP-004-1	Events Analysis Team	Reliability Issue: Coordination and follow up on lessons learned from event analyses Consider adding to EOP-004 – Disturbance Reporting Proposed requirement: Regional Entities (REs) shall work together with Reliability Coordinators, Transmission Owners, and Generation Owners to develop an Event Analysis Process to prevent similar events from happening and follow up with the recommendations. This process shall be defined within the appropriate NERC Standard
		Fill in the Blank Team	Consider changes to R1 and R3.4 to standardize the disturbance reporting requirements (requirements for disturbance reporting need to be added to this standard) Regions currently have procedures, but not in the form of a standard. The drafting team will need to review regional requirements to determine reporting requirements for the North American standard.
		NERC Audit Observation Team	Can there be a violation without an event?
		Order 693	Paragraph 618. requirement R3 addresses the reporting of disturbances to the regional reliability organizations and NERC. The Commission directs the ERO to change its Rules of Procedure to assure that the Commission also receives these reports within the same time frames as DOE. The ERO should consider this issue (APPA) through the Reliability Standards development process The Commission directs the ERO to consider all comments (Xcel) in future modifications of the Reliability Standard through the Reliability Standards development process.

Issues List

Project	Standard	Source	Issue
2009-01	EOP-004-1	Order 693	Consider APPA's concern about generator operators and LSEs analyzing performance of their equipment and provide data and information on the equipment to assist others with analysis. Paragraph 607. APPA is concerned about the scope of Requirement R2 because, in its opinion, Requirement R2 appears to impose an open-ended obligation on entities such as generation operators and LSEs that may have neither the data nor the tools to promptly analyze disturbances that could have originated elsewhere. APPA proposes that Requirement R2 be modified to require affected entities to promptly begin analyses to ensure timely reporting to NERC and DOE.

Issues List

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2009-01	EOP-004-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.

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Project	Standard	Source	Issue
2009-01	EOP-004-1	Other	From: David Cook Sent: Wednesday, July 16, 2008 6:06 PM To: Rick Sergel; Dave Nevius; David A. Whiteley; Management Subject: RE: FERC request for DOE-417s I agree the real fix is to revise the EOP-004 standard. I agree that we can't (and shouldn't try) to do that by way of amendments to our Rules of Procedure. So we should include that fix in the standards work plan, do the best we can in the meantime to provide FERC with the 417s, and I'll have the conversation with Joe McClelland about not being able to do what the Commission directed in Order 693 (i.e., change the standards by way of a change in the Rules of Procedure). David --- From: Rick Sergel Sent: Wednesday, July 16, 2008 5:26 PM To: Dave Nevius; David A. Whiteley; David Cook; Management Subject: RE: FERC request for DOE-417s Dave, thanks. My tongue-in-cheek remark assumes the CSO will have Situation Awareness -- a growing possibility. Rick --- From: Dave Nevius Sent: Wed 7/16/2008 5:23 PM To: Rick Sergel; David A. Whiteley; David Cook; Management Subject: RE: FERC request for DOE-417s Rick The reporting requirements of the EOP standards go beyond physical and cyber security issues. I think this is just a case of our standard catching up

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Project	Standard	Source	Issue
			with the fact that FERC now has some reliability responsibilities that they didn't have when the standard was written and when the DOE-417 requirements were established. Dave N --- From: Rick Sergel Sent: Wednesday, July 16, 2008 5:06 PM To: David A. Whiteley; David Cook; Management Subject: RE: FERC request for DOE-417s Let's not take all the fun out of the CSO job--shouldn't they have the chance to solve this one! Rick --- From: David A. Whiteley Sent: Wed 7/16/2008 2:19 PM To: David Cook; Management Subject: RE: FERC request for DOE-417s Dave C – It appears to me that if we simply change the RoP per the Order, that would effectively change the standard which sets forth the reporting requirement (currently EOP-004 R3 says reports go to the RRO and NERC). Recognizing the Commission's desire, would the better approach be to include this change as part of standards project 2009-01 (CIP-001 and EOP-004 review) to be completed in the fourth quarter of 2010? The change would simply require US entities to include FERC in their reporting requirement along with NERC and their Regional Entity (another clean-up item). Dave W --- From: David Cook Sent: Wednesday, July 16, 2008 11:57 AM

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Project	Standard	Source	Issue
			To: Management Subject: FERC request for DOE-417s Management Team Joe McClelland has raised again the DOE-417 issue. Please see the attached memo for additional details. This continues to be an irritant with the Commission staff, and I believe we need to take steps to resolve it. In the memo, I have asked for your response to a few questions to assist in that regard. Thanks. David N. Cook

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Project	Standard	Source	Issue
2009-01	EOP-004-1	Standards Committee Action From 01/13/2010	in response to a SAR submitted by Glenn Kaht of ReliabilityFirst: As part of a regional compliance violation investigation, a possible reliability gap was identified related to EOP-004-1 — Disturbance Reporting. The existing standard limits reporting of generation outages to just those outages associated with loss of a bulk power transmission component that significantly affects the integrity of interconnected system operations. This requirement has been interpreted as meaning that only generation outages that must be reported are those that occur with the loss of a bulk power transmission element. By not reporting large generation losses that occur without the loss of a bulk power transmission element, the industry is overlooking a potential opportunity to identify and learn from these losses. Specifically, Item 1 of Attachment 1 of EOP-004 requires the reporting of events if "The loss of a bulk power transmission component that significantly affects the integrity of interconnected system operations. Generally, a disturbance report will be required if the event results in actions such as:" The Standard then lists six different actions that may occur as a result of the event in order to be reportable. All six of these actions appear to be dependent on "The loss of a bulk power transmission component that significantly affects the integrity of interconnected system operations" in order for the event to be reportable. Some of these events may significantly impact the reliable operation of the bulk power system. Consider a revision to EOP-004-1 — Disturbance Reporting requiring a Generator Operator (GOP) that experiences the loss of generation greater than 500 MW that results in modification of equipment (e.g. control systems, or Power Load Unbalancer (PLU)) to be a reportable event.
		Version 0 Team	R3 – too many reports, narrow requirement to RC How does this apply to generator operator?

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Project	Standard	Source	Issue
2009-02		Other	Source: James H. Sorrels (American Electric Power) as input to the Reliability Standards Development Plan:2010-2012 Reference Number: Unknown Standard Number: Unknown Project No.: 2009-02 REAL-Time Tools Language: Reliability Issue: With the addition of increasing volumes of new generation types and the current use of fossil fuel generation characteristics for such units, the accuracy of state estimator models are being adversely impacted. Example: Wind generators do not follow the typical reactive curves attributed to fossil fuel generator units. In fact, some types of wind units do not produce reactive support, while the state estimator model is reflecting that it does produce reactive support. Fossil fuel units produce dynamic reactor capability, while wind generators can be a combination of dynamic and static capability. Recommendation for improvement: The developed standard, when effective, will improve the accuracy of state estimator models.
	FAC-001-0	Fill in the Blank Team	Remove the phrase "to ensure compliance with NERC Reliability Standards and applicable Regional Reliability Organization, subregional, Power Pool, and individual Transmission Owner planning criteria and facility connection requirements". (Document explicit definition of ride through capability for generators)
		Phase III/IV Team	There is no requirement that facility connection requirements be used.

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Project	Standard	Source	Issue
2009-02	FAC-001-0	Phase III/IV Team	In a market environment it is very possible that not every generator will provide Frequency Response (FRR) services. Thus, the governor and governor deadband should be a requirement to interconnect to a power system. Generators that provide FRR shall have responsive governor and prime mover There is no set criteria that must be included in the connection requirements – just a list of topics that must be addressed. Consider revising this so that the RRO has some requirements for facility connections in addition to those of the transmission owner.
		Version 0 Team	Wording on Level 4 When is assessment required? R1.3 – 5 days not enough Merge R1.1 & 1.2 Should not degrade system on interconnection Need to consider FERC, states, end-users Not a NERC issue
	FAC-002-0	Fill in the Blank Team	Consider removing/ modifying R1.4, as it is redundant with the TPL standard, Coordinate with FAC-001, and

Issues List

Project	Standard	Source	Issue
2009-02	FAC-002-0	Fill in the Blank Team	Remove " and applicable Regional, subregional, Power Pool, and individual system planning criteria and facility connection requirements" from R1.2.
			Review FERC rule on interconnecting generators and see what parts impact this standard.
		Order 693	Address other commenter's concerns in future revisions to the standard.
			Amend requirement R1.4 to require evaluation of system performance under both normal and contingency conditions by referencing TPL-001 through TPL-003.
			Consider FirstEnergy's suggestion to include a reference to TPL-004-0.
		Phase III/IV Team	This standard requires facility owners to work together with the Planning Authority and Transmission Planner to do an assessment to verify there is no adverse impact on reliability before a new facility can be connected to the grid. There is no obvious connection to FAC-001.
			The standard does not involve the RRO in the coordination effort – if the FM is revised, the requirements should probably involve the RRO.
			The assessment is done by the PA and/or TP
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Shouldn't impact TTC
			What is Measure?
			Add TO, RRO

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Project	Standard	Source	Issue
2009-02	FAC-002-0	Version 0 Team	Use 30 days throughout
		VRFs Team	R1.2 – Ambiguous
	IRO-003-2	FERC Order 693	Create criteria to define the term “critical facilities” in a reliability coordinator’s area and its adjacent systems. Consider the suggestions of APPA, Entergy, and Xcel when doing so.
		Order 693	In response to APPA’s concern that NERC did not provide a Measure for each Requirement, we reiterate that it is in the ERO’s discretion whether each Requirement requires a corresponding Measure. The ERO should consider this issue through the Reliability Standards development process Our proposed directive is to augment the Requirement that the plans to alleviate SOL and IROL violations are assessed to ensure that the control actions can be implemented and effective within 30 minutes after a contingency.
2009-03	EOP-001-0	Frank Gaffney (FMPA) RSDP Input	Requirement R2 of EOP-003-1 states: “Each Transmission Operator and Balancing Authority shall establish plans for automatic load shedding for underfrequency or undervoltage conditions.” The standards drafting team for Project 2007-01 Underfequency Load Shedding should consider modifying this requirement as part of their project. The NERC Glossary of terms defines a BA as: "The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time." In other words, responsible for supply and demand balance in the operating horizon. With this definition in mind, why is the BA responsible for EOP-001-1 R2.2 "Develop, maintain, and implement a set of plans to mitigate operating emergencies on the transmission system"?

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Project	Standard	Source	Issue
2009-03	EOP-001-0	Frank Gaffney (FMPA) RSDP Input	The NERC Glossary of terms defines a TOP as: "(t)he entity responsible for the reliability of its 'local' transmission system, and that operates or directs the operations of the transmission facilities." With this definition in mind, why is the TOP made responsible for EOP-001-1 R2.1: "(d)evelop, maintain, and implement a set of plans to mitigate operating emergencies for insufficient generating capacity"? Requirement R4 (and by reference Attachment 1-EOP-001-0) is applicable to both the Transmission Operator and Balancing Authority but includes items that are not applicable to the TOP and are only applicable to the BA, e.g., why is a TOP responsible for fuel supply? Why is a TOP responsible for R6.2 concerning emergency energy? Why is a TOP responsible for fuel supply in R6.4, and why is the TOP responsible for arranging energy delivery? With regard to requirement R2, why is the BA responsible for Under Frequency Load Shedding (UFLS) when PRC-006-0 and PRC-007-0 make it the responsibility of the Regional Entities, the TOPs, the Distribution Providers and the LSEs? Why is the BA responsible for Under Voltage Load Shedding (UVLS) when the responsibility should probably be just the TOP's? Isn't this requirement redundant with PRC-006-0 and PRC-007-0?
		NERC Audit Observation Team	BA shall have operating agreements with adjacent BA's that shall, at a minimum, contain provisions for emeergency assistance, including provision to obtain emergency assistanc from remote BA's. What is "emergency assistance"? Does a reserve sharing group constitute emergency assistance, or is it more then that?
		Order 693	Clarify the definition of “emergency” and define the criteria for entering into the various states. Also define the authority for declaring these states. Clarifies that the actual emergency plan elements, and not the “for consideration” elements of Attachment 1, should be the basis for compliance.

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Project	Standard	Source	Issue
2009-03	EOP-001-0	Order 693	We direct the ERO to determine the optimum number of continent-wide system states and their attributes and to modify the Reliability Standards through the Reliability Standards development process to accomplish this objective.
			Consider a pilot program (field test) for the system states proposal.
			Includes definitions of system states (e.g. normal, alert, emergency), criteria for entering into these states. And the authority that will declare them.
			Clarify that the 30-minute requirement in requirement R2 to state that load shedding should be capable of being implemented as soon as possible but no more than 30 minutes.
			Consider Southern California Edison's and Xcel's suggestions in the standard development process.
			Include reliability coordinators as an applicable entity.
		Real-time Best Practices Standards Study Group	Establish document plans and procedures for conservative operations
		Version 1 Team	Revise R5
			Measures are really data retention requirements
			Combine R4 & R5
		VRFs Team	R1 – primarily administrative

Issues List

Project	Standard	Source	Issue
2009-03	EOP-002-2	NERC Audit Observation Team	This NERC standard references the RC or BA to implement it's capacity and energy plans. The RC does not have capacity and energy plans.
		Order 693	Ensure the TLR procedure is not used to mitigate actual IROL violations.
			The Commission directs that the ERO to consider adding Measures and Levels of Non-compliance in the Reliability Standard.
			The issues raised by ISO-NE should be addressed through the Reliability Standards development process.
			Address emergencies resulting not only from insufficient generation but also insufficient transmission capability, particularly as it affects the implement of the capacity and energy emergency plan.
			Include all technically feasible resource options, including demand response and generation resources

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2009-03	EOP-002-2	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
	EOP-003-1	Order 693	Require periodic drills of simulated load shedding. Consider comments from APPA in the standards development process. Consider comments from ISO-NE in the standards development process.

Issues List

Project	Standard	Source	Issue
2009-03	EOP-003-1	Real-time Best Practices Standards Study Group	Provide the location, Real-time status, and MWs of Load available to be shed.

Issues List

Project	Standard	Source	Issue
2009-03	IRO-001-1	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
2009-04	MOD-010-0	Fill in the Blank Team	This standard is directly related to MOD-011. Coordinate the revision of this standard with the revision to MOD-011. MOD-011 needs to be written as a North American standard with requirements for each interconnection. Once MOD-011 is modified, the only changes needed to MOD-010 are the references to the appropriate requirements in MOD-011.

Issues List

Project	Standard	Source	Issue
2009-04	MOD-010-0	Fill in the Blank Team	Review MOD-010, MOD-011, MOD-012, and MOD-013 concurrently for modeling requirements and reporting.
		Order 693	Require users, owners, and operators to submit data to the regional entities as needed for modeling studies and assessments. Expand the applicability to include transmission operators Require transmission planners to provide the contingency lists they use in performing system operation and planning studies. Address critical energy infrastructure confidentiality issues as part of the standard development process. we direct the ERO, as the entity charged with developing Reliability Standards, to address all of these concerns and to develop a consensus standard using its Reliability Standard development process We adopt our NOPR proposal that the planning authority should be included in this Reliability Standard because the planning authority is the entity responsible for the coordination and integration of transmission facilities and resource plans, as well as one of the entities responsible for the integrity and consistency of the data As we discuss below in the section on MOD-011-0, we direct the ERO to develop a Work Plan that will facilitate ongoing collection of the steady-state modeling and simulation data set forth in MOD-011-0, and submit a compliance filing with that Work Plan

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Project	Standard	Source	Issue
2009-04	MOD-010-0	Order 890	290. The Commission directs public utilities, working through NERC, to modify the reliability standards MOD-010 through MOD-025 to incorporate a requirement for the periodic review and modification of models for (1) load flow base cases with contingency, subsystem, and monitoring files, (2) short circuit data, and (3) transient and dynamic stability simulation data, in order to ensure that they are up to date. This means that the models should be updated and benchmarked to actual events. We find that this requirement is essential in order to have an accurate simulation of the performance of the grid and from which to comparably calculate ATC, therefore increasing transparency and decreasing the potential for undue discrimination by transmission providers.
		Version 0 Team	Not a standalone standard
			Don't need schedules for transactions within RTO
			Confidentiality needs not cited
			Non-compliance does not have time elements
			Don't provide data to NERC
	MOD-011-0	Fill in the Blank Team	Review MOD-010, MOD-011, MOD-012, and MOD-013 concurrently for modeling requirements and reporting.
			Revise NERC MOD-011 to clarify that the data reporting requirements must be uniform across each interconnection.
			MOD-010 and 011 are related. This is the MMWG work for the eastern interconnection.

Issues List

Project	Standard	Source	Issue
2009-04	MOD-011-0	Fill in the Blank Team	Coordinate the revision of this standard with the revision to MOD-010. MOD-011 needs to be written as a North American standard with requirements for each interconnection.
			This should be a North American Standard containing requirements which are interconnection-wide.
		Order 693	Develop a work plan and submit a compliance filing that will facilitate the ongoing collection of the steady-state modeling and simulation data specified in this standard.
			Expand the applicability to include the planning authority.
		Version 0 Team	Several semantics issues
			Not a standalone standard
			Add equipment types and variables
			Confidentiality of data
			Consistency across standards for non-compliance
			Time element not cited in non-compliance
			Locations of substations should be deleted
	MOD-012-0	Fill in the Blank Team	This standard is directly related to MOD-013.

Issues List

Project	Standard	Source	Issue
2009-04	MOD-012-0	Fill in the Blank Team	Coordinate the revision of this standard with the revision to MOD-013. MOD-013 needs to be written as a North American standard with requirements for each interconnection. Once MOD-013 is modified, the only changes needed to MOD-012 are the references to the appropriate requirements in MOD-013. Review MOD-010, MOD-011, MOD-012, and MOD-013 concurrently for modeling requirements and reporting.
		Order 693	Provide a list of faults and disturbances used in performing dynamics system studies for operation and planning. As we will discuss in the next section on MOD-013-1, we require the ERO to develop a Work Plan and submit a compliance filing that will facilitate ongoing collection of the dynamics system modeling and simulation data specified by the deferred MOD-013-1 Reliability Standard, which is necessary for implementation of MOD-012-0. Expand the applicability to include transmission operators, planning authorities, and transmission planners. Require users, owners, and operators to submit data to the regional entities as needed for modeling studies and assessments. Address critical energy infrastructure confidentiality issues as part of the standard development process.
		Version 0 Team	Time element missing in non-compliance Confidentiality of data Not a standalone standard

Issues List

Project	Standard	Source	Issue
2009-04	MOD-012-0	Version 0 Team	Consistency of non-compliance
	MOD-013-1	ATFNSDT	MOD-013 needs to ask for voltage ride through data from generators as per 693.
		Fill in the Blank Team	Review MOD-010, MOD-011, MOD-012 and MOD-013 concurrently for modeling requirements and reporting. Revise MOD-013 to clarify that the data reporting requirements must be uniform across each interconnection. This should be a North American Standard containing requirements which are interconnection-wide. MOD-012 and MOD-013 are related. This is the MMWG work for the Eastern Interconnection.
		Order 693	Develop a work plan and submit a compliance filing that will facilitate the ongoing collection of the dynamics modeling and simulation data specified in this standard. Require verification of the dynamic models with actual disturbance data. Permit entities to estimate dynamics stat if they are unable to obtain unit specific information. Expand the applicability to include planning authorities
		Version 0 Team	Several semantics issues Consistency in non-compliance

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Project	Standard	Source	Issue
2009-04	MOD-013-1	Version 0 Team	5 business days not sufficient
			Timing element not mentioned in non-compliance
			Confidentiality of data
			Not a standalone standard
	MOD-014-0	Fill in the Blank Team	No action
		Order 693	Require models to be validated against actual system response.
			If model output is not within the accuracy required, the model shall be modified to achieve the necessary accuracy.
			Require users, owners, and operators to provide the validated models to regional reliability organizations.
			Develop a work plan that will facilitate ongoing validation of steady-state models and submit a compliance filing to the Commission.
		Version 0 Team	Timing element missing in non-compliance
			Solved cases should not have violations
			Consistency of non-compliance
			Define near-term vs. long-term
	MOD-015-0	Fill in the Blank Team	No action

Issues List

Project	Standard	Source	Issue
2009-04	MOD-015-0	Order 693	Require actual system events be simulated and dynamics system model output be validated against actual system response.
			Require users, owners, and operators to provide the validated models to regional entity.
			Develop a work plan that will facilitate ongoing validation of dynamics models and submit a compliance filing to the Commission.
		Version 0 Team	Consistency of non-compliance
			Confidentiality of data
			Timing element of non-compliance
	PRC-013-0	Fill in the Blank Team	Related to PRC-015.
			Review PRC-013 and PRC-015 together to properly reference regional standards (see notes of PRC-015 for options).
		Order 693	Consider APPA's suggestions for interconnection-wide consistency in the standards development process.
		Version 0 Team	Define evidence
			Not a standalone standard

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Project	Standard	Source	Issue
2009-04	PRC-015-0	Fill in the Blank Team	Consider impact of removing R1.2 from PRC-012-0 and revision of PRC-013-0, R1.1, 1.2, & 1.3 to include a specific list of items to be included in the RRO SPS database. The same list could be added to PRC-015, R1.1. However, it may be cleaner to move PRC-015-0, R1.1 and the data portion of R1.3 to PRC-013. (Note: revisions to PRC-012 are identified for a separate drafting team and are expected to take place after revisions to PRC-013 and PRC-015 are completed.)
			Review PRC-013 and PRC-015 together to properly reference regional standards (see notes of PRC-015 for options).
			Tied to PRC-013.
		Version 0 Team	Define evidence
			Already covered elsewhere
	PRC-020-1	Fill in the Blank Team	No action required
		Phase III/IV Team	The reliability-related need for the RRO to have the data isn't clear
		Team Comments	Provide clarity where the Planning Authority is mentioned
	PRC-021-1	Fill in the Blank Team	No action required
2009-05	MOD-016-1		MOD-016 is the NERC requirement on region; MOD-017 and MOD-019 are the entity requirements to comply with the region. Includes MOD-016 through MOD-021.
			Standard should address quality and accuracy of the forecast; need to avoid double-counting, etc.

Issues List

Project	Standard	Source	Issue
2009-05	MOD-016-1	Fill in the Blank Team	Review MOD-016, MOD-017, and MOD-019 concurrently to develop uniform North American Standards for reporting of actual and forecast demand and NEL data to be reported to RRO for system modeling and analysis.
		Order 693	Expand the applicability to include transmission planners. Paragraph 1224. In the NOPR, the Commission proposed to approve Reliability Standard MOD-016-1 as mandatory and enforceable. In addition, the Commission proposed to direct NERC to submit a modification to MOD-016-1 that expands the applicability section to include the transmission planner.

Issues List

Project	Standard	Source	Issue
2009-05	MOD-016-1	Order 693	Modify the definition of DSM to include any other entities that undertake activities or programs to influence the amount or timing of electricity they use without violating other reliability standards requirements. Paragraph 1232. Supported by many commenters, the Commission directs the ERO to modify MOD-016-1 and expand the applicability section to include the transmission planner, on the basis that under the NERC Functional Model the transmission planner is responsible for collecting system modeling data, including actual and forecast load, to evaluate transmission expansion plans. We disagree with EEI that this Reliability Standard should not be applied to the transmission planner because load-related data for controllable DSM is not only needed for distribution and transmission operations, but is also necessary for the transmission planner to take controllable DSM into account in planning the transmission system. Requirement R1.1 relates to data submittal, and requires data to be consistent with that supplied for the TPL-005 and TPL-006 standards, which clearly apply to transmission planners. We approve the ERO's definition in the glossary of DSM as "all activities or programs undertaken by a Load-Serving Entity or its customers to influence the amount or timing of electricity they use." Only activities or programs that meet the ERO definition, with the modification directed below, may be treated as DSM for purposes of the Reliability Standards. Recognizing the potential role that industrial customers who do not take service through an LSE and load aggregators, for example, may play in meeting the Reliability Standards, we direct the ERO to modify the definition of DSM. Specifically, we direct the ERO to add to its definition of DSM "any other entities" that undertake activities or programs to influence the amount or timing of electricity they use without violating other Reliability Standard Requirement.

Issues List

Project	Standard	Source	Issue
2009-05	MOD-016-1	Phase III/IV Team	Purpose – revise to add 'best available' where noted. Ensure that accurate, actual demand data is available to support assessments and validation of past events and databases. Forecast demand data is needed to perform future system assessments to identify the need for system reinforcements for continued reliability. In addition, to assist in proper real-time operating, best available load information related to controllable demand-side management (DSM) programs is needed. A clear definition of forecast demand is needed. R1.2 - revise to recognize that service territories may host multiple LSEs R2 and R3 – clarify what entity is providing the approval Add specificity to identify what must be considered in identifying the demand load forecast– is this expected to be the 'peak' demand and should it include such factors as economic, demographic, and customer trends; conservation, improvements in the efficiency of electrical energy use, and other changes in the end uses of electricity; and weather effects? Should the peak demand load forecast have a 50% probability of not being exceeded (expected peak demand)? This load forecast is commonly referred to as the 1-in-2 peak load forecast. There is a disconnect between LSE load forecasting and planning and the control area reporting as a major issue in the reporting of quality load and resources data to WECC. Confidentiality issues and other communication issues have contributed to making this an issue of concern therefore the following are action needs: Expand the applicability to include Load Serving Entities and Purchasing/Selling entities Explicitly state that LSEs are required to provide the documentation for actual and load forecast data for the loads they serve to the PAs and RROs.

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Project	Standard	Source	Issue
2009-05	MOD-016-1	Phase III/IV Team	Where Purchasing/ Selling entities are retail access customers who perform load forecasts, specify that these entities also need to provide similar documentation to PAsnd RROS
			R1.2 – needs to identify the type of forecast
			R1 - Transmission providers who serve customers who have retail access may have difficulty obtaining documentation identifying the scope and details of actual and forecast data. These transmission providers' can provide the actual and forecast data using their own data sets, but they may not have access to an individual retail choice customer's documentation for historical and forecast data. Often concerns about loss of competitive advantage or confidentiality issues are expressed about providing the data to the transmission provider.
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Consistency in non-compliance
			Weather data needed
	MOD-017-0	Fill in the Blank Team	Review MOD-016, MOD-017, and MOD-019 concurrently to develop uniform North American Standards for reporting of actual and forecast demand and NEL data to be reported to RRO for system modeling and analysis.
			Correct reference to MOD-016 when MOD-016 is revised (MOD-016-1)

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Project	Standard	Source	Issue
2009-05	MOD-017-0	Order 693	"Address methods to correct forecasts to minimize prior inaccuracies, errors, and bias. Paragraph 1252. The Commission agrees with APPA that accuracy, error and bias of load forecasts alone will not increase the reliability of load forecasts, and, as a result, will not affect system reliability. Understanding of the differences without action based on that understanding would not change anything. Therefore, we direct the ERO to add a Requirement that addresses correcting forecasts based on prior inaccuracies, errors and bias." The Commission therefore directs the ERO to consider MISO's concerns in the Reliability Standards development process. Include requirements for reporting of temperature and humidity along with the peak loads. Paragraph 1249. The Commission also directs the ERO to modify the Reliability Standad to require reporting of temperature and humidity along with peak load because actual load must be weather normalized for meaningful comparison with forecasted values.361 In response to MidAmerican's observation that it sees little value in collecting this data, we believe that collecting it will allow all load data to be weather-normalized, which will provide greater confidence when comparing data accuracy, which ultimately will enhance reliability. As a result, we reject Xcel's proposal that the standard be revised to include only the generic term "peak producing weather conditions" because it is too generic for a mandatory Reliability Standard.

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Project	Standard	Source	Issue
2009-05	MOD-017-0	Order 693	Reporting of accuracy, error and bias of load forecasts compared to actual loads taking temperature and humidity conditions into account. Paragraph 1251. The Commission adopts the NOPR proposal directing the ERO to modify the Reliability Standard to require reporting of the accuracy, error and bias of load forecasts compared to actual loads with due regard to temperature and humidity variations. This requirement will measure the closeness of the load forecast to the actual value. We understand that load forecasting is a primary factor in achieving Reliable Operation. Underestimating load growth can result in insufficient or inadequate generation and transmission facilities, causing unreliability in real-time operations. Measuring the accuracy, error and bias of load forecasts is important information for system planners to include in their studies, and also improves load forecasts themselves. Expand the applicability to include transmission planners. Paragraph 1257. The Commission approves Reliability Standard MOD-017-0 as mandatory and enforceable. In addition, the Commission directs the ERO to develop a modification to MOD-017-0 through the Reliability Standards development process that includes requirements for: (1) reporting of temperature and humidity along with the peak loads; (2) reporting of accuracy, error and bias of load forecasts compared to actual loads taking temperature and humidity variations into account; (3) addressing methods to correct forecasts to minimize prior inaccuracies, errors and bias and (4) including the transmission planner in the applicability section. We believe, however, that the ERO can ensure that the additional reporting of temperature and humidity along with peak loads does not conflict with or jeopardize the Energy Information Administration section 411 reporting process. We agree, however, with APPA that certain types of load are not sensitive to temperature and humidity. We therefore find that the ERO should address Alcoa's concerns in its Reliability Standards development process.

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Project	Standard	Source	Issue
2009-05	MOD-017-0	Order 693	we direct the ERO to provide a Work Plan and compliance filing regarding the collection of information specified under standards that are deferred, and believe there should be no difficulty complying with this Reliability Standard.
		Team Comments	Provide clarity where the Planning Authority is mentioned
	MOD-018-0	Order 693	Provide a work plan and compliance filing regarding the collection of information specified for standards that are deferred. Paragraph 1264. As an initial matter, we disagree that MOD-018-0 cannot be implemented because it is dependent on various unapproved standards. As previously stated, we direct the ERO to provide a Work Plan and compliance filing regarding the collection of information specified for standards that are deferred, and believe there should be no difficulties complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-018-0 will help to achieve this goal. Regarding TAPS's concern that small entities should not be required to comply with MOD-018-0 because their forecasts are not significant for system reliability purposes, the Commission directs the ERO to address this matter in the Reliability Standards development process
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Need to define uncertainty Confidentiality of data

Issues List

Project	Standard	Source	Issue
2009-05	MOD-019-0	FERC Order 693	Require users, owners, and operators to provide to the regional entity information related to forecasts of interruptible demands and direct control load management. Paragraph 1275. As an initial matter, we disagree that MOD-019-0 cannot be implemented because it is dependent on MOD-016-0, which further depends on various unapproved standards. As previously stated, we direct the ERO to provide a Work Plan and compliance filing regarding the collection of information specified under related standards that are deferred, and believe there should be no difficulties complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-019-0 will help to achieve this goal. We therefore direct the ERO to use its authority pursuant to § 39.2(d) of our regulations to require users, owners and operators to provide to the Regional Entity information related to forecasts of interruptible demands and direct control load management.
		Fill in the Blank Team	Correct reference to MOD-016 when MOD-016 is revised (MOD-016-1) Review MOD-016, MOD-017, and MOD-019 concurrently to develop uniform North American Standards for reporting of actual and forecast demand and NEL data to be reported to RRO for system modeling and analysis.

Issues List

Project	Standard	Source	Issue
2009-05	MOD-019-0	Order 693	Require reporting of the accuracy, error, bias of controllable load forecasts. Paragraph 1276. The Commission adopts the NOPR proposal directing the ERO to modify this standard to require reporting of the accuracy, error and bias of controllable load forecasts. This requirement will enable planners to get a more reliable picture of the amount of controllable load that is actually available, therefore allowing planners to conduct more accurate system reliability assessments. The Commission finds that controllable load can be as reliable as other resources, and therefore should also be subject to the same reporting requirements. Although we recognize that verifying load control devices and interruptible loads may be complex, we do not believe that it is overly so. Further, we believe that the ERO, through its Reliability Standards development process can develop innovative solutions to the Commission's concern. We also note that EEI is concerned about such testing at times of peak load. We clarify that we are not requiring the testing to be conducted at peak load conditions. Consequently, we reject the proposals of EEI, FirstEnergy and International Transmission to discard the requirement for reporting of the accuracy, error and bias of controllable load forecasts. Analyze differences between actual and forecasted demands for five years of actual controllable load and identify what corrective actions should be taken to approve controllable load forecasting for the 10-year planning horizon. Paragraph 1277. We direct the ERO to include APPA's proposal in the Reliability Standards development process to add a new requirement to MOD-019-0 that would oblige resource planners to analyze differences between actual and forecasted demands for the five years of actual controllable load and identify what corrective actions should be taken to improve controllable load forecasting for the 10-year planning horizon.
		Team Comments	Provide clarity where the Planning Authority is mentioned
		Version 0 Team	Confidentiality of data Level 4 non-compliance is harsh

Issues List

Project	Standard	Source	Issue
2009-05	MOD-020-0	Order 693	Require reporting of the accuracy, error, and bias of controllable load forecasts. Paragraph 1289. The Commission approves Reliability Standard MOD-020-0 as mandatory and enforceable and directs the ERO to develop a modification to MOD-020-0 through the Reliability Standards development process to require reporting of the accuracy, error and bias of controllable load forecasts.
	MOD-021-0	FERC Order 693	Standardize principles on reporting and validation of DSM program information. Paragraph 1298. We agree with FirstEnergy and SMA that standardization of principles on reporting and validating DSM program information will provide consistent and uniform evaluation of demand response to facilitate system operator confidence in relying on such resources, which will further increase accuracy of transmission system reliability assessment and consequently enhance overall reliability. We direct the ERO to modify this Reliability Standard to allow resource planners to analyze the causes of differences between actual and forecasted demands, and to identify any corrective actions that should be taken to improve forecasted demand responses for future forecasts. Therefore, we adopt the NOPR proposal and direct the ERO to modify MOD-021-0 by adding a requirement for standardization of principles on reporting and validating DSM program information. Require users, owners, and operators to provide to the regional entity information related to this standard. Paragraph 1297. As an initial matter, we disagree that MOD-021-0 cannot be implemented because it is based on MOD-016-0, and through it on various unapproved standards, which creates an implementation problem. As previously stated, we direct the ERO to provide a Work Plan and compliance filing regarding collection of information specified under related standards that are deferred, and believe there should be no difficulty complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-21-0 will help to achieve this goal.

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Project	Standard	Source	Issue
2009-05	MOD-021-0	Order 693	Therefore, we direct the ERO to use its authority pursuant to § 39.2(d) of our regulations to require users, owners and operators to provide to the Regional Entity the information required by this Reliability Standard Allow resource planners to analyze the causes of differences between actual and forecasted demands, and identify any corrective actions that should be taken to improve forecasted demand responses for future forecasts. Paragraph 1298. We agree with FirstEnergy and SMA that standardization of principles on reporting and validating DSM program information will provide consistent and uniform evaluation of demand response to facilitate system operator confidence in relying on such resources, which will further increase accuracy of transmission system reliability assessment and consequently enhance overall reliability. We direct the ERO to modify this Reliability Standard to allow resource planners to analyze the causes of differences between actual and forecasted demands, and to identify any corrective actions that should be taken to improve forecasted demand responses for future forecasts. Therefore, we adopt the NOPR proposal and direct the ERO to modify MOD-021-0 by adding a requirement for standardization of principles on reporting and validating DSM program information. Modify the title and purpose statement to remove the word “controllable”. Paragraph 1300. The Commission directs the ERO to modify the title and purpose statement to remove the word “controllable.” We note that no commenter disagrees.
		Team Comments	Provide clarity where the Planning Authority is mentioned
2009-07		Comment received for the 11/4/09 Tech Conf.	The clause in R1.3.10, “including backup or redundant protection systems,” seems to be unnecessary and could be a source of confusion. NERC staff also recognizes that additional efforts by the drafting team regarding redundancy of protection systems are necessary in support of the System Protection Initiative and that the SAR for Project 2009-07 adequately addresses the scope of the issue.”

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Project	Standard	Source	Issue
2010-01	PER-002-0	Order 693	Thus, in addition to modifying the Reliability Standard to identify generator operators as applicable entities, we direct the ERO to develop specific Requirements addressing the scope, content and duration appropriate for generator operator personnel.
2010-02		Phillip R. Kleckley - SERC PSS - RSDP Input	Consider adding a definition of “end user” to the NERC Glossary. (Note: This recommendation was received as part of the comments on Question 3 of the comments form for the “Draft Revision 6 of the SERC Facility Connection Requirements (FCR) Guideline”.)

Issues List

Project	Standard	Source	Issue
2010-02	FAC-002-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

Issues List

Project	Standard	Source	Issue
			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
2010-04	MOD Family	ATFNSDT	From ATFNSDT: Enter an issue in the NERC issues database for the next revision of the MOD standards so that model data is validated.

Issues List

Project	Standard	Source	Issue
2010-04	MOD-017-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.

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Project	Standard	Source	Issue
2010-04	MOD-018-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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			Issue: In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none own physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be followed. Each drafting team responsible for reliability standards that are applicable to LSEs is to review and change as necessary, requirements in the reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see: · FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) · NERC's March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), · FERC's April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf), and · NERC's July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
	MOD-019-0	Order 693	Provide a Work Plan and compliance filing regarding the collection of information specified under related standards that are deferred, and believe there should be no difficulties complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-019-0 will help to achieve this goal.

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Project	Standard	Source	Issue
2010-04	MOD-019-0	Order 693	We therefore direct the ERO to use its authority pursuant to § 39.2(d) of our regulations to require users, owners and operators to provide to the Regional Entity information related to forecasts of interruptible demands and direct control load management.

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Project	Standard	Source	Issue
2010-04	MOD-019-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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Project	Standard	Source	Issue
2010-04	MOD-020-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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	MOD-021-0	Order 693	Modify MOD-021-0 by adding a requirement for standardization of principles on reporting and validating DSM program information.

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Project	Standard	Source	Issue
2010-04	MOD-021-0	Order 693	Provide a Work Plan and compliance filing regarding collection of information specified under related standards that are deferred, and believe there should be no difficulty complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-21-0 will help to achieve this goal.

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Project	Standard	Source	Issue
2010-04	MOD-021-0	ORDER ON ELECTRIC RELIABILITY ORGANIZATION REGISTRY□DETERMINATIONS; ORDER ON COMPLIANCE FILING	On March 4, 2008, NERC submitted a compliance filing in response to a December 20, 2007 Order, in which the Commission reversed a NERC decision to register three retail power marketers to comply with Reliability Standards applicable to load serving entities (LSEs) and directed NERC to submit a plan describing how it would address a possible "reliability gap" that NERC asserted would result if the LSEs were not registered. NERC's compliance filing included the following proposal for a short-term plan and a long-term plan to address the potential gap: · Short-term: Using a posting and open comment process, NERC will revise the registration criteria to define "Non-Asset Owning LSEs" as a subset of Load Serving Entities and will specify the reliability standards applicable to that subset. · Longer-term: NERC will determine the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers and process them through execution of the three-year Reliability Standards Development Plan. In this revised Reliability Standards Development Plan, NERC is commencing the implementation of its stated long-term plan to address the issues surrounding accountability for loads served by retail marketers/suppliers. The NERC Reliability Standards Development Procedure will be used to identify the changes necessary to terms and requirements in reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. Specifically, the following description has been incorporated into the scope for affected projects in this revised Reliability Standards Development Plan that includes a standard applicable to Load Serving Entities: Source: FERC's December 20, 2007 Order in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

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2010-05	PRC-003-1	Fill in the Blank Team	This is a North American Standard as written which places requirements on the regions to develop a procedure. However, PRC-004 requires functional entities to comply with the procedures the RROs develop. Craft a new PRC-003 as a North American standard containing the specific requirements for each functional entity.

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Project	Standard	Source	Issue
2010-05	PRC-003-1	Fill in the Blank Team	Review PRC-003 and PRC-004 together to identify the specific requirements of the functional entities (include specific requirements for each functional entity). Modify PRC-003 to include specific requirements for each functional entity. Each of the regional plans needs to be reviewed to determine what should be included in the North American standard. The current PRC-003 defines requirements for RROs. The drafting team should revise PRC-004 to include proper references to the new PRC-003.
		Order 693	Consider if greater consistency can be achieved in the standard as suggested by APPA.
		Phase III/IV Team	Enhance the applicability section to clarify that the systems addressed by the requirements are limited to: All transmission circuits 100 kV to 200 kV operationallysignificant circuits, as defined by the RROs Generator protection systems, whose misoperations impact the bulk electric system The RRO should be required to demonstrate that the requirements developed in accordance with R1 produce the desired result. In R1.2 change format to content All transmission circuits 200 kV and above
		Version 0 Team	Change wording to reporting instead of monitoring Need to define evidence

Issues List

Project	Standard	Source	Issue
2010-05	PRC-004-1	Fill in the Blank Team	See notes for PRC-003-1.
			Review PRC-003 and PRC-004 together to identify the specific requirements of the functional entities.
			Coordinate the revision of this standard with the revision to standard PRC-003. PRC-003 needs to be written as a North American standard with requirements for each functional entity as appropriate. Once PRC-003 is modified, the only changes needed to PRC-004 are the references to the appropriate requirements in PRC-003.
		NERC Audit Observation Team	“Document the process”
			The Generator Owner shall analyze its generator protection system misoperations and implement corrective action plans to avoid future misoperations.
		Order 693	Consider ISO-NE’s suggestion that LSEs and transmission operators should be listed as applicable entities.
			The regional entity should develop procedures for corrective action plans.
		Phase III/IV Team	This standard should apply to all protection systems on the Bulk Electric System (BES) not just those that 'impact' the BES
		Version 0 Team	Levels of non-compliance need to be redefined
2010-09	CIP-002 - CIP-009	Order Re: CIP Implementation Plan	we direct NERC to submit as part of its compliance filing, a revised Implementation Plan that incorporates Version 2 CIP Standards into the Implementation Plan schedule.

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Project	Standard	Source	Issue
2010-09	CIP-002 -CIP-009	Order re CIP Implementation Plan	directs NERC to make a compliance filing submitting implementation plans for the implementation of Versions 2 and 3 of the CIP Standards by owners and operators of U.S. nuclear power plants on the same schedule established for Version 1 under the Implementation Plan.
2010-10	FAC-013	Order 729 - ATC	directs the ERO to develop modifications to the Reliability Standards to address discrete issues involving: the availability of each transmission service provider's implementation documents; the consistent treatment of assumptions in the calculation of available transfer capability; the calculation, allocation, and use of capacity benefit margin; the calculation of total transfer capability under the Rated System Path Methodology; the treatment of network resource designations in the calculation of available transfer capability; and several other issues raised by commenters.
		Order 729 -ATC	directs the ERO to develop a modification to the Reliability Standards pursuant to the ERO's Reliability Standards development process to require disclosure of the various implementation documents to any registered entity who demonstrates to the ERO a reliability need for such information. directs the ERO to conduct these audits in the course of its periodic, three-year audits of users, owners and operators of the Bulk-Por System. The ERO shall begin this audit process 60 days after the implementation of these Reliability Standards. On an annual basis, to commence on 180 days after the implementation of the Reliability Standards approved herein, the ERO shall file the audit reports (or the results of its audit in any other format) with the Commission. directs the ERO to modify the Reliability Standards so as to increase the document retention requirements to a term of five years, in order to be consistent with the enforcement provisions established in Order No. 670. the ERO should conduct the audits in the due course of its periodic, three-year audit cycle, i.e., these Reliability Standards should be added to the ERO's list of actively monitored Reliability Standards.

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Project	Standard	Source	Issue
2010-10	FAC-013	Order 729 -ATC	directs the ERO to audit the capacity benefit margin and transfer reliability margin implementation documents, created pursuant to MOD-004-1 and MOD-008-1 respectively, to ensure that these documents include information, in such detail that, given the same information, the results of the capacity benefit margin or transfer reliability margin calculation can be validated. direct the ERO to consider this suggestion through its Reliability Standards development process. Further, agree with Cottonwood regarding unscheduled or unanticipated events. Therefore, pursuant to section 215(d)(5) of the FPA and section 39.5(f) of our regulations, direct the ERO to develop modifications to MOD-001-1 and MOD-030-2 to clarify that material changes in system conditions will trigger an update whenever practical. Finally, clarify that these Reliability Standards shall not be used as a “safe harbor” to avoid other, more stringent reporting or update requirements. In the course of its audit, NERC is directed to identify any parameters and assumptions that are not sufficiently specific or transparent to allow the Commission and others to replicate and verify the results. direct the ERO to conduct an audit of the various implementation documents developed by transmission service providers to confirm that the complete available transfer capability methodologies reflected therein are sufficiently transparent to allow the Commission and others to replicate and verify those calculations. the ERO audits must focus on compliance with the provisions of the MOD Reliability Standards. In accord with the position of numerous commenters, Commission staff is in a more appropriate position to analyze market-related issues. Thus, the ERO must retain information and material gathered during the course of its audit and make it available to Commission staff upon request, so as to allow Commission staff to inquire into possible anti-competition concerns.

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Project	Standard	Source	Issue
2010-10	FAC-013	Order 729 -ATC	directs the ERO, pursuant to section 215(d)(5) of the FPA and section 39.5(f) of our regulations, to develop a modification to MOD-028-1 and MOD-029-1 to specify that base generation schedules used in the calculation of available transfer capability will reflect the modeling of all designated network resources and other resources that are committed to or have the legal obligation to run, as they are expected to run, and to address the effect on available transfer capability of designating and undesignating a network resource. directs the ERO to develop a modification to the Reliability Standard pursuant to its Reliability Standards development process requiring transmission service providers to include in their implementation documents any inconsistent modeling practices along with a justification for such inconsistencies the Commission directs the ERO to develop modifications to MOD-001-1 pursuant to the ERO's Reliability Standards development process to prevent the double-counting of data inputs and assumptions. In developing these modifications, the ERO should consider the effects of conditional firm service. direct the ERO to develop a modification to Requirements R3.1 and R.4.1 of MOD-004-1 to require load-serving entities and resource planners to determine generation capability import requirements by reference to one or more relevant studies (loss of load expectation, loss of load probability or deterministic risk analysis) and applicable reserve margin or resource adequacy requirements, as relevant. Such a modification should ensure that a transmission service provider has adequate information to establish the appropriate level of capacity benefit margin. directs the ERO to develop a modification sub-requirement R2.2 pursuant to its Reliability Standards development process to clarify the phrase "adjacent and beyond Reliability Coordination areas."

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Project	Standard	Source	Issue
2010-10	FAC-013	Order 729 -ATC	directs the ERO to develop a modification to MOD-028-1 pursuant to its Reliability Standards development process to address these two concerns. The Commission also directs the ERO to make explicit such [effective date] detail in any future version of this or any other Reliability Standard. hereby directs the ERO to file revised violation severity levels and violation risk factors no later than 120 days before the Reliability Standards become effective. directs the ERO to develop modifications to FAC-012-1 and FAC-013-1 to comply with the relevant directives of Order No. 693135 and, as otherwise necessary, to make the requirements of those Reliability Standards consistent with those of the MOD Reliability Standards approved herein as ll as this Final Rule. These modifications should also remove redundant provisions for the calculation of transfer capability addressed elsewhere in the MOD Reliability Standards. In making these revisions, the ERO should consider the development of a methodology for calculation of inter-regional and intra-regional transfer capabilities. The Commission accepts the ERO's request for additional time to prepare the modifications and so directs the ERO to submit the modifications to FAC-012-1 and FAC-013-1 no later than 60 days before the MOD Reliability Standards become effective. directs the ERO to develop a modification to the definition of Postback to eliminate the reference to Business Practices. direct the ERO to develop a modification to the definition of Business Practices that would remove the reference to regional reliability organizations and replace it with the term Regional Entity. also direct the ERO to develop a definition of the term Regional Entity to be included in the NERC Glossary. direct the ERO to develop a modification to the definition of "ATC Path" that does not reference the Commission's regulations

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Project	Standard	Source	Issue
2010-10	FAC-013	Order 729 -ATC	directs the ERO to develop benchmarking and updating requirements to measure modeled available transfer and flowgate capabilities against actual values. Such requirements should specify the frequency for benchmarking and updating the available transfer and flowgate capability values and should require transmission service providers to update their models after any incident that substantially alters system conditions, such as generation outages.
			directs the ERO to modify MOD-004-1 to clarify the term “manage” in Requirement R1.3. This modification should ensure that the Reliability Standard clarify how the transmission service provider will manage situations where the requested use of capacity benefit margin exceeds the capacity benefit margin available
2010-11	TPL-002	Order Directing Modification to TPL-002	directed to submit a modification to Table I, footnote b of Reliability Standard TPL-002-0 that complies with the Commission’s directive in Order No. 693, by June 30, 2010.
		Order Granting Extension of Time (etc) TPL-002	believe that it is in the public interest that NERC expeditiously provide the Commission with a clarification to Table I of Reliability Standard TPL-002-0. While we deny the request for an open-ended stay of the compliance deadline, we believe that additional time is warranted to assure that NERC develops a modification that is responsive to the Commission’s directive. Thus, as discussed below, we grant NERC an nine-month extension of time of the compliance deadline, until March 31, 2011
ALL	ALL	Other	Modify standard to conform to the latest version of NERC’s Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure
N/A	N/A	Order 706	the Commission adopts its proposal in the CIP NOPR that technical feasibility exceptions may be permitted if appropriate conditions are in place.

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Project	Standard	Source	Issue
N/A	N/A	Order 706	we direct the ERO to control and protect the data analysis to the extent necessary to ensure that sensitive information is not jeopardized by the act of submitting the report to the Commission. We direct the ERO to submit an annual report to the Commission that provides a wide-area analysis regarding use of the technical feasibility exception and the effect on Bulk-Power System reliability. we direct NERC, in developing the accountability structure for the technical feasibility exception, to include appropriate provisions to assure that governmental entities that are subject to Reliability Standards as users, owners or operators of the Bulk-Power System can safeguard sensitive information. we direct the ERO to design and conduct an approval process through the Regional Entities and the compliance audit process. direct the ERO to include approval of the mitigation and remediation steps by the senior manager (identified pursuant to CIP-003-1) in the course of developing this framework of accountability. the Commission adopts the CIP NOPR proposal for a three step structure to require accountability when a responsible entity relies on technical feasibility as the basis for an exception. We address mitigation and remediation in this section and direct the ERO to develop: (1) a requirement that the responsible entity must develop, document and implement a mitigation plan that achieves a comparable level of security to the Requirement; and (2) a requirement that use of the technical feasibility exception by a responsible entity must be accompanied by a remediation plan and timeline for elimination the use of the technical feasibility exception.

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Project	Standard	Source	Issue
N/A	N/A	Order 706	Direct the ERO to consider these commenter concerns [how to assess whether a generator or a blackstart unit is “critical” to Bulk-Power System reliability, the proper quantification of risk and frequency, facilities that are relied on to operate or shut down nuclear generating stations, and the consequences of asset failure and asset misuse by an adversary] when developing the guidance. directs the ERO to develop a set of conditions or criteria that a responsible entity must follow when relying on the technical feasibility exception contained in specific Requirements of the CIP Reliability Standards We adopt our CIP NOPR proposals that, while an entity should not be subject to a monetary penalty if it is unable to certify that it is on schedule, such an entity should explain to the ERO the reason it is unable to self-certify We direct the ERO to require more frequent, semiannual, self-certifications prior to the date by which full compliance is required The Commission also directs the ERO to consider, based on the content of the modified CIP-006-1, whether further guidance on this defense in depth topic should be developed in a reference document outside of the Reliability Standards. The Commission thus adopts its CIP NOPR proposal that use and implementation of technical feasibility exceptions must be governed by a clear set of criteria. While we adopt our CIP NOPR proposal, we recognize that the ERO has already initiated a process to develop such guidance … leave to the ERO’s discretion whether to incorporate such guidance into the CIP Reliability Standard, develop it as a separate guidance document, or some combination of the two.

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Project	Standard	Source	Issue
N/A	N/A	Order 706	We direct the ERO, in its development of a work plan, to consider developing modifications to CIP-002-1 and the provisions regarding technical feasibility exceptions as a first priority, before developing other modifications required by the Final Rule. We direct either the ERO or its designees to provide reasonable technical support to assist entities in determining whether their assets are critical to the Bulk-Power System. We direct the ERO to consider this clarification [the meaning of the phrase "used for initial system restoration," in CIP-002-1, Requirement R1.2.4] in its Reliability Standards development process. The Commission directs the ERO, in developing the guidance discussed above regarding the identification of critical assets, to consider the designation of various types of data as a critical asset or critical cyber asset. The Commission directs the ERO to develop guidance on the steps that would be required to apply the CIP Reliability Standards to such data and to consider whether this also covers the computer systems that produce the data. The Commission also directs the ERO to consider, based on the content of the modified CIP-005-1, whether further guidance on this defense in depth topic should be developed in a reference document outside of the Reliability Standards. The Commission therefore directs the ERO to provide guidance, regarding the issues and concerns that a mutual distrust posture must address in order to protect a responsible entity's control system from the outside world.

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Project	Standard	Source	Issue
N/A	N/A	Order 706	the Commission directs the ERO to treat any alternative measures for Requirement R1.1 of CIP-006-1 as a technical feasibility exception to Requirement R1.1, subject to the conditions on technical feasibility exceptions. The Commission directs the ERO to provide additional guidance for the topics and processes that the required cyber security policy should address. the Commission directs the ERO, through the Reliability Standards development process, to specifically require the consideration of misuse of control centers and control systems in the determination of critical assets we direct the ERO, in developing the accountability structure for the technical feasibility exception, to include appropriate provisions to assure that governmental entities can safeguard sensitive information we direct the ERO to develop a set of criteria to provide accountability when a responsible entity relies on the technical feasibility exceptions in specific Requirements of the CIP Reliability Standards.
		Order 716-NUC-001	direct the ERO to review the impact on the Bulk-Por System for registration purposes of any entity providing service related to NPIRs over a lor-voltage facility similar to other facilities used to provide service, regardless of whether such service is provided by a currently-registered entity or a previously unregistered entity.
		Order 729-A - ATC	direct the ERO to file notices with the Commission when any other applicable regulatory authority approves any or all of the MOD Reliability Standards approved by the Commission in Order No. 729. The ERO also must post notice of such approval on its website

Issues List

Project	Standard	Source	Issue
N/A	N/A	Order Directing Modification to ROP	To resolve the conflict between the Standards Development Process and the ERO's statutory obligation to comply with Commission directives to develop or modify a particular Reliability Standard, we direct the ERO, within 90 days of the date of this order, to submit to the Commission a filing containing specific proposed modifications to the NERC Standards Development Process. These proposed modifications shall be designed to ensure that NERC's Rules of Procedure allow it to comply with Commission directives to submit new or modified Reliability Standards. The Commission will notice NERC's filing for public comment and issue a subsequent order on proposed modifications to NERC's rules. As discussed herein, we also direct the ERO, within 90 days after our subsequent order, to fully comply with our previous directive to develop modifications to Reliability Standard FAC-008-1. As discussed herein, we also direct the ERO, within 90 days after our subsequent order, to fully comply with our previous directive to develop modifications to Reliability Standard FAC-008-1.
		Order Granting Extension of Time - Rules of Procedure	recognize the significant issues that the ERO must consider in developing proposed revisions to its Rules of Procedure that comply with all aspects of our directive. Further, we intend to convene a technical conference in the near future to further discuss this matter as well as other reliability-related issues. Accordingly, we extend the date by which NERC must comply with the directive by 90 days, such that NERC must now comply with the directive no later than 180 days from the date of the March 2010 Order.
		ORDER ON COMPLIANCE FILING	The ERO must consider opportunities to develop and apply metrics that can form the basis for broadly defining an adequate level of reliability, such as the creation of a precisely defined set of system operating states. direct the ERO to develop a work plan to propose a continuing improvement process to consider "adequate level of reliability" when developing new or modified Reliability Standards.

Issues List

Project	Standard	Source	Issue
Operate within IRO	IRO-004-1	Order 693	Our proposed directive is to augment the Requirement that the plans to alleviate SOL and IROL violations are assessed to ensure that the control actions can be implemented and effective within 30 minutes after a contingency.
Other	N/A		Direct the ERO to use its authority pursuant to § 39.2(d) of our regulations to require users, owners and operators to provide to the regional reliability organizations the information related to data gathering, data maintenance, reliability assessments and other "process"-type functions. The Commission directs the ERO to review and update the data retention requirements in each Reliability Standard as it is reevaluated through its Reliability Standards development process and submit the result for Commission approval. In doing so, NERC should take into account the comments raised in this proceeding and should seek input from other industry stakeholders. We direct the ERO, within 90 days of this Final Rule, to provide the Commission with an informational filing that includes a complete set of regional definitions of bulk electric system and any regional documents that identify critical facilities to which the Reliability Standards apply (i.e., facilities below a 100 kV threshold that have been identified by the regions as critical to system reliability). The Commission directs the ERO to file procedures which permit (but do not require) an organization, such as a joint action agency, G&T cooperative or similar organization to accept compliance responsibility on behalf of its members. The Commission believes that NERC's proposed procedures described above are reasonable, and directs the ERO to submit a filing within 60 days NERC, in developing its procedures relating to joint action agencies and similar organizations, should consider the concerns of EEI, PJM and FirstEnergy regarding the need for ensuring clear lines of responsibility

Issues List

Project	Standard	Source	Issue
Other	N/A	Order 693	Accordingly, the Commission directs that the ERO, in registering RTOs, ISOs and pooled resource organizations (or, indeed in registering any entity), assure that there is clarity in the assigning responsibility and that there are no gaps or unnecessary redundancies with regard to the entity or entities responsible for compliance with the Requirements of each relevant Reliability Standard we agree with NERC's approach and believe that identifying the Regional Entity as the compliance monitor will provide useful specificity as to which entity will be immediately tasked with monitoring compliance with a particular Reliability Standard. In the long run, we propose to make the Regional Entities responsible, through delegation by the ERO, for the functions currently performed by the regional reliability organizations. As part of this change, the delegation agreements to the Regional Entities should be modified to bind the Regional Entities to assume these duties and responsibility for noncompliance. the Reliability Standards should be modified to apply through the Functional Model, to the users, owners and operators of the Bulk-Power System that are responsible for providing information We direct the ERO to submit as an informational filing, within 90 days of the effective date of this Final Rule, a Work Plan that identifies a plan for addressing the modifications to the Reliability Standards directed by the Commission in this Final Rule and a schedule with delivery dates for completing such modifications. To ensure that the ERO properly and timely addresses this matter, we direct the ERO to submit an informational filing within 90 days of the Final Rule that describes its plan and schedule for developing both an interim and long-term resolution based upon the above direction.

Issues List

Project	Standard	Source	Issue
Other	N/A	Order 693	Therefore, we will require that all Commission-approved Reliability Standards be available on the ERO's website, with an effective date, We clarify that the ERO must post on its website the currently effective Reliability Standards as approved and enforceable by the Commission. Further, we require the effective date of the Reliability Standards must be included in the posting. While the Commission agrees with International Transmission that a good starting point for prioritizing modifications to a Reliability Standard could be based on the Reliability Standard's "Violation Risk Factor," the Commission will not mandate that the ERO do so. The ERO should take into account the views of its stakeholders, including the concerns raised in this proceeding by APPA, International Transmission and MRO, in revising its Work Plan following issuance of this Final Rule. The Commission directs the ERO and Regional Entities to focus their resources on the most serious violations during an initial period through December 31, 2007. The ERO should develop the needed information for the Commission to act on the fill-in-the-blank standards consistent with these criteria. If a regional difference is warranted, a regional fill-in-the-blank proposal must be developed through an approved regional Reliability Standards development process, and submitted to the ERO. The Commission adopts the NOPR proposal to eliminate references to the regional reliability organization as a responsible entity in the Reliability Standards.
Relay Loadability	PRC-023	Order 733-Transmission Relay Loadability	direct the ERO to assign a single violation severity level of "severe" for violations of Requirement R1.

Issues List

Project	Standard	Source	Issue
Relay Loadability	PRC-023	Order 733-Transmission Relay Loadability	and direct the ERO to modify PRC-023-1 to apply an “add in” approach to sub-100 kV facilities that are owned or operated by currently-Registered Entities or entities that become Registered Entities in the future, and are associated with a facility that is included on a critical facilities list defined by the Regional Entity. direct the ERO to re-file the violation risk factors associated with the Requirements of PRC-023-1 when it submits its comprehensive plan. direct the ERO to file the new violation severity levels described in our discussion no later than 30 days after the date of this Final Rule direct the ERO to assign a “severe” violation severity level to Requirement R3. direct the ERO to change the violation severity level assigned to Requirement R2 from “lower” to “severe” to be consistent with Guideline 2a. direct the ERO to modify PRC-023-1 to require that transmission owners, generator owners, and distribution providers give their transmission operators a list of transmission facilities that implement sub-requirement R1.2. Also, pursuant to section 215(d)(5) of the FPA, the Commission adopts some of the proposed modifications in the NOPR and thus directs certain modifications to the Reliability Standard. Unless stated otherwise, the Commission directs the ERO to submit these modifications no later than one year from the date of this Final Rule.

Issues List

Project	Standard	Source	Issue
Relay Loadability	PRC-023	Order 733-Transmission Relay Loadability	and direct the ERO to modify PRC-023-1 to apply an “add in” approach to certain sub-100 kV facilities that Regional Entities have already identified or will identify in the future as critical facilities for the purposes the Compliance Registry. we direct the ERO to modify Requirement R3 of the Reliability Standard to specify the test that planning coordinators must use to identify all critical facilities. We also direct that additions to the Regional Entities’ critical facility list be tested for their applicability to PRC-023-1 and made subject to the Reliability Standard as appropriate. direct the ERO to file its test, and the results of applying the test to a representative sample of utilities from each of the three Interconnections, for Commission approval no later than one year from the date of this Final Rule. the ERO must develop a test that: (a) defines expectations of desirable system performance; and (b) describes the steady state and dynamic base cases that the planning coordinator must use in its assessments to carry out Requirement R3. The goal of the test must be consistent with the general reliability principles embedded in the existing series of TPL, Transmission Operations (TOP), Reliability Coordination (IRO), and Protection and Control (PRC) Reliability Standards. We agree that such a mechanism is appropriate and direct the ERO to develop an appeals process (or point to a process in its existing procedures) and submit it to the Commission no later than one year after the date of this Final Rule

Issues List

Project	Standard	Source	Issue
Relay Loadability	PRC-023	Order 733-Transmission Relay Loadability	direct the ERO to develop a Reliability Standard that requires the use of protective relay systems that can differentiate between faults and stable power swings and, when necessary, phases out protective relay systems that cannot meet this requirement. We also direct the ERO to file a report no later than 120 days of this Final Rule addressing the issue of protective relay operation due to power swings. The report should include an action plan and timeline that explains how and when the ERO intends to address this issue through its Reliability Standards development process we direct the ERO to modify Requirement R3 of the Reliability Standard to specify the test that planning coordinators must use to determine whether a sub-200 kV facility is critical to the reliability of the Bulk-Power System. direct the ERO to develop a new Reliability Standard that prevents protective relays from operating unnecessarily due to stable power swings by requiring the use of protective relay systems that can differentiate between faults and stable power swings and, when necessary, phases-out relays that cannot meet this requirement direct the ERO to file the new violation risk factor no later than 30 days after the date of this Final Rule. and direct the ERO to develop a new requirement that transmission owners, generator owners, and distribution providers give their transmission operators a list of transmission facilities that implement sub-requirement R1.2 direct the ERO to modify sub-requirement R1.10 so that it requires entities to verify that the limiting piece of equipment is capable of sustaining the anticipated overload for the longest clearing time associated with the fault.

Issues List

Project	Standard	Source	Issue
Relay Loadability	PRC-023	Order 733-Transmission Relay Loadability	direct the ERO to document, subject to audit by the Commission, and to make available for review to users, owners and operators of the Bulk-Power System, by request, a list of those facilities that have protective relays set pursuant sub-requirement R1.12. direct the ERO to modify the Reliability Standard to add the Regional Entity to the list of entities that receive the critical facilities list. direct the ERO to include section 2 of Attachment A in the modified Reliability Standard as an additional Requirement with the appropriate violation risk factor and violation severity level. direct the ERO to revise section 1 of Attachment A to include supervising relay elements on the list of relays and protection systems that are specifically subject to the Reliability Standard. direct the ERO to modify the Reliability Standard to include an implementation plan for sub-100 kV facilities. direct the ERO to remove the exceptions footnote from the “Effective Dates” section. direct the ERO to assign a “high” violation risk factor to Requirement R3. find that undesirable relay operation due to stable power swings is a specific matter that the ERO must address to carry out the goals of section 215, and we direct the ERO to develop a Reliability Standard addressing undesirable relay operation due to stable power swings.

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Risk-Informed Approach for Prioritizing Development of Standards

Purpose

This paper proposes a risk-informed approach for prioritizing new and enhancing existing reliability Standards leading to the greatest improvement in reliability.

Background

NERC's reliability standards provide the foundation for industry to recognize and respond to reliability risk factors challenging the eight Reliability Principles.[1] Industry uses these Principles to measure their bulk power systems and define risk factors threatening its reliability. As of April 2010, more than 120 approved Standards are in place, covering the areas of planning and operating performance, frequency and voltage performance, reliability information, emergency preparation, communications and control, personnel, wide-area view, and security. Between 2007 and 2009, NERC received a total of 33 standard authorization requests (SARs), 42 standards interpretation requests, and 61 standards improvement suggestions. Therefore, an effective approach for prioritizing these Standard projects is essential. Further, stakeholders recommended NERC develop a more systematic process for prioritizing new reliability Standard development projects, focusing the development on those that will lead to the greatest improvement in reliability.[2]

Systematic Approach for Prioritizing Standards Projects

In its Reliability Assessment and Performance Analysis (RAPA) program, NERC uses bulk system- level indicators to monitor adverse trends. After assessing adverse trends for reliability significance, stakeholders can respond to reliability issues, including adjusting NERC's Standards development plan, and focusing compliance monitoring and enforcement activities, if necessary. In addition, NERC, annually reports on North American performance results, which can be used to prioritize recommendations for Standards activities. NERC's Standards Committee can use these recommendations and findings to guide, reprioritize and coordinate their projects ensuring that standard enhancements required to address adverse industry trends will have the greatest possible improvement on the reliability of the bulk power system.

[1] Details of the Reliability Principles are available at http://www.nerc.com/files/Reliability_Principles.pdf.
[2] Three-Year Electric Reliability Organization Performance Assessment Report http://www.nerc.com/files/NERC%203-year%20Assessment_report_COMPLETE_FINAL7-20-09.pdf

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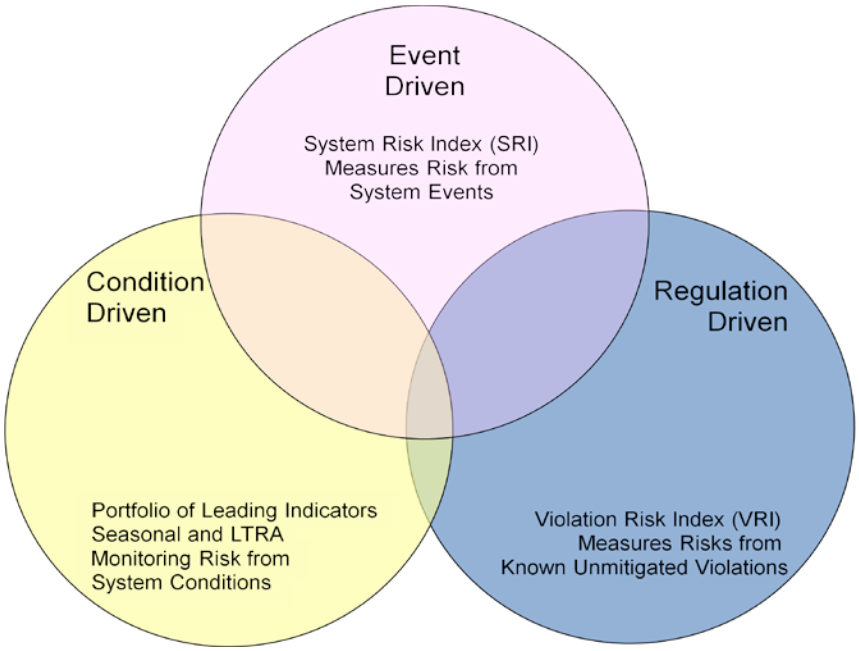
NERC currently uses a portfolio of risk information to quantify bulk power system reliability, including condition-driven reliability indicators,[3] regulation-driven standard violation risk measures,[4] and event-driven risk indices[5] illustrated in Figure 1. Risk-informed decisions can be made from each of these metrics to lower overall system risk, provide input to risk-informed standards development process, and communicate the effectiveness of reliability programs.

Figure 1 Integrated Risk Assessment Approach



The risk indicators cover most of risk significant events. For example, the event-driven system risk index considers a wide variety of events and examines both the probability of an event and its possible consequences. By answering "what can go wrong, how likely it is, and what its consequences might be" can guide standards requirements and compliance attention to the issues that are most important to the reliability of the bulk power system. Using this integrated risk assessment approach, NERC continuously monitors industry reliability performance to identify adverse trends and take action.

[3] The details of reliability indicators are available at http://www.nerc.com/docs/pc/rmwg/RMWG_Metric_Report-09-08-09.pdf.
[4] Detailed regulation-driven risk measure proposals are available at http://www.nerc.com/filez/pmtf.html.
[5] See NERC's TADS, GADS and Event Analysis Databases

Risk-informed Measurement

Event-Driven Indicators – Figure 2 is an example graphically representation of risk assessment. The approach provides a basis for prioritization of events based on bulk power system integrity, equipment performance, and/or engineering judgment. Areas are highlighted where more information is needed and provides feedback and trend assessment.

Figure 2 – Example of BPS Risk Assessment for Risk-Significant Events

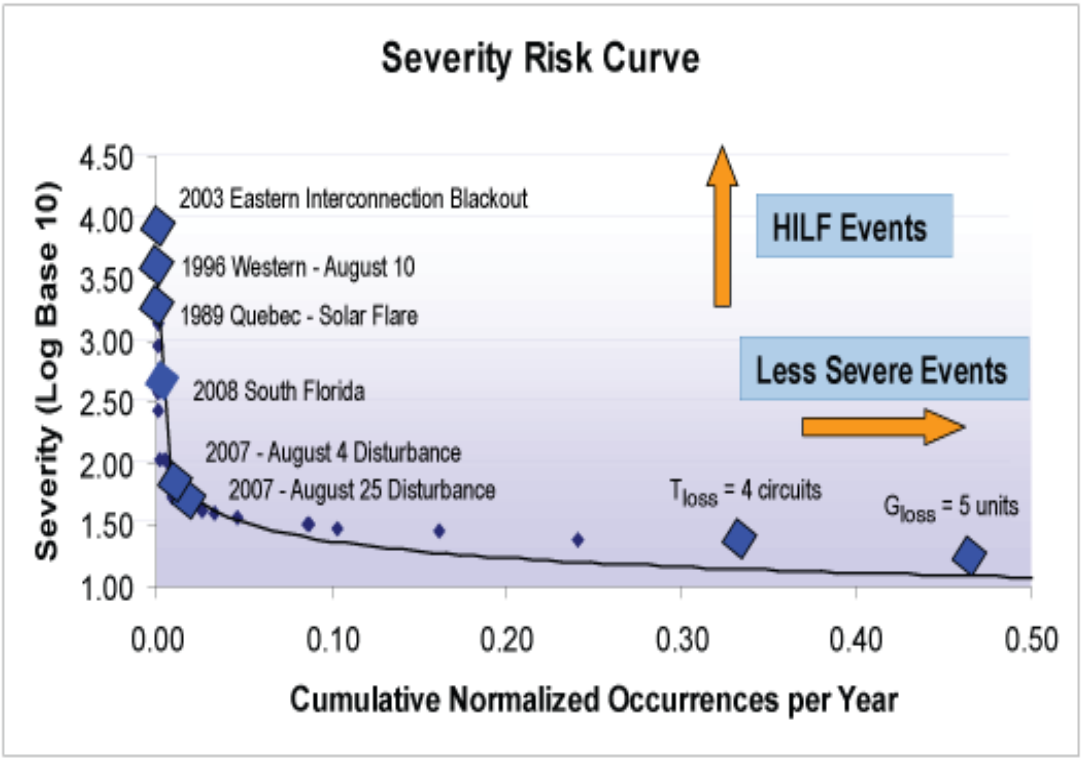
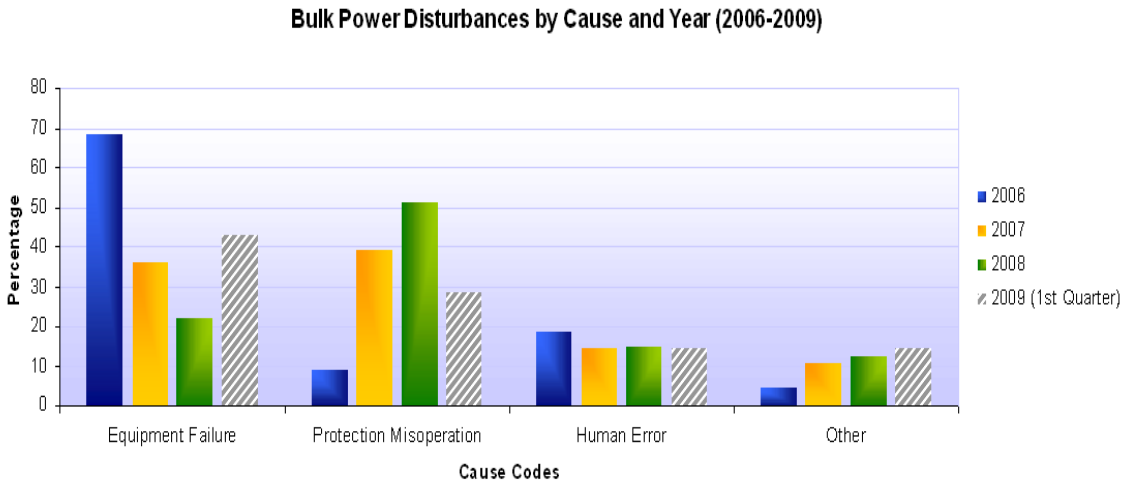


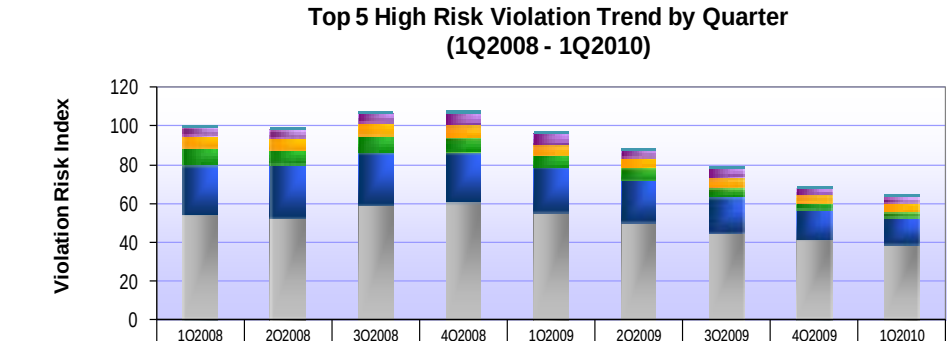
Figure 3 summarizes the contribution of three leading primary or secondary causes normalized by the total number of events from 2006 to the first quarter of 2009. These on-going evaluations reveal reliability issues and provide early detection of possible deficiencies, which can be used to identify, prioritize and support additional standards requirements. Risk information can also be used to increase or reduce requirements in deterministic or "defense-in-depth" approaches.

Figure 3 – Sample Event Root Cause Trend



Regulation-Driven Indicators – The violation risk index measures improvement in the compliance with Reliability Standards. Each violation is associated with a predefined Violation Risk Factor (VRF) and an assessed Violation Severity Level. Based on these factors, known unmitigated violations of elevated risk factor requirements are weighted higher than lower risk factors. The index decreases if the compliance improvement is achieved over a trending period. Starting the fourth quarter of 2008, the violation risk indicator indicated that risk to bulk power system reliability from known unmitigated violations of NERC Standards appears to be reducing for five consecutive quarters, as illustrated in Figure 4. The top five violations contributing the most risk to reliability are PRC-005, PER-002, EOP-005, FAC-003, and EOP-002.

Figure 4 – Sample Event Root Cause Trend



	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009	4Q2009	1Q2010
EOP-002-2	1.4	1.3	1.3	1.6	1.6	1.3	1.3	1.3	1.3
FAC-003-1	4.9	4.2	4.8	5.9	5.5	3.8	4.3	3.0	3.1
EOP-005-1	6.5	6.3	6.8	6.5	6.3	4.6	5.1	4.9	4.3
PER-002-0	7.8	8.0	8.0	7.7	5.7	6.8	5.1	3.5	3.5
PRC-005-1	25.9	26.6	27.8	25.3	23.4	22.3	18.7	15.1	13.8
OTHER STANDARDS	54.4	52.7	58.8	61.0	55.1	49.7	45.0	41.3	38.7

Risk-informed assessment can be used to determine the effectiveness of existing NERC Standards, For example, Requirement R1 of PRC-005-1 has a high VRF. The following sample descriptions are violations of R1:

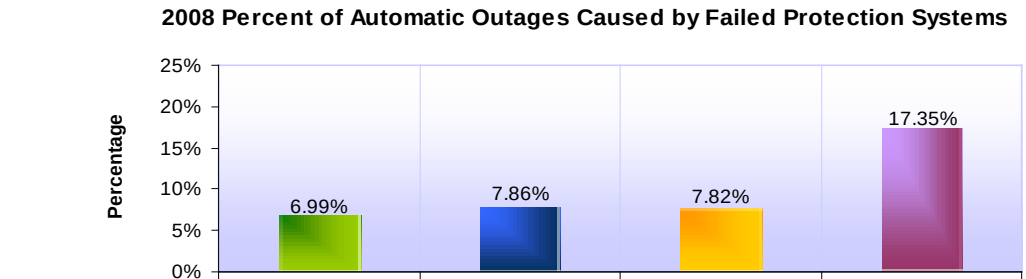
- Summary of past records from previous maintenance and testing has not been formally assembled for documentation and sharing with the Regional Reliability Organization.
- The entity did not provide sufficient evidence to demonstrate that the entity's maintenance and testing program for Protection System included a basis, interval and summary of maintenance and testing procedures for the associated communication systems.
- A contract referencing operating and maintenance responsibility for protective relay and batteries was provided by the entity. However, no evidence of a Protection System testing and maintenance program was provided by the entity.

PRC-005-1, R1 is described as a preventive requirement for protection system maintenance and testing. However, no particular linkage has been established to protection system deficiencies, which was found to be one of the leading causes of bulk power system disturbances among all significant events, as shown in Figure 3. Further analysis can identify the gaps between PRC-005-1 requirements and protection system misoperations reported under PRC-003-1 requirements. This type of risk-informed assessment can increase the effectiveness of the PRC Standards and determine what performance-based requirement would support bulk power system reliability goals.

Condition-Driven Indicators – Condition-driven indicators focus on a set of measurable system conditions to assess bulk power system reliability performance. These leading indicators identify factors that positively or negatively impact reliability and are early predictors the risk to reliability from events or unmitigated violations. A collection of these indicators measure how far reliability performance is from desired performance, and if the performance is headed in the preferred direction.

Figure 5 is an example of the reliability indicators serving as early precursors for detection of equipment performance degradations. Overhead AC circuits and transformers operated between 600-799 kV make up less than five percent all AC facilities; however, the percentage of all outages dues to protection system equipment is nearly double that experienced by AC facilities in other voltage classes.

Figure 5 – Sample Reliability Indicator Trend



	200-299 kV	300-399 kV	400-599 kV	600-799 kV
Failed Protection Outages	189	122	50	17
Other Automatic Outages	2515	1430	589	81
Percentage	6.99%	7.86%	7.82%	17.35%

This risk-informed, periodic analysis enables NERC to monitor trends and changes in reliability performance as well as recognize and eliminate unreliable actions/at-risk conditions.

Summary – Integrated risk-informed assessment should be performed on an annual basis as risk factors that impact bulk power system reliability may change over time. This assessment provide the information needed to support development of an effective Standards Development Plan that is both risk-informed and "Defense-in-Depth."

The portfolio of industry-wide risk information highlighted in this whitepaper should be reported to the Standards Committee for prioritizing standards projects on a risk-informed basis, including event risk and root cause trends, violation risk assessment and adverse reliability indicator trends. Standards drafting teams can use risk-informed measures to identify reliability gaps resulting in new or enhanced NERC Reliability Standards.

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Reliability Standards Development Plan: 2011–2013

Regional Reliability Standards Development Projects

Draft

to ensure the reliability of the bulk power system

August 11, 2010

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Table of Contents

Regional Project Overviews

This document contains an overview for each of the currently opened or planned Regional Reliability Standards development projects. Each project overview includes the project number, title, list of affected reliability standards, and hyperlinks to associated portions of the NERC standards web pages along with a brief description of the project.

With the exception of regional standards developed in support of continent-wide standards, regional entities may independently initiate regional standards development and forward such standards to NERC for review and approval.

Regional Projects Possibly Requiring Coordination with NERC Continent-wide Projects

In this section, four regional reliability standards development projects are described. These four regional projects are:

Project 2007-01-RE — Underfrequency Load Shedding
Project 2007-05-RE — Balancing Authority Controls
Project 2007-11-RE — Disturbance Monitoring
Project 2008-04-RE — Protection Systems

These projects are being coordinated with NERC's continent-wide standards projects as described in the *Reliability Standards Development Plan*. In general, the standard drafting team of the NERC continent-wide project working with industry stakeholders shall propose which requirements should be continent-wide and which should be included in regional standards. Further, the timing of these regional projects is driven to large degree by the timeline of the corresponding continent-wide project.

Additional information is found in the individual projects that follow.

2007-01-RE — Underfrequency Load Shedding — Regional Standards Development

Standards Involved:
Eight regional reliability standards (one for each of the eight regions) identifying regional requirements in support of the following continent-wide standards:
PRC-006 — Development and Documentation of Regional Reliability Organizations' Underfrequency Load Shedding Programs
PRC-007 — Assuring Consistency with Regional UFLS Programs
PRC-009 — UFLS Performance Following an Underfrequency Event

Research Needed:
None

Brief Description:
This is a continuation of the corresponding project in Volume II of this work plan. Depending on the findings and determinations of the NERC standard draft team for Project 2007-01 Underfrequency Load Shedding (NERC UFLS SDT), it is anticipated that each region may be required to develop a regional standard that supports the continent-wide standard(s) developed for underfrequency load shedding.

PRC-006 is one of the few reliability standards identified by the Regional Reliability Standards Working Group as a standard that has some requirements that may need to be defined by each regional entity in a regional standard.

The NERC UFLS SDT will work with stakeholders to review PRC-006 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to and contained with the UFLS program documentation. The NERC UFLS SDT working with industry stakeholders shall propose which requirements should be continent-wide requirements and which requirements should be included in regional standards.

PRC-007 and PRC-009 have some 'fill-in-the-blank' characteristics, as identified in the Regional Reliability Standards Working Group work plan, which need to be removed. These standards shall be included with PRC-006 for consideration as one or more revised standards as necessary for consistency and clarity of overall program requirements and any other associated programs and/or requirements that affect or impact the UFLS program.

Standard Development Status:
See NERC Project 2007-01 UFLS

Milestone Timeline:
See NERC UFLS SDT schedule

Related Links:
NERC Regional Reliability Standards Under Development
Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool, Inc. (SPP)
Texas Regional Entity (Texas RE)
Western Electricity Coordinating Council (WECC)

2007-05-RE — Balancing Authority Controls — Regional Standards Development

Standards Involved:
Eight regional reliability standards (one for each of the eight regions) identifying regional requirements in support of the following continent-wide standard:
BAL-002 — Disturbance Control Performance

Research Needed:
None

Brief Description:
This is a continuation of the corresponding project in Volume II of this work plan. Depending on the findings and determinations of the NERC standard draft team for Project 2007-05 Balancing Authority Controls (NERC BAC SDT), it is anticipated that each region may be required to develop a regional standard that supports the continent-wide standard(s) developed for disturbance control performance.

BAL-002 is one of the few reliability standards identified by the Regional Reliability Standards Working Group (RRSWG) as a standard that has some requirements that may need to be defined by each regional entity in a regional standard. In particular, its October 2006 report, the RRSWG suggested the following related to BAL-002:
In the long-term, regional reliability standards should be developed in support of North American standard BAL-002.
Each regional entity should create a regional standard specifying its Contingency Reserve policy.
The continent-wide BAL-002 should be modified to:
address FERC's May 11 comments and revise R2 to remove reference to "sub-Regional Reliability Organization or Reserve Sharing Group".

The NERC BAC SDT will work with stakeholders to review BAL-002 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to and contained with the BAC program documentation. The NERC BAC SDT shall determine which requirements should be continent-wide requirements and which requirements should be included in regional standards.

Standards Development Status:
See NERC Project 2007-05 Balancing Authority Controls

Milestone Timeline:
See NERC BAC SDT schedule

Related Links:
NERC Regional Reliability Standards Under Development
Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool, Inc. (SPP)
Texas Regional Entity (Texas RE)
Western Electricity Coordinating Council (WECC)

2007-11-RE — Disturbance Monitoring — Regional Standards Development

Standards Involved:
Eight regional reliability standards (one for each of the eight regions) identifying regional requirements in support of the following continent-wide standard:
PRC-002 — Define and Document Disturbance Monitoring Equipment Requirements

Research Needed:
None

Brief Description:
This is a continuation of the corresponding project in Volume II of this work plan. Depending on the findings and determinations of the NERC standard draft team for Project 2007-11 Disturbance Monitoring (NERC DM SDT), it is anticipated that each region may be required to develop a regional standard that supports the continent-wide standard(s) developed for disturbance monitoring.

PRC-002 is one of the few reliability standards identified by the Regional Reliability Standards Working Group (RRSWG) as a standard that has some requirements that may need to be defined by each regional entity in a regional standard. In particular, in its October 2006 report the RRSWG suggested the following related to PRC-002:
In the long-term, this should be a Regional Reliability Standard.
As written, it is a requirement for each RRO to develop a comprehensive set of requirements for DME and can be enforced that way.
PRC-002 is directly related to PRC-018. PRC-018 requires the functional entities to comply with the requirements developed by each RRO. Any references to each other embedded in the requirements of the two standards need verified.
Need regions to develop and submit regional standards.

The NERC DM SDT will work with stakeholders to review PRC-002 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to and contained with the DM program documentation. The NERC DM SDT working with industry stakeholders shall propose which requirements should be continent-wide requirements and which requirements should be included in regional standards.

Standards Development Status:
See NERC Project 2007-11 Disturbance Monitoring.

Milestone Timeline:
See NERC DM SDT schedule.

Related Links:
NERC Regional Reliability Standards Under Development
Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool, Inc. (SPP)
Texas Regional Entity (Texas RE)
Western Electricity Coordinating Council (WECC)

2008-04-RE — Protection Systems — Regional Standards Development

Standards Involved:
Eight regional reliability standards (one for each of the eight regions) identifying regional requirements in support of the following continent-wide standard:
PRC-012 — Special Protection System Review Procedure

Research Needed:
None

Brief Description:
This is a continuation of the corresponding project in Volume II of this work plan. Depending on the findings and determinations of the NERC standard draft team for Project 2008-04 Protection Systems (NERC PS SDT), it is anticipated that each region may be required to develop a regional standard that supports the continent-wide standard(s) developed for special protection systems/schemes.

PRC-012 is one of the few reliability standards identified by the Regional Reliability Standards Working Group (RRSWG) as a standard that has some requirements that may need to be defined by each regional entity in a regional standard.

The NERC PS SDT will work with stakeholders to review PRC-012 and each of the current regional programs developed in accordance with that standard, including any other associated programs and/or requirements related to and contained with the special protection system program documentation. The NERC PS SDT working with industry stakeholders shall propose which requirements should be continent-wide requirements and which requirements should be included in regional standards.

Standards Development Status:
This project has not yet started.

Milestone Timeline:
The timeline for this project has not yet been established.

Related Links:
NERC Regional Reliability Standards Under Development
Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool, Inc. (SPP)
Texas Regional Entity (Texas RE)
Western Electricity Coordinating Council (WECC)

Florida Reliability Coordinating Council (FRCC) Regional Reliability Standards Development Projects

PRC-002-FRCC-01 — Definition of FRCC Regional Disturbance Monitoring and Reporting Requirements — FRCC

Standards Involved:
PRC-002-FRCC-01 — Definition of FRCC Regional Disturbance Monitoring and Reporting Requirements — FRCC

Research Needed:
None

Brief Description:
FRCC plans to convert the existing handbook document, "FRCC Requirements for Disturbance Monitoring Equipment", revision dated June, 2006 into a new regional reliability standard, that complies with the requirements of NERC Reliability Standard, PRC-002-1 — "Define Regional Disturbance Monitoring and Reporting Requirements".

Standards Development Status:
See FRCC Definition of FRCC Regional Disturbance Monitoring and Reporting Requirements

Related Links:
See Florida Reliability Coordinating Council (FRCC) Standards Under Development page.

PRC-003-FRCC-01 — Misoperation of Protection Systems — FRCC

Standards Involved:
PRC-003 — FRCC-01 — Analysis of Misoperations of Transmission and Generation Protection Systems — FRCC

Research Needed:
None

Brief Description:
FRCC plans to convert the existing handbook document, "FRCC Requirements for Analysis of Protection Mis-operations & Corrective Actions Reporting", revision dated October 2003 into a new regional reliability standard, that complies with the requirements of NERC Reliability Standard, PRC-003-1 — "Regional Procedure for Analysis of Mis-operations of Transmission and Generation Protection Systems".

Standards Development Status:
See FRCC Regional Procedure for Analysis of Mis-operations of Transmission and Generation Protection Systems.

Related Links:
See Florida Reliability Coordinating Council (FRCC) Standards Under Development page.

PRC-006-FRCC-01 — FRCC Automatic Underfrequency Load Shedding Program

Standards Involved:
PRC-006-FRCC-01 — FRCC Automatic Underfrequency Load Shedding Program

Research Needed:
None

Brief Description:
FRCC has developed a regional standard to provide last resort system preservation measures by implementing an Underfrequency Load Shedding (UFLS) program. FRCC is currently assembling the filings associated with gaining NERC BOT and the Commission's FERC's) approval of this regional standard.

Standards Development Status:
See FRCC Automatic Underfrequency Load Shedding Program

Related Links:
See Florida Reliability Coordinating Council (FRCC) Standards Under Development page.

PRC-024-FRCC-01 — Generator Performance During Frequency and Voltage Excursions — FRCC

Standards Involved:
PRC-024 — FRCC-01 — Generator Performance during Frequency and Voltage Excursions — FRCC

Research Needed:
None

Brief Description:
FRCC is developing a standard to establish "ride through" requirements for generators in the FRCC Region with respect to temporary grid voltage or frequency deviations from their normal range.

Standards Development Status:
See FRCC Regional Generator Performance During Frequency and Voltage Excursions.

Related Links:
See Florida Reliability Coordinating Council (FRCC) Standards Under Development page.

Midwest Reliability Organization (MRO) Regional Reliability Standards Development Projects

See Midwest Reliability Organization (MRO) Standards Under Development page.

Northeast Power Coordinating Council (NPCC) Regional Reliability Standards Development Projects

At this time, NPCC will be developing at least four regional standards projects as required to support reliability objectives and as may be required to support their associated continent-wide NERC reliability standards identified in the first part of this volume. NPCC will develop the initial four regional standards in conjunction with, and as set forth by the schedules associated with the continent-wide standards, or schedules set forth by FERC, or our members.

In conjunction with this effort, a project is underway to translate the NPCC Criteria into "Directories" to demonstrate consistency with the NERC Reliability Standards. These Directories will utilize the applicable NERC Functional Model language, contain reference to related NERC standards, clearly identify applicability and utilize NERC glossary terms and when no term is available, use NPCC defined terms. These Directories are updated and submitted to NERC periodically to satisfy the NERC requirement as outlined in the Rules of Procedure to maintain a catalog of regional criteria. The Directories may be viewed on the "Regional Documents" section of the NPCC website or accessed through a link on the NERC website.

PRC-006-NPCC-01 — Automatic Underfrequency Load Shedding Program — NPCC

Standards Involved:
PRC-006-NPCC-01 — Automatic Underfrequency Load Shedding Program — NPCC

Research Needed:
None

Brief Description:
This Standard will provide the detailed requirements and measures to automatically provide system preservation by implementing an automatic underfrequency load shedding program to respond to system underfrequency events. The Standard will also emphasize the need for coordination amongst the NPCC region's members, and those areas outside the NPCC footprint, and provide direction for refinements of underfrequency systems already in place. The standard will address issues that smaller entities may have due to reduced amounts of distribution feeders.

The Standard will ensure that all requirements will be identified to ensure compliance with relevant NERC standards.

The NPCC regional UFLS standard shall apply to Balancing Authority Areas "BA Areas" that are both synchronous and asynchronous to the eastern interconnection. BA Areas that are asynchronous (e.g. Quebec) will develop UFLS parameters with a different technical basis and requirements.

Standards Development Status:
The NPCC Regional Standards Committee has approved the Regional Standards Authorization Request, RSAR, drafting is in progress and open process postings for comments have been completed in accordance with NPCC's, FERC filed and approved Regional Standards Development Procedure. NPCC is targeting member approvals by December 2010, with submission to NERC and FERC targeted for 2011.

Related Links:
See Northeast Power Coordinating Council's NPCC "Regional Standards Open Process" page.

PRC-012-NPCC-01 — Special Protection Systems — NPCC

Standards Involved:
PRC-012-NPCC-01 — Special Protection Systems — NPCC

Research Needed:
None

Brief Description:
The proposed Standard will describe the requirements for the design of Special Protection Systems, and the technical criteria required to support its implementation. The Standard will also identify the need for close coordination among various parties to ensure that the Special Protection Systems are implemented correctly, and triggers and resulting actions are made known and communicated in an on-line database.

Standards Development Status:
The NPCC Regional Standards Committee has approved the Regional Standards Authorization Request, RSAR, drafting will begin in accordance with NPCC's, FERC filed and approved Regional Standards Development Procedure. NPCC is targeting member approval of the standard by December 2011and submission to NERC and FERC targeted for 2012.

Related Links:
See Northeast Power Coordinating Council's NPCC "Standards Under Development" page.

PRC-002-NPCC-01 — Disturbance Monitoring — NPCC

Standards Involved:
PRC-002-NPCC-01 — Disturbance Monitoring— NPCC

Research Needed:
None

Brief Description:
The Standard will establish the technical requirements for disturbance monitoring equipment, including:
system operating parameters that are to be measured and recorded,
how to determine/select a preferred location of this equipment,
installation and equipment minimum technical requirements,
data communication requirements,
analysis tools.

Criteria for facility owner requirements for reporting disturbance data will also be defined.

Standards Development Status:
The NPCC Regional Standards Committee has approved the Regional Standards Authorization Request, RSAR, drafting was completed, and PRC-002-NPCC-01 approved by the NPCC membership Jan. 6, 2010. The NPCC Board of Directors approval was secured Feb. 9, 2010. The PRC-002-NPCC-01 package is with NERC for approval, and FERC Approval is targeted for the first quarter of 2011.

Related Links:
See Northeast Power Coordinating Council's NPCC "Regional Standards Under Development" page.

Reliability*First* Corporation (RFC) Regional Reliability Standards Development Projects

MOD-025-RFC-01 — Verification and Data Reporting of Gen Gross and Net Reactive Power Capability — RFC

Standards Involved:
MOD-025-RFC-01 — Verification and Data Reporting of Gen Gross and Net Reactive Power Capability — RFC

Research Needed:
None

Brief Description:
RFC plans to develop a regional standard to ensure accurate information on generator gross and net Reactive (MVAR) Power capability is available for steady-state models used to assess Bulk Electric System reliability.

Standards Development Status:
See RFC Verification and Data Reporting of Generator Gross and Net Reactive Power Capability

Related Links:
See Reliability*First* Corporation (RFC) Standards Under Development page.

PRC-006-RFC-01 — Automatic Underfrequency Load Shedding Requirements — RFC

Standards Involved:
PRC-006-RFC-01 — Automatic Underfrequency Load Shedding Requirements — RFC

Research Needed:
None

Brief Description:
RFC is developing a regional standard to establish requirements for automatic underfrequency load shedding (UFLS) to support NERC Reliability Standard PRC-006.

Standards Development Status:
See RFC Automatic Underfrequency Load Shedding Requirements.

Related Links:
See Reliability*First* Corporation (RFC) Standards Under Development page

PRC-012-RFC-01 — Special Protection System Requirements — RFC

Standards Involved:
PRC-012-RFC-01 — Special Protection System Requirements — RFC

Research Needed:
None

Brief Description:
RFC is developing a regional standard to establish requirements for the review, development and application of Special Protection Systems (SPS) in one RFC standard allowing the retirement of the associated legacy documents. The standard will ultimately be mandated by NERC in support of NERC PRC-012-1 as related to a review process as well as a unique RFC application criterion.

Standards Development Status:
See RFC Special Protection System Requirements Standard.

Related Links:
See Reliability*First* Corporation (RFC) Standards Under Development page

SERC Reliability Corporation (SERC) Regional Reliability Standards Development Projects

SERC has no additional regional standards planned at this time beyond the four regional standards projects required to support their associated continent-wide NERC reliability standards identified in first part of this volume. SERC will develop these four regional standards in conjunction with, and as set forth by the schedules associated with, the continent-wide standards.

PRC-006-SERC-01 — Underfrequency Load Shedding Program — SERC

Standards Involved:
PRC-006-SERC-01 — Underfrequency Load Shedding Program — SERC

Research Needed:
None

Brief Description:
This standard will provide the measures to automatically provide system preservation by implementing an automatic underfrequency load shedding (UFLS) program to respond to system underfrequency events. The standard will also emphasize the need for coordination amongst the entities within the SERC footprint, and with those areas outside the SERC footprint. The standard requirements will be consistent with the proposed NERC PRC-006-1 continent-wide standard, and other relevant NERC standards.

Standards Development Status:
The SERC Standards Committee accepted the SAR to develop a SERC UFLS Regional Reliability Standard on February 27, 2008 and assigned to the SERC Engineering Committee (EC). It was approved by the EC Executive Committee on April 25, 2008 and a standard draft team (or Responsible SERC Subgroup—RSS) was appointed on June 19, 2008. Draft- 1 of the standard was posted for comments on September 19, 2008; Draft-2 was posted for comments on November 21, 2008; Draft-3 was posted for information on February 9, 2009; and Draft-3a was posted for comments on September 15, 2009. Draft-4 of the standard was posted for a 15-day pre-ballot review period on October 27, 2009, with the ballot open from November 13-23, 2009. Ballot results were 48.5% of weighted sector votes were for approval (minimum of 66.7% required) therefore, the standard was not approved. On December 18, 2009 the EC Executive Committee voted to "send the draft standard back to the drafting team to repeat Step 8 (review comments and revise draft as appropriate)."

Plans are to develop Draft-5 of the standard to make it consistent with the NERC continent-wide standard, post it for one more comment period, and take the final draft to ballot in the fourth quarter of 2010.

Related Links:
See the SERC Reliability Corporation Standards page

Southwest Power Pool, Inc. (SPP) Regional Reliability Standards Development Projects

PRC-006-SPP-01 — Automatic Underfrequency Load Shedding Program — SPP

Standards Involved:
PRC-006-SPP-01 — Automatic Underfrequency Load Shedding Program — SPP

Research Needed:
None

Brief Description:
The SPP Standard Drafting Team is in the process of developing the SPP regional standard for Underfrequency Load Shedding Program. The purpose of this Regional Standard is to develop, coordinate, and document requirements for automatic underfrequency load shedding (UFLS) programs to arrest declining frequency and assist recovery of frequency following underfrequency events.

Standards Development Status:
See SPP Standard Development Page

Related Links:
See Southwest Power Pool's (SPP) Standards Under Development page

Texas Reliability Entity (Texas RE) Regional Reliability Standards Development Projects

BAL-001-TRE-01 — Regional Variance for CPS2 — Texas RE

Standards Involved:
BAL-001-TRE-01 Regional Variance for CPS2 — Texas RE

Research Needed:
None

Brief Description:
A Texas RE standard drafting team is drafting a regional variance to R2 of BAL-001-0 that still meets the purpose of the standard: Maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time. ERCOT currently has a NERC waiver for the CPS2 method (11/21/02) described in R2. This regional variance will provide what ERCOT employs instead of CPS2 to achieve the overall purpose of the BAL standard.

This variance will be the modification that was ordered by FERC in Order 693: As with other new regional differences, the commission expects that the ERCOT regional difference will include Requirements, Measures, and VRFs and VSLs. This regional variance will incorporate Section 5.9 of the ERCOT Protocols (and the applicable Nodal Protocol) to accomplish this objective. This variance as currently drafted will apply to the Balancing Authority that is ERCOT, GOs and GOPs.

Standards Development Status:
See Texas Regional Entity (Texas RE) Reliability Standards Tracking Status

Related Links:
SAR-003 Standard Drafting Team: Modification to ERCOT Waiver to R2 of BAL-001-0 CPS2

PRC-006-TRE-01 — Development and Documentation of Regional UFLS Program — Texas RE

Standards Involved:
PRC-006-TRE-01 — Development and Documentation of Regional UFLS Program — Texas RE

Research Needed:
None

Brief Description:
A Texas RE standard drafting team is currently following, reviewing, and commenting upon the characteristics of the NERC UFLS continent-wide standard that is under development (Project 2007-01). Depending on the specific characteristics and requirements of the continent-wide standard, and if necessary, the team will develop a regional reliability standard with requirements for automatic UFLS programs that will require that UFLS programs arrest declining frequency and assist recovery of frequency following a frequency excursion.

Standards Development Status:
See Texas Regional Entity (Texas RE) Reliability Standards Tracking Status

Related Links:
SAR-002 Standard Drafting Team: Development and Documentation of Regional UFLS Programs

ERCOT Regional Variance to CIP-001-1

Standards Involved:
CIP-001-1 Sabotage Reporting

Research Needed:
None

Brief Description:
This proposed regional variance to NERC Standard CIP-001-1—Sabotage Reporting, will address a reliability gap identified by Texas RE by adding TO and GO to the types of functional entities that this standard applies to. As presently written, the continent-wide CIP-001-1 standard does not apply to TO and GO entities, which often construct and maintain electrical facilities that are essential to the reliability of the bulk power system. This proposal will ensure that all entities who have physical access and control over transmission and generation facilities are included in the applicability of CIP-001 in the ERCOT Region.

In the absence of this proposed revision, there is no requirement that all TO and GO personnel must have procedures and training for recognizing and communicating sabotage events. There is also no present requirement for providing those personnel with sabotage response guidelines. When NERC Project 2009-01 Disturbance and Sabotage Reporting is completed and approved, which is expected to add TO and GO to entities subject to the CIP-001 requirements, this regional variance will be terminated.

The only changes to the standard are the addition of the TO and GO functions, and the removal of references to the Royal Canadian Mounted Police. When approved by FERC, the regional variance will only be applicable in the Texas RE Region, and it will be effective for one year from approval.

Standards Development Status:
See Texas Regional Entity (Texas RE) Reliability Standards Tracking Status

Related Links:
SAR-008 ERCOT Regional Variance to CIP-001 Sabotage Reporting

IRO-006-TRE-01 – Reliability Coordination Transmission Loading Relief

Standards Involved:
IRO-006-TRE-01 – Reliability Coordination Transmission Loading Relief

Research Needed:
None

Brief Description:
The Regional Reliability Standard proposed by this Standard Authorization Request (SAR) will support bulk power system reliability by providing enforceable requirements associated with the existing ERCOT congestion management procedures. This proposed Regional Standard addresses the FERC directive in Paragraph 964 of Order 693, where FERC found that the ERCOT transmission load relief procedures were superior to the national standard, and directed the ERO to provide Reliability Standards including Requirements, Measures and Levels of Non-Compliance corresponding to the ERCOT procedures for application in the ERCOT Region.

This SAR proposes a Regional Reliability Standard that complies with that directive. Five requirements are proposed that describe the obligations of the applicable entities in executing the existing congestion management procedures in the ERCOT Region, which are contained in Section 7 of the ERCOT Protocols (zonal).

Standards Development Status:
See Texas Regional Entity (Texas RE) Reliability Standards Tracking Status

Related Links:
SAR-009 ERCOT Region Transmission Congestion Management

Western Electricity Coordinating Council (WECC) Regional Reliability Standards Development Projects

VAR-001-WECC-1 — Voltage and Reactive Control — WECC

Standards Involved:
VAR-001-WECC-1 — Voltage and Reactive Control — WECC

Research Needed:
None

Brief Description:
The purpose of this standard is to ensure that voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Western Interconnection.

In the Western Interconnection, System Operating Limits for transmission paths in the Bulk Electric System assume that Automatic Voltage Regulators are in service to control voltage to support the transfer capability.

During the standard development process for VAR-002-WECC-1, it was identified that some WECC Transmission Operators did not provide voltage schedules to their Generator Operators. This is allowed because NERC VAR-001-1a requirement R4 allows Transmission Operators the option of providing either reactive power schedules or voltage schedules. The practice of providing reactive power or power factor schedules forces Generator Operators to manually adjust their automatic voltage regulator (AVR) voltage setting to a voltage setting that will provide the exact amount of reactive power directed by the Transmission Operator. Since the voltage on the transmission grid varies throughout the day, the Generator Operator is forced to continuously reset the voltage on the AVR. This is an unnecessary and distracting manual control burden on the Generator Operator.

NERC VAR-002 requires the Generator Operator to comply exactly with the voltage schedule or reactive power schedule directed by the Transmission Operator. If the Transmission Operator provides a voltage schedule, the AVR can automatically maintain compliance with the NERC requirement. If the Transmission Operator provides a reactive power schedule, rather than a voltage schedule, compliance with the schedule cannot depend on the automatic operation of the AVR. The VAR-002-WECC-1 standard prohibits the AVR from being switched to a constant reactive power mode of operation. Instead compliance becomes totally dependent on constant attention and readjustment by the Generator Operator. This significantly increases the risk of non-compliance for the Generator Operator.

Even more disturbing is the fact that this situation (the Transmission Operator specifying a constant reactive power output rather than a constant voltage level) defeats the intended purpose of the WECC VAR-002-WECC-1 standard; to prevent a voltage collapse. If the voltage does begin to collapse, the generator AVR— operating in constant voltage mode— will increase the reactive power output from the unit. That increase in reactive output means that the generator will no longer produce the amount of reactive power specified by the Transmission Operator's reactive power schedule. Once this occurs, the Generator Operator must immediately reduce the reactive power provided by the generator or risk noncompliance with NERC standard VAR-002,

R2. That will result in the generator doing the exact opposite of what is needed to prevent a voltage collapse and exposes the Interconnection to a risk of blackout.

Therefore, the VAR-001-WECC-1 standard drafting team was formed to develop a standard to require Transmission Operators to issue voltage schedules. The drafting team surveyed Transmission Operators and Generator Operators to identify scheduling practices that are causing confusion between Transmission Operators and Generator Operators. The first draft of a proposed VAR-001-WECC-1 Standard was posted for an initial 45 day comment period on December 14, 2009. The drafting team anticipates balloting and requesting WECC Board of Director approval during the second half of 2010.

WECC Standard VAR-001-WECC-1 is more stringent than a continent wide standard.

Standards Development Status:
See WECC Standards Development page at:
http://www.wecc.biz/Standards/Development/Pages/default.aspx

Related Links:
See http://www.wecc.biz/Standards/Development/WECC0046/default.aspx

BAL-004-WECC-2 — Automatic Time Error Correction — WECC

Standards Involved:
BAL-004-WECC-2 — Automatic Time Error Correction — WECC

Research Needed:
None.

Brief Description:
The purpose of this standard modification is to:

Implement clarifying modifications to the BAL-004-WECC-1 as directed in the FERC Order (Docket No. RM08-12-000; Order No.723) approving the standard.
Make additional changes as necessary to clarify the existing standard requirements.
Seek a regional variance to existing NERC standards or other clarification that the Balancing Authorities in the Western Interconnection shall use Automatic Time Error Correction Area Control Error (ATEC ACE) in BAL-004-WECC-1 for control and reporting purposes

In the order approving BAL-004-WECC-1, FERC directed WECC to make several clarifying modifications to the standard using the FERC-approved "Process for Developing and Approving WECC Standards" to make those modifications. WECC staff identified additional modifications to the existing standard that would clarify the intent without changing the purpose of the requirements.

There is confusion in the Western Interconnection regarding requirement R3 that indicates the ACE used for NERC reports shall be the same ACE as the AGC operating mode in use. This seems to conflict with the FERC response to Notice of Proposed Rulemaking comments that entities may use ATEC ACE for control, but should use Raw ACE for reporting.

WECC Standard BAL-004-WECC-1 establishes requirements that are either more stringent than or cover areas not covered by current NERC reliability standards; thereby meeting the Commission criteria for consideration of a regional standard.

Standards Development Status:
See WECC Standards Development page at:
http://www.wecc.biz/Standards/Development/Pages/default.aspx

Related Links:
http://www.wecc.biz/Standards/Development/WECC-0068/default.aspx

Reliability Standard Project Prioritization

Priority Number	Project Number and Name	Short Description	Overall Priority Rating	Project includes standard that is needed to be revised or created to fill an identified gap in reliability (10)	Project includes standard modifications which will improve BPS reliability: (10) - Significantly (8) - Moderately (6) - Incrementally (4) - Minimally	Project includes standard needing immediate attention due to a time-constrained regulatory directive (10)	Project includes standard modifications which need to be made in coordination with another project: (10) - Immediately (8) - in 1 to 2 years (6) - in more then 2 years	Project includes standard which is: (12) - 1 year or less (6) – 1 to 2 years (3) – 2 to 3 years away from its 5 year review requirement	Project includes standard needing modification due to input of compliance audit's team experience with the standard (6)	Project includes standard modifications related to regulatory directives without a time-constraint (4)	Project includes standard modifications necessary due to approved interpretation related to this standard (2)	Other (Please provide an explanation for the rating in the column to the right and indicate appropriate rating factor below) (x)	Explanation
1	Project 2010-05 Protection Systems	Modify current PRC standards and definitions related to Protection System Misoperations to support a good metric for measurement of Protection System performance and ensure the reliability of the bulk power system.	**52**	10	10			12	6	4		10	The definition of misoperations needs clarified. Recent analysis supports this project - RFC and SPP have performed recent work on analyzing and defining misoperations.
2	Project 2010-07 Transmission Requirements at the Generator Interface	This project proposes changes to the requirements and the addition of new requirements to add significant clarity to Generator Owners and Generator Operators regarding their reliability standard obligations at the interface with the interconnected grid.	**48**	10	10			12	6			10	This project affects registration and certificaiton and encompassess 4 of the top ten violated standards. For the industry the GOTO report and its recommendations are an issue at the forefront of registration issues and contention.
3	Project 2007-11 Disturbance Monitoring	Requires upgrading and expanding existing requirements for entities to install disturbance monitoring equipment and report disturbance data to ensure information is available to analyze bulk power system disturbances.	**34**	10	8			12		4			
4	Project 2007-06 System Protection Coordination	Requires upgrading and expanding the existing requirements to identify criteria for determining where to install protection system devices and for requiring the installation of those devices to protect the reliability of the bulk electric system.	**26**		10			12		4			
5	Project 2010-14 Balancing Authority Reliability-based Control	Requires upgrading existing requirements to ensure that balancing authorities take actions to maintain interconnection frequency with each balancing authority contributing its fair share of frequency control. Also requires corrective action by the BA when excessive Area Control Error may be contributing to or causing action to be taken to correct an SOL/IROL problem, to prevent Interconnection frequency excursions of short duration attributed to the ramping of on and off-peak Interchange Transactions, and to support timely transmission congestion relief by requiring corrective load/generation management by the Balancing Authority(ies) within a defined timeframe when participating in transmission loading relief procedures.	**26**		8			12		4	2		
6	Project 2008-02 Undervoltage Load Shedding	Consider consolidating PRC-010-0 — Assessment of the Design and Effectiveness of UVLS Program and PRC-022-1 — Under-Voltage Load Shedding Program Performance. Missing are any criteria for identifying where UVLS should be installed. The team will utilize the FIDVR (Fault-Induced Delayed Voltage Recovery) Technical Reference Paper in the development of requirements.	**24**		8			12		4			

Priority Number	Project Number and Name	Short Description	Overall Priority Rating	Project includes standard that is needed to be revised or created to fill an identified gap in reliability (10)	Project includes standard modifications which will improve BPS reliability: (10) - Significantly (8) - Moderately (6) - Incrementally (4) - Minimally	Project includes standard needing immediate attention due to a time-constrained regulatory directive (10)	Project includes standard modifications which need to be made in coordination with another project: (10) - Immediately (8) - in 1 to 2 years (6) - in more then 2 years	Project includes standard which is: (12) - 1 year or less (6) – 1 to 2 years (3) – 2 to 3 years away from its 5 year review requirement	Project includes standard needing modification due to input of compliance audit's team experience with the standard (6)	Project includes standard modifications related to regulatory directives without a time-constraint (4)	Project includes standard modifications necessary due to approved interpretation related to this standard (2)	Other (Please provide an explanation for the rating in the column to the right and indicate appropriate rating factor below) (x)	Explanation
7	Project 2010-03 Modeling Data	Requires merging, upgrading and expanding existing requirements for entities to provide data used to model the bulk electric system.	**22**		6			12		4			
8	Project 2010-04 Demand Data	As envisioned, this project will result in two standards — with MOD-016 through MOD-020 in a single standard, and MOD-021 in a separate standard. The requirements need to be more specific	**22**		6			12		4			
9	Project 2010-02 Connecting New Facilities to the Grid	Ensure that all of the elements that should be addressed when a new facility is connected to the grid are included in the revised standard.	**20**		4			12		4			
10	Project 2008-12 Coordinate Interchange Standards	Revise the set of Coordinate Interchange standards to ensure that each requirement is assigned to an owner, operator or user of the bulk power system, and not to a tool used to coordinate interchange, to address the Interchange Subcommittee's concerns related to the Dynamic Transfers and Pseudo-ties, and to address previously identified stakeholder comments and	**20**		4			12		4			
11	Project 2010-08 Functional Model Glossary Revisions	The Functional Model Working Group (FMWG) has received many comments and questions from stakeholders concerning the differences in definitions between the Functional Model and the NERC Glossary of Terms Used in	**20**		4			0	6			10	Getting core NERC documents straight is essential toall other ERO functions, standards development, compliance (auditing, investigating and enforcement), RAPA reports
12	Project 2009-04 Phasor Measurements	Supports a blackout recommendation. Several industry studies were issued that need to be analyzed to determine appropriate requirements for a NERC standard.	**10**		10			0					
13	Project 2009-07 Reliability of Protection Systems	Requires facility owners to have protection system equipment installed such that, if there were a failure to a specified component of that protection system, the failure would not prevent meeting the BES performance identified in the TPL standards.	**10**		10			0					
14	Project 2010-01 Support Personnel Training	Require the use of a systematic approach to determining training needs of generator operators and operations planning and support staff with a direct impact on the reliable operations of the bulk power system.	**10**		6			0		4			

Priority Number	Project Number and Name	Short Description	Overall Priority Rating	Project includes standard that is needed to be revised or created to fill an identified gap in reliability (10)	Project includes standard modifications which will improve BPS reliability: (10) - Significantly (8) - Moderately (6) - Incrementally (4) - Minimally	Project includes standard needing immediate attention due to a time-constrained regulatory directive (10)	Project includes standard modifications which need to be made in coordination with another project: (10) - Immediately (8) - in 1 to 2 years (6) - in more then 2 years	Project includes standard which is: (12) - 1 year or less (6) – 1 to 2 years (3) – 2 to 3 years away from its 5 year review requirement	Project includes standard needing modification due to input of compliance audit's team experience with the standard (6)	Project includes standard modifications related to regulatory directives without a time-constraint (4)	Project includes standard modifications necessary due to approved interpretation related to this standard (2)	Other (Please provide an explanation for the rating in the column to the right and indicate appropriate rating factor below) (x)	Explanation
15	Project 2012-02 Physical Protection	Consider the development of reliability standards for the physical protection of essential equipment, buildings and people located in power generation, transmission, or distribution system locations in order to mitigate the associated reliability risks to the bulk power system.	**8**		8			0					
16	Project 2009-05 Resource Adequacy Assessments	Implements recommendations from the *Resource and Transmission Adequacy Task Force (RTATF) Report* and the *Gas/Electricity Interdependency Task Force Report,* approved by the NERC Board on June 15, 2004, related to resource adequacy.	**6**		6			0					
17	Project 2012-01 Equipment Monitoring and Diagnostic Devices	Consider the development of reliability standards for the application of major equipment monitoring and diagnostic devices and procedures.	**6**		6			0					

High Priority Projects Under Development	
1	Project 2006-02 Assess Transmission and Future Needs
2	Project 2006-06 Reliability Coordination
3	Project 2007-01 Underfrequency Load Shedding
4	Project 2007-02 Operating Personnel Communications Protocols
5	Project 2007-03 Real-time Transmission Operations
6	Project 2007-07 Vegetation Management
7	Project 2007-09 Generator Verification
8	Project 2007-12 Frequency Response
9	Project 2007-17 Protection System Maintenance & Testing
10	Project 2008-01 Voltage and Reactive Planning and Control
11	Project 2008-06 Cyber Security - Order 706
12	Project 2009-01 Disturbance and Sabotage Reporting
13	Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities
14	Project 2009-03 Emergency Operations
15	Project 2010-10 FAC Order 729
16	Project 2010-11 TPL Table 1 Order
17	Project 2010-13 Relay Loadability Order

Additional Priority Projects (near completion)	
1	Project 2006-08 Transmission Loading Relief
2	Project 2007-04 Certifying System Operators

Additional Projects to be Initiated in Order of Priority	
1	Project 2010-05 Protection Systems
2	Project 2010-07 Transmission Requirements at the Generator Interface
3	Project 2007-11 Disturbance Monitoring
4	Project 2007-06 System Protection Coordination
5	Project 2010-14 Balancing Authority Reliability-based Control
6	Project 2008-02 Undervoltage Load Shedding
7	Project 2010-03 Modeling Data
8	Project 2010-04 Demand Data
9	Project 2010-02 Connecting New Facilities to the Grid
10	Project 2008-12 Coordinate Interchange Standards
11	Project 2010-08 Functional Model Glossary Revisions
12	Project 2009-04 Phasor Measurements
13	Project 2009-07 Reliability of Protection Systems
14	Project 2010-01 Support Personnel Training
15	Project 2012-02 Physical Protection
16	Project 2009-05 Resource Adequacy Assessments
17	Project 2012-01 Equipment Monitoring and Diagnostic Devices

Priority Number	Project Number and Name
1	Project 2010-05 Protection Systems
2	Project 2010-07 Transmission Requirements at the Generator Interface
3	Project 2007-11 Disturbance Monitoring
4	Project 2007-06 System Protection Coordination
5	Project 2010-14 Balancing Authority Reliability-based Control
6	Project 2008-02 Undervoltage Load Shedding
7	Project 2010-03 Modeling Data
8	Project 2010-04 Demand Data
9	Project 2010-02 Connecting New Facilities to the Grid
10	Project 2008-12 Coordinate Interchange Standards
11	Project 2010-08 Functional Model Glossary Revisions
12	Project 2009-04 Phasor Measurements
13	Project 2009-07 Reliability of Protection Systems
14	Project 2010-01 Support Personnel Training
15	Project 2012-02 Physical Protection
16	Project 2009-05 Resource Adequacy Assessments
17	Project 2012-01 Equipment Monitoring and Diagnostic Devices

EXHIBIT C: Industry Comments on the Draft *Reliability Standards Development Plan: 2011–2013*

Summary of Comments received on the Reliability Standards Development Plan: 2011-2013

Commenter	Summary of Comments	
Midwest Reliability Organization	Remove MRO projects from volume 3 of the standards development plan. On 06/14/10, the Midwest Reliability Organization's Standards Committee voted to suspend activity of these standard development projects. This suspension begins on 06/18/10.	
Georgia System Operations Corporation	There are **still too many projects to keep up with**. There is not enough time to stay on top of everything. This presents increased risk of confusion and compliance violations as changes keep coming and presents increased risk to the BES. The existing standards are too vague. It is not clear in many cases just what is expected. There is a lot of redundancy of requirements which leads to "double jeopardy" (if not more than double) if the redundant requirement is violated. There are situation awareness reporting and administrative requirements that should not be a part of Reliability Standards. Those requirements belong somewhere else. Project 2010-06 "Results-Based Reliability Standards" should correct all of these problems. Plus specific suggestions for specific projects.	
Constellation Energy Group, Inc.	Update the Plan to (1) accurately **reflect the existence and priority of all projects that are currently active or planned by NERC**; and (2) provide accurate and detailed start and completion dates of all project so that the Industry can better understand and comment on the Plan; and (3) to reflect the **increased burden on industry** during the standards development process caused by the recent procedural changes implemented through revisions to the Standards Process Manual. Without these revisions, the industry is unable to provide meaningful comments to the Plan and also cannot adequately plan/allocate the technical resources needed to successfully support the plan.	
Arizona Electric Power Cooperative, Inc. (AEPCO) Arlington Valley Energy Facility Covanta Fountain Valley Power, LLC Harbor Cogeneration Company LLC Las Vegas Cogeneration LP	**Believes that the criteria used in the initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.)** Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration. Concerned with the decision to exclude Project 2010-07	

SWG Colorado LLC Valencia Power LLC Electric Power Supply Association Pinellas County Resource Recovery Facility Union Power Partners, LP Competitive Power Ventures, Inc. Cogentrix Energy, LLC New Harquahala Generating Co, LLC Indeck Energy Services Cowlitz County PUD No. 1 of Washington State (District) Tenaska, Inc. Wisconsin Electric Forked River Power LLC	Transmission Requirements at the Generator Interface - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6, 2010 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.	
Independent Electricity System Operator	Agrees with the concept of maintaining a list of "Additional Projects to be initiated in Order of Priority" as resources become available. Seventeen (17) projects were identified as "High Priority Projects Under Development" and were not subject to the prioritization process gone through by the "Additional Projects". It is unclear what criteria were used as justification for their designation as "High Priority". While such an a priori assessment may indeed be appropriate, it is conceivable that some projects identified as "High Priority" may actually rank lower than some of those identified as "Additional". **We therefore believe it would be useful to subject these "High Priority" projects to the prioritization process.** We also recognize that some projects may be far enough advanced such that deferring further action on them in favour of initiating work on another project that ranks higher may not be a feasible option. It is conceivable that projects at a similarly early stage of advancement could be deferred in favour of "Additional" projects that rank higher. We also **support the move to develop results-based reliability** standards and agree with the approach used to identify appropriate candidates for this work. We **support the development and use of the prioritization tool** which we believe will bring consistency to the process of evaluating project rankings.	

Bonneville Power Administration	1. BPA believes it should be a priority to **establish an executive leadership forum** as we described at the July 6 technical conference that will foster better understanding and coordination between FERC, NERC, and the entities. 2. BPA believes this is a well written plan and overall describes very positive direction and priorities for the standards program. We **support the migration to results based standards, providing better managed and efficient timelines and providing for prioritizing standards development.** For the specific requirements within the standards, we would like to encourage careful analysis and balancing between reliability vs. commercial aspects and specific line item by line item vs. grouping common components where possible....a "reasonableness test". If items can be grouped to form a single "requirement", then it is likely that a single "compliance question" will result and the need to repeatedly supply documents for line item after line item is eliminated. 3. The paper contrasts "results based" standards with "performance based" standards, noting that violating performance based metrics sometimes has already unacceptable consequences such as major disturbances, blackouts, and uncontrolled cascading failures. It seems that many of the existing standards have sanctions that are very high for events that could have, but did not result in unacceptable power system results. BPA would like to suggest that a two-tiered solution be investigated. 1. If the issue is a reliability issue to the bulk electric system, then impose a heavy penalty. 2. If the issue is a violation, but not impacting reliability, then impose a minimal penalty. We would also propose that for the lower level standards, the requirements for exceptional documentation and other rigorous administrative work be kept to a reasonable minimum. 4. While we appreciate the efforts that NERC and FERC took in prioritizing the standards, we **respectfully recommend establishing a methodology that considers a variety of critical factors and actively involves the stakeholder community** (Technical Committees, Ballotters, etc.) to define the reliability benefit vs. cost tradeoff that ultimately can be used to help establish priorities.	
North American Energy Standards Board	Specific comments on projects requiring coordination with NAESB	

Indeck Energy Services	Indeck believes that NERC has exceeded its authority under FPA 215 (the"Act") in both its membership expansion and the development of its reliability target level for Regional Entities. Reply: Thank you for the comments, and while very interesting and policy oriented, none are specific enough with respect to the text or content of the Reliability Standards Development Plan to identify a responsive change to the document.	
Midwest ISO	1. Recommend that **Project 2008-12 Coordinate Interchange Standards' priority be elevated**. Since the drafting team that is working on this standard consists largely of Interchange Subcommittee (IS) members and the IS identified the issues the SDT is addressing, we do not believe that it will significantly impact other projects. In other words, we do not believe there are likely any resource conflicts. In fact, this SDT seems to willing to dedicate the time and effort necessary to address the compliance issues with the INT standards. 2. The ORS has submitted a SAR to remove specific references to Reliability Coordinator tools in the NERC standards. Currently, if one of those tools becomes unavailable, every NERC registered RC could become subject to compliance actions. The ORS has already performed most of the work to eliminate this problem. Thus, the SAR should be moved forward. 3. To Table 1 (beginning on page 5), please add a column that identifies the driver/requestor for the item. Recommended choices would be: a. FERC Order b. ERO/RE c. If industry submission, list the organization d. Blackout Report Recommendation (including specific reference to which recommendation) Since priorities will likely change, a copy of the table should be posted on a link on the "Standards Under Development" plan and updated when changes occur. Some of the project summaries identify a blackout recommendation specifically (i.e. recommendation 23) and some generically (no number or description) in the purpose section. All references should be to specific blackout recommendations so that industry knows what specific issue is being addressed.	
Midwest Reliability Organization	1. The MRO NSRS **has concerns on yet another aggressive Reliability Standards Development Plan for 2011-2013.** Our industry requires sound and un-ambiguous reliability standards and do not want to rush any project in order to fulfill a projected	

	plan. We believe we are starting to see well written Standards that will enhance the reliability of the BES. 2. The placements of hyper links within the plan were very helpful and thank you. Has the NERC Standards team (within NERC) thought of the possibility of have hyper links within a NERC Standard? Understand that this would only be used to "assist" an entity and by no means be the only way to get through a Standard. Perhaps it could just be hyper linked to forms, attachments, etc within the Standard. The MRO NSRS is not sure of the impact of the recent FERC Order Approving Petition and Directing Compliance Filing (issued Sept 3, 2010) will have on this proposed plan. At a minimum, each SDT should understand that FERC is concerned about the writing of each requirement to fulfill FERCs directives.	
Dominion Resources Services	Dominion believes that NERC may have lost its focus on what is critically important to the reliability Bulk Electric System. In developing its Reliability Standards Development Plan: 2011 – 2013, **NERC should place the highest priority on standards that are identified to close existing reliability gaps that have been repeatedly indentified upon analysis of significant events and outages on Bulk Electric System facilities.** It is Dominion's position that Standards that do not directly deal with demonstrated reliability gaps need should be placed 'on hold' until the standard that appropriately addresses these gaps are well along in NERC's standard developmental pipeline. It is really that simple. More specifically, NERC should place the highest priority on reliability standards now in the queue addressing protection systems, vegetation management as well as the training and tools that support these demonstrated gaps. There are far too many proposed standards in this crowded Reliability Standards Development Plan that fail to meet this necessary and basic threshold. For example, there exists in the current queue a proposed standard dealing with physical protection on generation (with a SAR introduced by a generation contractor). This may well be one of the sharpest examples of missing the focus or sweet spot on should be in focus right now. Finally, since NERC continues to register **selected radial generation leads as transmission for compliance demonstration purposes**, creating a misplaced set of reliability standards on those organizations, Dominion does believe that if such actions by some Reliability Councils, NERC must believe there is a existing reliability gap that must be filled. {The SAR also deals with vegetation management which has been which is a repeat issue on event analysis on significant events and outages on the BES.} Therefore, by this very same screening process, the draft SAR dealing with generation/transmission interface should be moved up in	

	priority.	
NERC Regional Reliability Standards Working Group	The RRSWG fully supports the advancement of Project 2010-05 Protection Systems and the elevation in priority to place the project on the NERC Standards Committee's High Priority Standard Development Projects.	
Western Electricity Coordinating Council	We believe that those projects that have been identified as the most important, for the most part, are prioritized correctly. However, We also believe that, in general, **all of the fill-in-the-blank standards should receive a higher priority**. The confusion among the regions and the audited entities as to what is required and how best to identify the requirements is taking up valuable time. Many of the fill-in-the-blank standards require the Regional Reliability Organization to develop processes or procedures, and not Regional Reliability Standards. However, processes and procedures are not mandatory, and the registered entities are confused. Additionally, any region that initiates development of a regional reliability standard, simply to meet a fill-in-the-blank requirement could very well end up trying to withdraw that very regional standard if the NERC fill-in-the-blank standard gets modified removing the requirement for the region to develop the standard in the first place. This could be problematic if FERC has approved some regional reliability standards intended to meet the fill-in-the blank requirements and determines that they are more stringent than the new NERC continent-wide standard. The result would still be different standards, with different requirements across the continent.	
NERC Staff (John Seelke)	Add a requirement, probably in an IRO or TOP standard, to require that SOL violations be corrected within 30 minutes or less (or some other time period).	
NERC Operating Committee	As an entity, BPA is submitting comments on this. As a NERC OC member (Fed-US), I want to strongly emphasize the detrimental impact resulting from the **massive levels of documentation and administrative burden associated with current audit practices.** This has absorbed high levels of our expertise (there is a limited supply of these experts even if entities could hire as many people as they wanted) which necessarily diverts and distracts from the level of attention that can be paid to direct reliability operations. It seems that there must be some robust ways of substantially reducing "administrivia" with minimal reliability risk to standards compliance and, at the same time, actually improving reliability.	
Duke Energy Corporation	Clear focus on mission and objective in acknowledgement – good • NERC's mission – does the first sentence need another	

	word? An international regulatory “entity with the ??” authority. • In the section 2011-2013 Projects – suggest that we use the same wording that we do in the tables for Additional priority projects in final balloting vs. additional priority projects near completion. • I really appreciate the reduction in number of pages and the links to associated documents. This is a much easier read that it has been in the past. • This is really becoming a one stop shopping spot for all things standards development based – good thing. • Series of improvements – page 10 – I think the standing committees have a role in priorities. Who does the quality review (role for standing committees)? May want to put some details on the quality review. Point (6) – not sure how this will involve more participants. Point (8), where are the details behind these process descriptions? • Do we want to include a link to the ANSII principles? • Do we have a link to the drafting team membership lists for the projects? • **Transition to Results Based Standards – good description** – A Venn diagram could illustrate this concept and provide visual clarity. • Last sentence in second paragraph in this transition section is very effective and clear – should be point of focus. • Sentence around Bal-001 is somewhat confusing – not sure of the point here (“The goal of the standard is to maintain…”) – may want to bounce this off of the Resources Subcommittee. After consultation with Tom Bowe and Larry Kezele, I hope to ask each OC subcommittee to review the priority lists provided in this plan and provide a screening of which standard best fits their charter and provide a summary position paper on the status of the specific projects and how they should fit within the development plan. I also will ask these OC subgroups to select 2-3 standards (existing) that fit within their standards and ask they to evaluate these standards against practical operations and a culture of compliance and a culture of reliability via position papers. Hopefully, we can get these reports ready for the 12/10 Standing Committee meetings.	

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Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 09/20/10

Submitted by (Name):	**Organization:**
James L. Jones *If submitted for a group, please complete the table at the end of this form.	Arizona Electric Power Cooperative, Inc. (AEPCO)
Phone:	**E-mail:**
520.586.5247	jjones@swtransco.coop
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	GO/TO Ad Hoc Group
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See AEPCO Comments Document
Recommendation for improvement: See AEPCO Comments Document

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Introduction

Arizona Electric Power Cooperative, (AEPCO), appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, AEPCO believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

AEPCO is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, AEPCO respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

AEPCO acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

AEPCO appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

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Reliability Standards Suggestions and Comments

Introduction

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Daniel Krick *If submitted for a group, please complete the table at the end of this form.	Arlington Valley Energy Facility
Phone:	**E-mail:**
623-882-2210	dkrick@arlingtonvalleypower.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: Introduction Arlington Valley appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, Arlington Valley believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's

reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Arlington Valley is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Arlington Valley respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings [1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended

to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach. [2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Arlington Valley acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

Arlington Valley appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding

with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Bonneville Power Administration (BPA) Comments
NERC's Standards Development Plan: 2011-2013
September 16, 2010

1. BPA believes it should be a priority to establish an executive leadership forum as we described at the July 6 technical conference that will foster better understanding and coordination between FERC, NERC, and the entities.

2. BPA believes this is a well written plan and overall describes very positive direction and priorities for the standards program. We support the migration to results based standards, providing better managed and efficient timelines and providing for prioritizing standards development. For the specific requirements within the standards, we would like to encourage careful analysis and balancing between reliability vs. commercial aspects and specific line item by line item vs. grouping common components where possible….a "reasonableness test". If items can be grouped to form a single "requirement", then it is likely that a single "compliance question" will result and the need to repeatedly supply documents for line item after line item is eliminated.

3. The paper contrasts "results based" standards with "performance based" standards, noting that violating performance based metrics sometimes has already unacceptable consequences such as major disturbances, blackouts, and uncontrolled cascading failures. It seems that many of the existing standards have sanctions that are very high for events that could have, but did not result in unacceptable power system results.

   BPA would like to suggest that a two-tiered solution be investigated.
   1. If the issue is a reliability issue to the bulk electric system, then impose a heavy penalty.
   2. If the issue is a violation, but not impacting reliability, then impose a minimal penalty.

   We would also propose that for the lower level standards, the requirements for exceptional documentation and other rigorous administrative work be kept to a reasonable minimum.

4. While we appreciate the efforts that NERC and FERC took in prioritizing the standards, we respectfully recommend establishing a methodology that considers a variety of critical factors and actively involves the stakeholder community (Technical Committees, Ballotters, etc.) to define the reliability benefit vs. cost tradeoff that ultimately can be used to help establish priorities.

To: Standards Committee
From: Mike Hirst
Cogentrix Energy, LLC
Subject: Standards Suggestions: Project 2010-07
Date: September 20, 2010

Introduction

Cogentrix Energy, LLC (CELLC) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, CELLC believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

CELLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, CELLC respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

CELLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

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[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

CELLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

To: Standards Committee
From: Mark Bennett
Competitive Power Ventures, Inc.
Subject: Standards Suggestions: Project 2010-07
Date: September 20, 2010

Introduction

Competitive Power Ventures, Inc. (CPV) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, CPV believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

CPV is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

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(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

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Suggestions and Comments

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Recommendation for Improvement

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Thank you for the opportunity to provide these brief comments.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 09/20/2010

Submitted by (Name):	**Organization:**
Steve Toth *If submitted for a group, please complete the table at the end of this form.	Covanta
Phone:	**E-mail:**
973-882-4195	stoth@covantaenergy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
	Project 2010-07
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail
(Complete only those items applicable to your submittal)

Notes:

1. Please be as specific as possible.
2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to.
3. If practical, please provide an example to clearly describe the issue.
4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.

1. Does this suggestion or comment address an existing standard?

   Yes ☒ No ☐ (If no, skip to the next question.)

Standard Number(s): TOP various

Standard Title(s):

Element(s) (i.e., Requirement R1.2., Measure M2., etc.):

Suggestion or Comment:

Example:

Recommendation for improvement:

2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan?

   Yes ☒ No ☐ (If no, skip to the next question.)

Project Number(s): 2010-07

Project Title(s): Transmission Requirements at the Generator Interface

Suggestion or Comment: Introduction

Covanta, with sixteen (16) facilities registered in six (6) of the eight (8) NERC defined regions, appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, Covanta believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's

reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Covanta is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would be contrary to the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Covanta respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings . Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP

standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable, for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary to address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

Covanta acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for improvement:

Covanta appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and increase the priority of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

COVANTA

Introduction

Covanta, with sixteen (16) facilities registered in six (6) of the eight (8) NERC defined regions, appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, Covanta believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Covanta is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would be contrary to the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Covanta respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113

respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

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Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable, for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary to address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

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Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

Covanta acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

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The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

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Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

Covanta appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and increase the priority of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Steve Toth
VP, Maintenance/Asset Reliability
Covanta Energy Group, Inc.
40 Lane Road
Fairfield, NJ 07004
stoth@covantaenergy.com

Cowlitz County PUD Comments Regarding Project 2010-07

Introduction

Cowlitz County PUD No. 1 of Washington State (District) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. The District supports the views and comments of the Generator Forum and hopes that NERC will respond favorably. The District understands that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, The District believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, The District is responding to the invitation in the Plan to discuss additional criteria relating to this Project that The District believes warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

The District is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

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(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, the District can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on. Further, the District and many other smaller entities were caught into the registration process well after these standards were approved by FERC.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with

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standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

The District acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

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The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

The District appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, the District urges the the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Dominion believes that NERC may have lost its focus on what is critically important to the reliability Bulk Electric System. In developing its Reliability Standards Development Plan 2011 – 2013, NERC should place the highest priority on standards that are identified to close existing reliability gaps that have been repeatedly indentified upon analysis of significant events and outages on Bulk Electric System facilities. It is Dominion's position that Standards that do not directly deal with demonstrated reliability gaps need should be placed 'on hold' until the standard that appropriately addresses these gaps are well along in NERC's standard developmental pipeline. It is really that simple.

More specifically, NERC should place the highest priority on reliability standards now in the queue addressing protection systems, vegetation management as well as the training and tools that support these demonstrated gaps. There are far too many proposed standards in this crowded Reliability Standards Development Plan that fail to meet this necessary and basic threshold. For example, there exists in the current queue a proposed standard dealing with physical protection on generation (with a SAR introduced by a generation contractor). This may well be one of the sharpest examples of missing the focus or sweet spot on should be in focus right now.

Finally, since NERC continues to register selected radial generation leads as transmission for compliance demonstration purposes, creating a misplaced set of reliability standards on those organizations, Dominion does believe that if such actions by some Reliability Councils, NERC must believe there is a existing reliability gap that must be filled. {The SAR also deals with vegetation management which has been which is a repeat issue on event analysis on significant events and outages on the BES.} Therefore, by this very same screening process, the draft SAR dealing with generation/transmission interface should be moved up in priority.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9-9-10

Submitted by (Name):	**Organization:**
Jack Cashin *If submitted for a group, please complete the table at the end of this form.	Electric Power Supply Association
Phone:	**E-mail:**
202-349-0155	jcashin@epsa.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Critical Infrastructure Protection Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-08
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: The Electric Power Supply Association (EPSA) appreciates the opportunity to comment on the Draft Reliability Standards Development Plan: 2011-2013. Development of Standards or revisions to Standards must first focus on those Standards that have the greatest material impact on the reliability of the Bulk-Power System (BPS). The Draft Standards Development Plan provides that focus by prioritizing standards for the next 3 year time horizon so that the appropriate Reliability Standards can move through the Standards process efficiently. The need for NERC to prioritize Standards was highlighted during much of the discussion at the July 6 FERC technical conference that addressed Standards development. The Draft Standards Development Plan uses a tool that ranks Standards so that stakeholders can understand how Standards have been prioritized. The use of the Standards Committee's Process Subcommittee (SCPS) tool serves as an example by providing measurable results. The manner in which projects have been separated into high priority, priority projects near completion and additional projects, and then ranked within those categories, is a needed exercise so that the industry can understand how the Standards Committee will

prioritize Standards work.

Background and Overview

EPSA members, as competitive suppliers, are generators and marketers and therefore do not consider themselves to be transmission entities. However, many members own certain interconnection facilities that have been registered as transmission facilities. This has caused generators to be considered for registration as transmission owners or operators. While generators are willing to comply with the subset of transmission-related requirements that are germane to their facilities, they do not believe it is appropriate to register them as transmission owners (TO) or operators (TOP) which carries responsibility for all TO/TOP requirements.

EPSA applauded the NERC Board of Trustees (BOT) approval of the generator owner/operator and transmission owner/operator (GOTO) Ad hoc Group that developed better defined transmission-related requirements that could apply to a generator. Due to the Standard's importance, EPSA was further encouraged when the Standards Authorization Request (SAR) went forward in January with its corresponding comment period ending in March. Competitive suppliers look forward to efficient completion of Project 2010-07 Transmission Requirements at the Generator Interface.

Suggestions and Comments

As an initial matter the first table on page 17 should be deleted since the prioritization results from the June 10 Standards Committee Meeting and the use of the SPCS tool are actually represented in the "Additional Projects to be initiated in Order of Priority" table on page 18.

EPSA appreciates the transparency of the SPCS tool but has some observations that should be part of the "initial proposed queue" discussions when Project 2010-07 is considered. While Project 2010-07 Transmission Requirements at the Generator Interface's Overall Priority Rating is equal to that of Project 2007-11 Disturbance Monitoring, it appears to be rated below Project 2007-11in the "Additional Projects to be initiated in Order of Priority" table on page 18. If there is a specific reason for this it should be included in the Draft Plan or noted in the SPCS tool rankings. Otherwise both Projects should be ranked as equal.

The criteria for the listed SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which jump started the need for Project 2010-07, NERC commented on the need to correct potential reliability gaps. From the Adhoc Group's Final Report on the Generator Requirements at the Transmission Interface:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies. NERC stated, "from a reliability perspective and from the standpoint of section 215 of the FPA, this transmission line is integrated with other elements of the [Bulk Power System] requiring coordination of operation with those other elements." "

In fact the Objective for Ad hoc Team's Report, which served as the genesis for Project 2010-07 SAR, was:

"Evaluate existing NERC Reliability Standard requirements and develop a recommendation and possible Standards Authorization Request to address gaps in reliability for interconnection facilities of the Generator Owner and expectations for the Generator Operator in operating those facilities. Propose strategies to address or resolve other related issues as appropriate."

The primary task of the work that resulted in the Project 2010-07 was to find and address potential reliability gaps. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Because Project 2010-07 touches on so many other Standards EPSA believes that the Project also deserves points for the fourth criteria because the project modifications will need to be coordinated with other standard modifications. Due to the need for the Standard to be coordinated with other Standards, the Transmission Requirements at the Generator Interface standard should at a minimum garner points for "in more then 2 years." So that Standard development and revision remains clear and without duplication or overlap, Project 2010 needs to be sufficiently coordinated with other Standards.

Recommendation for improvement: EPSA appreciates the work of the Standards Committee and the SPCS and their work on prioritizing Standards and the attention that has been given to the Transmission Requirements at the Generator Interface Standard in the Draft Reliability Standards Development Plan: 2011-2013. While the Project has been ranked high and approaches High Priority Projects Under Development list, EPSA recommends that the Standards Committee and the SPCS consider these comments as further reasons that NERC support the importance of the Transmission Requirements at the Generator Interface Standard drafting effort. This group's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps. Therefore, finishing the standard will reduce the amount of resources being expended by both by the registered entity that now must comply with superfluous requirements and the Regional Entities who will avoid lengthy negotiations on applicability.

Thank you for the opportunity to provide these brief comments. EPSA and its member companies look forward to the Final Reliability Standards Development Plan: 2011-2013.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
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Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Fountain Valley Power, LLC (NCR05162)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

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Fountain Valley Power LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **Fountain Valley Power LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Fountain Valley Power LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Fountain Valley Power LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

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It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Fountain Valley Power LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

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--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

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Recommendation for Improvement

Fountain Valley Power LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

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Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Harbor Cogeneration Company LLC (NCR05177)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Submission Information

Date: September 16, 2010

Submitted by (Name):	**Organization:**
Dan Rochester *If submitted for a group, please complete the table at the end of this form.	Independent Electricity System Operator
Phone:	**E-mail:**
905-855-6363	dan.rochester@ieso.ca
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:

Suggestion or Comment:

IESO applauds NERC and the Standards Committee for responding to industry's view that reliability of the bulk power system would best be served by focusing our limited resources on a prioritized list of standards development projects.

We also agree with the concept of maintaining a list of "Additional Projects to be initiated in Order of Priority" as resources become available.

Seventeen (17) project were identified as "High Priority Projects Under Development" and were not subject to the prioritization process gone through by the "Additional Projects". It is unclear what criteria were used as justification for their designation as "High Priority". While such an a priori assessment may indeed be appropriate, it is conceivable that some projects identified as "High Priority" may actually rank lower than some of those identified as "Additional". We therefore believe it would be useful to subject these "High Priority" projects to the prioritization process.

We also recognize that some projects may be far enough advanced such that deferring further action on them in favour of initiating work on another project that ranks higher may not be a feasible option. In our view, it would be beneficial for industry to have a status summary of all projects from the previous Reliability Standards Development Plan (RSDP) that have carried forward to the current draft plan, so that this information can be factored into our assessment of priorities. For example Project 2008-01: Voltage and reactive Planning and Control, Project 2007-12: Frequency Response, Project 2009-02: Real-time Reliability Monitoring and Analysis Capabilities and Project 2009-03: Emergency Operations are still at the SAR approval stage. It is conceivable that projects at a similarly early stage of advancement could be deferred in favour of "Additional" projects that rank higher.

Based on these arguments we make the following concrete suggestions:

1. Apply the prioritization process to those projects currently identified as "High Priority".

2. For all projects brought forward from the previous RSDP, provide a brief "Project Status Summary" indicating which is the latest milestone passed or stage it is at (e.g. not started, SAR approval, SDT formation, second draft for comment, first ballot, continuous balloting, etc.)

3. Modify the prioritization tool to include a criterion for "Advancement through Standards Development Process", awarding more points the further along the process the project is.

The documents associated with the RSDP include a "Project Summaries" document. This repeats some

of the information contained in the "Project Overviews" document albiet in a summarized form. We do not see great value in this repetition and would prefer to see in its place, the "Project Status Summary" referred to above if a trade-off has to be made.

The IESO supports the move to develop results-based relaibility standards and agrees with the approach used to identify appropriate candidates for this work.

We also support the development and use of the prioritization tool which we believe will bring consistency to the process of evaluating project rankings. We however recognize that the points awarded in each category are somewhat arbitrary but their relative values weight the significance of each decision criterion evaluated. We also accept that subjectivity and judgement is an inescapable component of this evaluation. That said, we do have a few concerns and suggestions for improvement.

The Standards Process Manual clearly indicates that each reliability standard shall be reviewed at least once every 5 years and that the RSDP shall include projects to address this 5-year review. However it is not clear how this requirement will be met given the use of the prioritization tool. Conceivably, a project containing such a standard may end up very low in the priority ranking and may not be addressed until well beyond the 5-year period (assuming there are no other issues with the standard). Will the priority of the project be increased to satisfy the RoP requirement? Should that be the case, it seems the 5-year review consideration in the tool would be meaningless and ought be dropped.

We believe an additional decision category should be included in the prioritization tool in consideration of the fact that a project is "Needed to support the Reliability Objectives of Another Project/Standard". For example, Project 2006-02: Assess Transmission and Future Needs is identified as a "High Priority" project. To realize the reliability objectives of this standard, the models and data used in system studies must be of high quality. Those parameters are governed by standards included in Projects 2010-03 and 2010-04 which are ranked relatively low on the "Addional Projects" list. We believe the additional category would recognize the linkages between projects and will assist in establishing appropriate priorities. We note that neither of these projects was awarded points in the "Coordinate with other projects" category, and appropriately so.

The "Other" criterion and the award of 10 points in the three cases where this criterion was applied has the potential to significantly alter the project rankings. While we agree with this extra degree of freedom to consider the significance of other subjective factors, it is not apparent how points are to be awarded in this category. We suggest a simple "High", "Medium" and "Low" significance of these "Other" factors with say 10, 5 and 2 points being awarded respectively.

Finally, since a fair amount of judgement is involved in determining the projects, we believe a measure of sensitivity testing should be undertaken to assess the robustness of the priority rankings. This need not be very complex but would at lease give confidence that the rankings proposed will not be completely overturned by small changes is the evaluation of each criterion.

Example:

Recommendation for improvement:

Additional information:

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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3 — Load-serving Entities
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9 — Federal, State, Provincial Regulatory or other Government Entities
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Comments of Indeck Energy Services, Inc.
on the draft NERC 2011-2013 Standards Development Plan

The NERC 2011-2013 Standards Development Plan[1] (Plan) is an opportunity to adjust the continent's approach to electric grid standards. After criticism from FERC in a series of orders in March, NERC clearly adjusted its plan to focus on priority projects. NERC, along with FERC, has been vastly expanding the applicability of standards since NERC became the ERO. Indeck believes that NERC has exceeded its authority under FPA 215[2] (the"Act") in both its membership expansion and the development of its reliability target level for Regional Entities.

When viewed in its entirety, the NERC standards program is structured as if the electric system is in poor shape and run by rookies. It is already highly reliable, has extensive redundancy and margin, and has multiple operational interventions (including load shedding) to avoid cascading outages. The NERC Standards need to build upon this foundation rather than assuming that it is setting up a system from scratch.

Three aspects of the present NERC Standards Development Process are of concern. First, NERC isn't focused on preventing cascading outages. Second, NERC expanded the applicability of the Standards to many more entities than authorized by the Act. Third, NERC is responding primarily to directives from FERC, which is only one of the stakeholders in the ERO process authorized by the Act.

Target Level of Reliability

At the FERC Technical Conference on Standards Development held on July 6, 2010[3] (FERC Technical Conference), Louise McCarren, CEO of WECC, contrasted disturbances and loss of load events using a trip event of the 4 Palo Verde units, totaling 4,400 MW, as a disturbance that didn't result in any loss of load. This proves to be a good example of the robust and resilient character of the US electric grid.

At the same FERC Technical Conference, the idea that a loss of load event is a per se violation of the standards was rejected. However, in the NERC definition of Allowable Level of Reliability[4], the last bullet point inappropriately refers to supplying consumers "at all times" (which is the absence of "loss of load" events). The other five bullets deal with what the focus of the standards needs to be on, preventing cascading outages, which the Bulk Power System (BPS) does very well, even if imperfectly.

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[1] http://www.nerc.com/files/2011-2013_RS-Development-Plan.pdf
[2] 16 U.S.C. 824 et seq., Sec. 215. Electric Reliability.
[3] Docket No. AD10-14, Supplemental Notice of Technical Conference re Reliability Standards Development et al under AD10-14, dated 6/18/2010
[4] http://www.nerc.com/files/Adequate_Level_of_Reliability.pdf, Last bullet:
The system has the ability to supply the aggregate electric power and energy requirements of the electricity consumers at all times, taking into account scheduled and reasonably expected unscheduled outages of system components.

Surprisingly, in its Supplemental Filing related to the FERC Technical Conference[5], NERC stated "Such a forum could be used to better understand the scope and meaning of reliability (*e.g.*, cascading versus load loss), …." NERC didn't get the message at the FERC Technical Conference nor understand the Act's mission for an ERO, that cascading outages are the reliability concern. Standards Development can't be consistent with the Act if the target level of reliability is different than authorized by the Act.

As the WECC vulnerability study (mentioned in Panel 1 discussion by Louise McCarren at the FERC Technical Conference) of the reliability impact of violations indicated, most of the violations had minimal impact on reliability. The Commissioners' interest in the results of this study makes clear that the Commission is interested in significant reliability improvement within the BPS.

Proposed standards, like PRC-005-2, that fail to focus on entities, equipment and possible events that have a significant impact on reliability, contravene the Act's grant of authority to NERC to assure that "instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance."[6]

Applicability of Standards

It's generally recognized that the Act was a result of the 2003 Blackout. The 2003 Blackout Report recognized that "a one size fits all" formula to reliability would be "disastrous to reliability"[7]. NERC defines a Reportable Disturbance[8] in terms of the largest contingency. Balancing Authorities (BA) are responsible for tracking Reportable Disturbances. The make-up of the balancing area makes a difference in how large the largest contingency is. However, by NERC changing its focus from significant reliability issues, as represented by Reportable Disturbances, to including all facilities >100 kV, its Registered Entities encompass ones that, in many balancing areas, are too small to cause a Reportable Disturbance or other significant reliability issue. NERC lost sight of its reliability mission with this expansion of the applicability of its standards to entities too small to have a significant (eg Reportable) impact on the Bulk Power System .

---

[5] Supplemental Comments of the North American Electric Reliability Corporation following the July 6, 2010 Technical Conference under Docket No. AD10-14, August 20, 2010.

[6] 16 U.S.C. 824 et seq., Sec. 215. Electric Reliability. (a) (4) "The term `reliable operation' means operating the elements of the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements."

[7] http://www.nerc.com/docs/docs/blackout/ch7-10.pdf, Chapter 10, discussion on Recommendation 25, "NERC standards are the minimum—national standards should always be minimum rather than absolute or "one size fits all" criteria. [Systems for] densely populated areas, like the metropolitan areas of New York, Chicago, or Washington, must be designed and operated in accordance with a higher level of reliability than would be appropriate for sparsely populated parts of the country. It is essential that regional differences in terms of load and population density be recognized in the application of planning and operating criteria. Any move to adopt a national, "one size fits all" formula for all parts of the United States would be disastrous to reliability."

[8] NERC Glossary of Terms used in Reliability Standards, http://www.nerc.com/files/Glossary_12Feb08.pdf

In its Notice of Proposed Rulemaking regarding the Revision to Electric Reliability Organization Definition of Bulk Electric System under RM09-18, dated March 18, 2010, FERC is evaluating this expansion. This expansion of applicability requires 1) many more Registered Entities to create standards compliance programs, 2) the Regional Entities to monitor and periodically audit many more Registered Entities, and 3) NERC to review many more audits and other reports than if the standards were applicable to the entities defined under the Bulk Power System definition in the Act.

FERC Directives to NERC

NERC is under intense pressure from FERC to change many of the standards. As documented in filings with FERC from Canadian participants[9], the NERC industry driven stakeholder process should not be driven by any single party, regardless of who they are. NERC was given authority under the Act, to execute the industry driven stakeholder process. NERC's focus on meeting FERC's directives is appropriate, but cannot subvert the stakeholder process authorized by the Act.

Without the proper definition of the Bulk Power System to guide the application of standards to significant reliability issues, proposed standards like PRC-005-2 (drafted in response to FERC directive[10]) will consume increasing amounts of resources, in the drafting/commenting/balloting process as well as for Registered Entity compliance. The proposed PRC-005-2 effort to expand the scope of protection system requirements has failed multiple ballots. The combination of four standards into one may be convenient in the present standards drafting process, where some overlap occurs between standards, but the SDT never identified any real reliability benefits of applying the very detailed standards or the disproportionate impact of the onerous Violation Risk Factor (VRF) and Violation Severity Levels (VSL) when applied uniformly to very different sizes and types of protective systems.

Recommendation

This plan is the perfect opportunity to redirect the focus of standards development to significant reliability impacts. One approach would be to begin a parallel, very high priority project to abandon the BES definition and make the definition of Bulk Power System consistent with Reportable Disturbances in each balancing area to focus on significant reliability improvement. Then any Registered Entity that isn't needed for significant reliability would be de-registered. Regional Entities would need to apply the BPS definition to validate which Registered Entities would continue to be registered. This way, compliance resources of NERC and the Regional Entities could be directed to the appropriate entities and significant reliability issues.

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[9] Joint Comments of The Independent Electricity System Operator, Hydro One Networks Inc., Ontario Power Generation Inc., Five Nations Energy Inc., Brookfield Renewable Power Inc., New Brunswick System Operator, & Nova Scotia Power Inc., RM09-18, dated May 10, 2010.

[10] FERC RM06-16, (Order No. 693) Mandatory Reliability Standards for the Bulk-Power System, (Issued March 16, 2007)

Existing SDT's would need to be retrained on the new focus. Drafting in the existing projects would need to be redirected to make sure that for the remaining Registered Entities that only BPS elements meeting the significance test would be subject to the standards requirements.

The Plan should be rewritten to revise the direction of the Standards Program to focus on preventing cascading outages, eliminate the expansive applicability and stay true to the stakeholder process. With this redirection, future standards development can significantly improve the reliability of the BPS.

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: September 14, 2010

Submitted by (Name):	**Organization:**
Rex Roehl *If submitted for a group, please complete the table at the end of this form.	Indeck Energy Services, Inc.
Phone:	**E-mail:**
(847) 520-3212	rroehl@indeck-energy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

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Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
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Suggestion or Comment: Comments on the draft NERC 2011-2013 Standards Development Plan
Example:
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Group Name:

Lead Contact:

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Group Members (Names)	Group Member Organization	Region*	Segment*

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Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Las Vegas Cogeneration LP (NCR05214)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

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Reliability Issue:
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9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Introduction

Las Vegas Cogeneration LP appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **Las Vegas Cogeneration LP** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Las Vegas Cogeneration LP is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Las Vegas Cogeneration LP** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Las Vegas Cogeneration LP acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

Las Vegas Cogeneration LP appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: September 15, 2010

Submitted by (Name):	**Organization:**
Jason L. Marshall *If submitted for a group, please complete the table at the end of this form.	Midwest ISO
Phone:	**E-mail:**
317-249-5494	jmarshall@midwestiso.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☐ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2008-12
Project Title(s): Coordinate Interchange Standards
Suggestion or Comment: We recommend that this project's priority be elevated. Since the drafting team that is working on this standard consists largely of Interchange Subcommittee (IS) members and the IS identified the issues the SDT is addressing, we do not believe that it will significantly impact other projects. In other words, we do not believe there are likely any resource conflicts. In fact, this SDT seems to willing to dedicate the time and effort necessary to address the compliance issues with the INT standards.
Recommendation for improvement: Elevate the priority of the project

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☒ No ☐
Reliability Issue: The ORS has submitted a SAR to remove specific references to Reliability Coordinator tools in the NERC standards. Currently, if one of those tools becomse unavailable, every NERC registered RC could become subject to compliance actions. The ORS has already performed most of the work to eliminate this problem. Thus, the SAR should be moved forward.
Suggestion or Comment: Move the SAR submitted by the NERC ORS forward to address the references to specific Reliability Coordinator tools in the standards.
Example: They are contained in the SAR.
Recommendation for improvement: Move the SAR submitted by the NERC ORS forward to address the references to specific Reliability Coordinator tools in the standards.
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: To Table 1 (beginning on page 5), please add a column that identifies the driver/requestor for the item. Recommended choices would be: 1) FERC Order 2) ERO/RE 3) If industry submission, list the organization 4) Blackout Report Recommendation (including specific reference to which recommendation) Since priorities will likely change, a copy of the table should be posted on a link on the “Standards Under Development” plan and updated when changes occur.
Example:
Recommendation for improvement: Some of the project summaries identify a blackout recommendation specifically (i.e. recommendation 23) and some generically (no number or description) in the purpose section. All references should be to specific blackout recommendations so that industry knows what specific issue is being addressed.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

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A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 16 Sept 2010

Submitted by (Name):	**Organization:**
Joseph DePoorter *If submitted for a group, please complete the table at the end of this form.	Midwest Reliability Organization's NERC Standards Review Subcommittee (MRO NSRS)
Phone:	**E-mail:**
608-252-1581	jdepoorter@mge.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: 1. The MRO NSRS has concerns on yet another aggressive Reliability Standards Development Plan for 2011-2013. Our industry requires sound and un-ambigious reliability standards and do not want to rush any project in order to fullfill a projected plan. We believe we are starting to see well written Standards that will enhance the reliability of the BES. 2. The placement of hyper links within the plan were very helpful and thank you. Has the NERC Standards team (within NERC) thought of the possibility of have hyper links within a NERC Standard? Understand that this would only be used to "assist" an entity and by no means be the only way to gety through a Standard. Perhaps it could just be hyper linked to forms, attachments, etc within the Standard. 3. The MRO NSRS is not sure of the impact of the recent FERC Order Approving Pettition and Directing Compliance Filing (issued Sept 3, 2010) will have on this proposed plan. At a minimum, each SDT should understand that FERC is concerned about the writing of each requirement to fullfill FERCs directives.
Example:
Recommendation for improvement: See comments above.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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Group Comments (Complete this page if comments are from a group.)

Group Name: Midwest Reliability Organization's NERC Standards Review Subcommittee (MRO NSRS)

Lead Contact: Carool Gerou

Contact Organization: MRO

Contact Segment: 10

Contact Telephone: 651-855-1735

Contact E-mail: ca.gerou@midwestreliabilioty.org

Group Members (Names)	Group Member Organization	Region*	Segment*
Mahmood Safi	Omaha Public Utility District	MRO	1,3,5,6
Chuck Lawrence	American Transmission Company	MRO	1
Tom Webb	WPS Corporation	MRO	3,4,5,6
Jason Marshall	Midwest ISO Inc.	MRO	2
Jodi Jenson	Western Area Power Administration	MRO	1,6
Ken Goldsmith	Alliant Energy	MRO	4
Dave Rudolph	Basin Electric Power Cooperative	MRO	1,3,5,6
Eric Ruskamp	Lincoln Electric System	MRO	1,3,5,6
Joseph Knight	Great River Energy	MRO	1,3,5,6
Joe DePoorter	Madison Gas & Electric	MRO	3,4,5,6
Scott Nickels	Rochester Public Utilties	MRO	4
Terry Harbour	MidAmerican Energy Company	MRO	1,3,5,6

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

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Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
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SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
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7 — Large Electricity End Users
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Submission Information

Date: 09/10/2010

Submitted by (Name):	**Organization:**
Ed Skiba and Narinder Saini as co-chairs of the WEQ SRS on behalf of NAESB *If submitted for a group, please complete the table at the end of this form.	North American Energy Standards Board
Phone:	**E-mail:**
713-356-0060	naesb@naesb.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2006-08 2008-01 2008-12 2009-03 2009-05 2010-02 2010-04 2010-08 2010-10 2010-14

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Project Title(s):

Transmission Loading Relief

Voltage and Reactive Planning and Control

Coordinate Interchange Standards

Emergency Operations

Resource Adequacy Assessment

Connecting New Facilities to the Grid

Demand Data

Functional Model Glossary Revisions

FAC Order 729

Balancing Authority Reliability-based Control

Suggestion or Comment:

2006-08 Transmission Loading Relief

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to 1.a.ii

- In the Justification for NAESB consideration change reference of FERC Order 890 to FERC Notice of Inquiry RM-10-9-000 Transmission Loading Relief Reliability Standard and Curtailment Priorities.

- In the SRS Recommendation change the reference of Annual Plan 1.b to 1.a.ii.

2008-01 Voltage and Reactive Control

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Provisional Item 5.

2008-12 Coordinate Interchange Standards

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Items 3.a.vi (for Joint Electric Scheduling Subcommittee) and 1.a.ii (for Business Practices Subcommittee).

- Under the SRS Recommendation at the end of the paragraph add the following sentence: Coordination with this standards development project and the NAESB WEQ BPS is needed to support the Parallel Flow Visualization project currently being coordinated between NERC and NAESB.

2009-03 Emergency Operations

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan

(http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Items 3.a.vi.

- Under the SRS Recommendation change the NERC Project Reference to 2010-14 Balancing Authority Reliability-based Control.

2009-05 Resource Adequacy (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan)

Annual Plan Provisional Item 1

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

Based on NERC's timeline for this project NAESB may move its provisional item to an active project on the NAESB WEQ 2011 Annual Plan so the two entities are coordinated in their standards development activities.

2010-02 Connecting New Facilities to the Grid

Based on the NAESB WEQ SRS analysis they are recommending that the "Coordination with NAESB" section of this project overview be deleted.

2010-04 Demand Data

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan Item should be changed to reference Annual Plan Items 4.a and 4.b.

2010-08 Function Model Glossary Revisions (add the following information on coordination with NAESB

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects

NAESB will add an item to its 2011 Annual Plan to coordinate this activity.

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

In response to the RM05-5-000 Standards for Business Practices and Communication Protocols for Public Utilities, NERC and NAESB both indicated that they were working to coordinate definitions of terms and resolve discrepancies. In Order 676-C Standards for Business Practices and Communication Protocols for Public Utilities, FERC stated, "We are very pleased that NERC and NAESB have taken active steps to ensure that their respective definitions are harmonized so as to ensure that these standards will operate efficiently in the future." Based on these commitments, NERC and NAESB coordination is essential for this project.

2010-10 FAC Order 729 (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan)

Annual Plan Item 1.d

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

The SRS is currently monitoring this project to determine if there is an impact to the NAESB WEQ Business Practice Standards.

2010-14 Balancing Authority Reliability-based Control (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan):

Annual Plan Item 1.b (Time and Inadvertent Management Task Force)

Annual Plan Item 1.c (Time and Inadvertent Management Task Force)

Annual Plan Item 3.a.vi (Joint Electric Scheduling Subcommittee)

Justification for NAESB consideration:

FERC Order 693

Project Description

SRS Recommendation:

During initial discussions (REF: Rae McQuade's letter to Gerry Adamski dated February 11, 2008), there was no identified need for business practices related to this project. NERC should point out any areas where they see a need for a business practice. This is being coordinated with the WEQ on current

projects Annual Plan Items 1.b and 1.c. Previously, there was ongoing coordination between the BAC Standards Drafting Team (Project 2007-05) and the NAESB WEQ Time and Inadvertent Management Task Force. Coordination should also occur with the Joint Electric Scheduling Subcommittee, since this project includes potential changes to EOP-002-2 which may have an impact on Annual Plan Item 3.a.vi.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: In addition to the projects listed in the NERC Reliability Standards Development Plan: 2011-2013 the NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) identified a number of NAESB WEQ Annual Plan Items which will require coordination with NERC. These items, those not specifically addressed by NERC in the Reliability Standards Development Plan, will require resources from both NERC and NAESB. - 3.a.ii.1 Transition the TSIN Registry from NERC to NAESB as the enhanced Electric Industry Registry (EIR). - Provisional Item 3 Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards. - Provisional Item 4 Prepare recommendations for future path for TLR (equity concerns) in concert with NERC, which may include alternative congestion management procedures . Work on this activity is dependent on completing 2010 WEQ Annual Plan 1.a (Parallel Flow Visualization/Mitigation for Reliability Coordinators in the Eastern Interconnection). - Provisional Item 9 Conduct assessment to determine if Electric Industry Requirements documented in WEQ-011 Gas / Electric Coordination should be considered reliability requirements and transition to NERC. - Provisional Item 10 Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers. Common code usage is linked to the transition of the Registry from NERC to NAESB.
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

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Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
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NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 8/18/2010

Submitted by (Name):	**Organization:**
John Seelke *If submitted for a group, please complete the table at the end of this form.	NERC
Phone:	**E-mail:**
609-524-7051	john.seelke@nerc.net
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☒ No ☐
Reliability Issue: Time limits to correct SOL violations are not stated in the standards
Suggestion or Comment: There are not specific time limits prescribed to correct an SOL violation in the standards. IROL violations have a prescribed time limit (IROL Tv) that does not exceed 30 min.
Example: TOP-004-2 addresses this issue indirectly. See R1-R5. R4 requires operators operating in an unknown state to return the system to a proven safe state within 30 minutes. R5 permits operators to shed load for an SOL or IROL violation.
Recommendation for improvement: IROL violations and more serious than SOL violations, but an SOL violation is also serious as indicated above.
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: Also see IRO-003-1, R1; IRO-005-2, R1.2 & R1.3; IRO-008-1, R1-R3; IRO-009-1, R1-R4.
Example:
Recommendation for improvement: Add a requirement, probably in an IRO or TOP standard, to require that SOL violations be corrected within 30 minutes or less (or some other time period).
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Submission Information

Date: 9/20/2010

Submitted by (Name):	**Organization:**
Nathaniel Larson *If submitted for a group, please complete the table at the end of this form.	New Harquahala Generating Co, LLC
Phone:	**E-mail:**
928-372-3215	nlarson@harqgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: Introduction New Harquahala Generating Co, LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, New Harquahala Generating Co, LLC believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the

Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

New Harquahala Generating Co, LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, New Harquahala Generating Co, LLC respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings . Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

New Harquahala Generating Co, LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and

reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

New Harquahala Generating Co, LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Recommendation for improvement: The project needs to be on the high priority projects under development plan for 2011-2013.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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Submission Information

Date: September 20, 2010

Submitted by (Name):	**Organization:**
Kelsi Oswald *If submitted for a group, please complete the table at the end of this form.	Pinellas County Resource Recovery Facility
Phone:	**E-mail:**
727-464-7514	koswald@pinellascounty.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface Project
Suggestion or Comment: Please include this project in the list of high priority projects. As a registered Generator, I believe Project 2010-07 is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators to be forced to register as TOPs and/or to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for BES reliability as associated with their tie-lines to be rationally and clearly described in a formal standards process, which can address specific gaps rather than either applying TOP standards in whole or in part, or allowing this important issue to be delayed further with any associated reliability risks.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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Lead Contact:

Contact Organization:

Contact Segment:

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Submission Information

Date: 9/13/2010

Submitted by (Name):	**Organization:**
Regional Reliability Standards Working Group (RRSWG) Stephanie.monzon@nerc.net *If submitted for a group, please complete the table at the end of this form.	
Phone: 610.608.8084	**E-mail:** stephanie.monzon@nerc.net
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-05
Project Title(s): Special Protectio Systems
Suggestion or Comment: The RRSWG fully supports the advancement of Project 2010-05 Protection Systems and the elevation in priority to place the project on the NERC Standards Committee's High Priority Standard Development Projects. The RRSWG has drafted two Standard Authorization Requests (SARs) that separates NERC Project 2010-05 into two projects, outlining the proposed revisions to the applicable standards: 1. Analysis and Mitigation of Transmission and Generation Protection System Misoperations a. PRC-003-1 — Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems b. PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations c. PRC-016-0 — Special Protection System Misoperations

2. Special Protection Systems

a. PRC-012-0 — Special Protection System Review Procedure

b. PRC-014-0 — Special Protection System Assessment

The proposed revisions contained in the SAR titled: Analysis and Mitigation of Transmission and Generation Protection System Misoperations are supported by the NERC System Protection and Control Subcommittee as documented in their technical review of the PRC Reliability Standards indentified in this SAR. (See NERC SPCS Assessment of Standards: PRC—003-1 –– Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems, PRC--004--1 –– Analysis and Mitigation of Transmission and Generation Protection Misoperations, PRC--016--1 –– Special Protection System Misoperations dated: May 22, 2009.) This project will address the FERC Order No. 693 directives associated with the 'fill-in-the-blank' standards and also incorporate the recommendations contained in the NERC Reliability Standards Issues Database.

The RRSWG also recommends that the priority of this project be elevated for the following reasons:

1. Based on the data and analysis contained in the NERC 2009 Long Term Reliability Assessment 2009-2018 (dated: October 2009), protection system misoperations have increased significantly over the past three (3) years and contribute to more than 50 percent of the Category 2 or higher disturbances (based on 2008 data/analysis). Detailed reporting requirements will enhance NERC staff's ability to effectively obtain and analyze each reportable misoperation. This in turn will provide for accurate assessments and the development of meaningful lessons learned for the industry.

2. On March 18, 2010, FERC issued several orders and notices of proposed rulemakings pertaining to standards development activities and processes, suggesting a lack of progress in responding to directives from FERC Order No. 693 as well in the timeliness of standards development in general. At the May 2010 NERC Board meeting, Gerry Cauley, NERC's President, also expressed these concerns, indicating that the resolution to these concerns is one of NERC's top priorities in the near term. As identified above, this project will address the FERC Order No. 693 directives associated with the 'fill-in-the-blank' standards.

Recommendation for improvement: see section above

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement: The RRSWG has proposed two SARs for this project separating out the associated standards as noted above.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Group Comments (Complete this page if comments are from a group.)

Group Name: Regional Reliability Standards Working Group (RRSWG)

Lead Contact: Stephanie Monzon

Contact Organization: NERC

Contact Segment:

Contact Telephone: 610.608.8084

Contact E-mail: stephanie.monzon@nerc.net

Group Members (Names)	Group Member Organization	Region*	Segment*
Peter Heidrich	FRCC		
Pat Huntley	SERC		
Lee Pedowicz	NPCC		
Anthony Jablonski	RFC		
David Kelley	SPP		
Carol Gerou	MRO		
Don Jones	TRE		
Ken Wilson	WECC		

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Submission Information

Date: 09/20/10

Submitted by (Name):	**Organization:**
James L. Jones *If submitted for a group, please complete the table at the end of this form.	Arizona Electric Power Cooperative, Inc. (AEPCO)
Phone:	**E-mail:**
520.586.5247	jjones@swtransco.coop
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	GO/TO Ad Hoc Group
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See AEPCO Comments Document
Recommendation for improvement: See AEPCO Comments Document

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Introduction

Arizona Electric Power Cooperative, (AEPCO), appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, AEPCO believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

AEPCO is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, AEPCO respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

AEPCO acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

AEPCO appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Daniel Krick *If submitted for a group, please complete the table at the end of this form.	Arlington Valley Energy Facility
Phone:	**E-mail:**
623-882-2210	dkrick@arlingtonvalleypower.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: Introduction Arlington Valley appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, Arlington Valley believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's

reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Arlington Valley is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Arlington Valley respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings [1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

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It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended

to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach. [2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Arlington Valley acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

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"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

Arlington Valley appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding

with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
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Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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COVANTA

Introduction

Covanta, with sixteen (16) facilities registered in six (6) of the eight (8) NERC defined regions, appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, Covanta believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Covanta is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would be contrary to the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

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(1) NERC Survey and The GO/TO Ad Hoc Group Report

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Suggestions and Comments

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Recommendation for Improvement

Covanta appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and increase the priority of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Steve Toth
VP, Maintenance/Asset Reliability
Covanta Energy Group, Inc.
40 Lane Road
Fairfield, NJ 07004
stoth@covantaenergy.com

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 09/20/2010

Submitted by (Name):	**Organization:**
Steve Toth *If submitted for a group, please complete the table at the end of this form.	Covanta
Phone:	**E-mail:**
973-882-4195	stoth@covantaenergy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
	Project 2010-07
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail
(Complete only those items applicable to your submittal)

Notes:

1. Please be as specific as possible.
2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to.
3. If practical, please provide an example to clearly describe the issue.
4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.

1. Does this suggestion or comment address an existing standard?

   Yes ☒ No ☐ (If no, skip to the next question.)

Standard Number(s): TOP various

Standard Title(s):

Element(s) (i.e., Requirement R1.2., Measure M2., etc.):

Suggestion or Comment:

Example:

Recommendation for improvement:

2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan?

   Yes ☒ No ☐ (If no, skip to the next question.)

Project Number(s): 2010-07

Project Title(s): Transmission Requirements at the Generator Interface

Suggestion or Comment: Introduction

Covanta, with sixteen (16) facilities registered in six (6) of the eight (8) NERC defined regions, appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, Covanta believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's

reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Covanta is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would be contrary to the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Covanta respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings . Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP

standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable, for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary to address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

Covanta acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for improvement:

Covanta appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and increase the priority of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
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Submission Information

Date: September 16, 2010

Submitted by (Name):	**Organization:**
Dan Rochester *If submitted for a group, please complete the table at the end of this form.	Independent Electricity System Operator
Phone:	**E-mail:**
905-855-6363	dan.rochester@ieso.ca
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:

Suggestion or Comment:

IESO applauds NERC and the Standards Committee for responding to industry's view that reliability of the bulk power system would best be served by focusing our limited resources on a prioritized list of standards development projects.

We also agree with the concept of maintaining a list of "Additional Projects to be initiated in Order of Priority" as resources become available.

Seventeen (17) project were identified as "High Priority Projects Under Development" and were not subject to the prioritization process gone through by the "Additional Projects". It is unclear what criteria were used as justification for their designation as "High Priority". While such an a priori assessment may indeed be appropriate, it is conceivable that some projects identified as "High Priority" may actually rank lower than some of those identified as "Additional". We therefore believe it would be useful to subject these "High Priority" projects to the prioritization process.

We also recognize that some projects may be far enough advanced such that deferring further action on them in favour of initiating work on another project that ranks higher may not be a feasible option. In our view, it would be beneficial for industry to have a status summary of all projects from the previous Reliability Standards Development Plan (RSDP) that have carried forward to the current draft plan, so that this information can be factored into our assessment of priorities. For example Project 2008-01: Voltage and reactive Planning and Control, Project 2007-12: Frequency Response, Project 2009-02: Real-time Reliability Monitoring and Analysis Capabilities and Project 2009-03: Emergency Operations are still at the SAR approval stage. It is conceivable that projects at a similarly early stage of advancement could be deferred in favour of "Additional" projects that rank higher.

Based on these arguments we make the following concrete suggestions:

1. Apply the prioritization process to those projects currently identified as "High Priority".

2. For all projects brought forward from the previous RSDP, provide a brief "Project Status Summary" indicating which is the latest milestone passed or stage it is at (e.g. not started, SAR approval, SDT formation, second draft for comment, first ballot, continuous balloting, etc.)

3. Modify the prioritization tool to include a criterion for "Advancement through Standards Development Process", awarding more points the further along the process the project is.

The documents associated with the RSDP include a "Project Summaries" document. This repeats some

of the information contained in the "Project Overviews" document albiet in a summarized form. We do not see great value in this repetition and would prefer to see in its place, the "Project Status Summary" referred to above if a trade-off has to be made.

The IESO supports the move to develop results-based relaibility standards and agrees with the approach used to identify appropriate candidates for this work.

We also support the development and use of the prioritization tool which we believe will bring consistency to the process of evaluating project rankings. We however recognize that the points awarded in each category are somewhat arbitrary but their relative values weight the significance of each decision criterion evaluated. We also accept that subjectivity and judgement is an inescapable component of this evaluation. That said, we do have a few concerns and suggestions for improvement.

The Standards Process Manual clearly indicates that each reliability standard shall be reviewed at least once every 5 years and that the RSDP shall include projects to address this 5-year review. However it is not clear how this requirement will be met given the use of the prioritization tool. Conceivably, a project containing such a standard may end up very low in the priority ranking and may not be addressed until well beyond the 5-year period (assuming there are no other issues with the standard). Will the priority of the project be increased to satisfy the RoP requirement? Should that be the case, it seems the 5-year review consideration in the tool would be meaningless and ought be dropped.

We believe an additional decision category should be included in the prioritization tool in consideration of the fact that a project is "Needed to support the Reliability Objectives of Another Project/Standard". For example, Project 2006-02: Assess Transmission and Future Needs is identified as a "High Priority" project. To realize the reliability objectives of this standard, the models and data used in system studies must be of high quality. Those parameters are governed by standards included in Projects 2010-03 and 2010-04 which are ranked relatively low on the "Addional Projects" list. We believe the additional category would recognize the linkages between projects and will assist in establishing appropriate priorities. We note that neither of these projects was awarded points in the "Coordinate with other projects" category, and appropriately so.

The "Other" criterion and the award of 10 points in the three cases where this criterion was applied has the potential to significantly alter the project rankings. While we agree with this extra degree of freedom to consider the significance of other subjective factors, it is not apparent how points are to be awarded in this category. We suggest a simple "High", "Medium" and "Low" significance of these "Other" factors with say 10, 5 and 2 points being awarded respectively.

Finally, since a fair amount of judgement is involved in determining the projects, we believe a measure of sensitivity testing should be undertaken to assess the robustness of the priority rankings. This need not be very complex but would at lease give confidence that the rankings proposed will not be completely overturned by small changes is the evaluation of each criterion.

Example:

Recommendation for improvement:

Additional information:

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
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Segment numbers are:

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8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Bonneville Power Administration (BPA) Comments
NERC's Standards Development Plan: 2011-2013
September 16, 2010

1. BPA believes it should be a priority to establish an executive leadership forum as we described at the July 6 technical conference that will foster better understanding and coordination between FERC, NERC, and the entities.

2. BPA believes this is a well written plan and overall describes very positive direction and priorities for the standards program. We support the migration to results based standards, providing better managed and efficient timelines and providing for prioritizing standards development. For the specific requirements within the standards, we would like to encourage careful analysis and balancing between reliability vs. commercial aspects and specific line item by line item vs. grouping common components where possible….a "reasonableness test". If items can be grouped to form a single "requirement", then it is likely that a single "compliance question" will result and the need to repeatedly supply documents for line item after line item is eliminated.

3. The paper contrasts "results based" standards with "performance based" standards, noting that violating performance based metrics sometimes has already unacceptable consequences such as major disturbances, blackouts, and uncontrolled cascading failures. It seems that many of the existing standards have sanctions that are very high for events that could have, but did not result in unacceptable power system results.

   BPA would like to suggest that a two-tiered solution be investigated.
   1. If the issue is a reliability issue to the bulk electric system, then impose a heavy penalty.
   2. If the issue is a violation, but not impacting reliability, then impose a minimal penalty.

   We would also propose that for the lower level standards, the requirements for exceptional documentation and other rigorous administrative work be kept to a reasonable minimum.

4. While we appreciate the efforts that NERC and FERC took in prioritizing the standards, we respectfully recommend establishing a methodology that considers a variety of critical factors and actively involves the stakeholder community (Technical Committees, Ballotters, etc.) to define the reliability benefit vs. cost tradeoff that ultimately can be used to help establish priorities.

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Submission Information

Date: 09/10/2010

Submitted by (Name):	**Organization:**
Ed Skiba and Narinder Saini as co-chairs of the WEQ SRS on behalf of NAESB *If submitted for a group, please complete the table at the end of this form.	North American Energy Standards Board
Phone:	**E-mail:**
713-356-0060	naesb@naesb.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2006-08 2008-01 2008-12 2009-03 2009-05 2010-02 2010-04 2010-08 2010-10 2010-14

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Project Title(s):

Transmission Loading Relief

Voltage and Reactive Planning and Control

Coordinate Interchange Standards

Emergency Operations

Resource Adequacy Assessment

Connecting New Facilities to the Grid

Demand Data

Functional Model Glossary Revisions

FAC Order 729

Balancing Authority Reliability-based Control

Suggestion or Comment:

2006-08 Transmission Loading Relief

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to 1.a.ii

- In the Justification for NAESB consideration change reference of FERC Order 890 to FERC Notice of Inquiry RM-10-9-000 Transmission Loading Relief Reliability Standard and Curtailment Priorities.

- In the SRS Recommendation change the reference of Annual Plan 1.b to 1.a.ii.

2008-01 Voltage and Reactive Control

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Provisional Item 5.

2008-12 Coordinate Interchange Standards

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Items 3.a.vi (for Joint Electric Scheduling Subcommittee) and 1.a.ii (for Business Practices Subcommittee).

- Under the SRS Recommendation at the end of the paragraph add the following sentence: Coordination with this standards development project and the NAESB WEQ BPS is needed to support the Parallel Flow Visualization project currently being coordinated between NERC and NAESB.

2009-03 Emergency Operations

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan

(http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan item should be changed to reference Annual Plan Items 3.a.vi.

- Under the SRS Recommendation change the NERC Project Reference to 2010-14 Balancing Authority Reliability-based Control.

2009-05 Resource Adequacy (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan)

Annual Plan Provisional Item 1

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

Based on NERC's timeline for this project NAESB may move its provisional item to an active project on the NAESB WEQ 2011 Annual Plan so the two entities are coordinated in their standards development activities.

2010-02 Connecting New Facilities to the Grid

Based on the NAESB WEQ SRS analysis they are recommending that the "Coordination with NAESB" section of this project overview be deleted.

2010-04 Demand Data

- The Related NAESB WEQ Projects should be updated to reference the NAESB WEQ 2010 Annual Plan (http://www.naesb.org/pdf4/weq_2010_annual_plan.doc).

- The Annual Plan Item should be changed to reference Annual Plan Items 4.a and 4.b.

2010-08 Function Model Glossary Revisions (add the following information on coordination with NAESB

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects

NAESB will add an item to its 2011 Annual Plan to coordinate this activity.

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

In response to the RM05-5-000 Standards for Business Practices and Communication Protocols for Public Utilities, NERC and NAESB both indicated that they were working to coordinate definitions of terms and resolve discrepancies. In Order 676-C Standards for Business Practices and Communication Protocols for Public Utilities, FERC stated, "We are very pleased that NERC and NAESB have taken active steps to ensure that their respective definitions are harmonized so as to ensure that these standards will operate efficiently in the future." Based on these commitments, NERC and NAESB coordination is essential for this project.

2010-10 FAC Order 729 (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan)

Annual Plan Item 1.d

Justification for NAESB consideration:

WEQ SRS Analysis

SRS Recommendation:

The SRS is currently monitoring this project to determine if there is an impact to the NAESB WEQ Business Practice Standards.

2010-14 Balancing Authority Reliability-based Control (add the following information on coordination with NAESB)

Coordination with NAESB:

The NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) conducted an analysis of the NERC Reliability Standards Development Plan in order to identify those projects contained in the plan that may be appropriate for the industry, through NAESB, to develop parallel and complementary business practices. Below are NAESB's observations for this project.

Related NAESB WEQ Projects (See NAESB WEQ 2010 Annual plan):

Annual Plan Item 1.b (Time and Inadvertent Management Task Force)

Annual Plan Item 1.c (Time and Inadvertent Management Task Force)

Annual Plan Item 3.a.vi (Joint Electric Scheduling Subcommittee)

Justification for NAESB consideration:

FERC Order 693

Project Description

SRS Recommendation:

During initial discussions (REF: Rae McQuade's letter to Gerry Adamski dated February 11, 2008), there was no identified need for business practices related to this project. NERC should point out any areas where they see a need for a business practice. This is being coordinated with the WEQ on current

projects Annual Plan Items 1.b and 1.c. Previously, there was ongoing coordination between the BAC Standards Drafting Team (Project 2007-05) and the NAESB WEQ Time and Inadvertent Management Task Force. Coordination should also occur with the Joint Electric Scheduling Subcommittee, since this project includes potential changes to EOP-002-2 which may have an impact on Annual Plan Item 3.a.vi.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: In addition to the projects listed in the NERC Reliability Standards Development Plan: 2011-2013 the NAESB Wholesale Electric Quadrant (WEQ) Standards Review Subcommittee (SRS) identified a number of NAESB WEQ Annual Plan Items which will require coordination with NERC. These items, those not specifically addressed by NERC in the Reliability Standards Development Plan, will require resources from both NERC and NAESB. - 3.a.ii.1 Transition the TSIN Registry from NERC to NAESB as the enhanced Electric Industry Registry (EIR). - Provisional Item 3 Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards. - Provisional Item 4 Prepare recommendations for future path for TLR (equity concerns) in concert with NERC, which may include alternative congestion management procedures . Work on this activity is dependent on completing 2010 WEQ Annual Plan 1.a (Parallel Flow Visualization/Mitigation for Reliability Coordinators in the Eastern Interconnection). - Provisional Item 9 Conduct assessment to determine if Electric Industry Requirements documented in WEQ-011 Gas / Electric Coordination should be considered reliability requirements and transition to NERC. - Provisional Item 10 Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers. Common code usage is linked to the transition of the Registry from NERC to NAESB.
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

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Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
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NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Fountain Valley Power, LLC (NCR05162)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment:
Example:
Recommendation for improvement:
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Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

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As explained below, **Fountain Valley Power LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Fountain Valley Power LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Fountain Valley Power LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Fountain Valley Power LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

Fountain Valley Power LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Introduction

Harbor Cogeneration Company LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

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Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Harbor Cogeneration Company LLC (NCR05177)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
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Submission Information

Date: September 14, 2010

Submitted by (Name):	**Organization:**
Rex Roehl *If submitted for a group, please complete the table at the end of this form.	Indeck Energy Services, Inc.
Phone:	**E-mail:**
(847) 520-3212	rroehl@indeck-energy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment: Comments on the draft NERC 2011-2013 Standards Development Plan
Example:
Recommendation for improvement: The NERC 2011-2013 Standards Development Plan (Plan) is an opportunity to adjust the continent's approach to electric grid standards. After criticism from FERC in a series of orders in March, NERC clearly adjusted its plan to focus on priority projects. NERC, along with FERC, has been vastly expanding the applicability of standards since NERC became the ERO. Indeck believes that NERC has exceeded its authority under FPA 215 (the"Act") in both its membership expansion and the development of its reliability target level for Regional Entities. When viewed in its entirety, the NERC standards program is structured as if the electric system is in poor shape and run by rookies. It is already highly reliable, has extensive redundancy and margin, and has multiple operational interventions (including load shedding) to avoid cascading outages. The NERC Standards need to build upon this foundation rather than assuming that it is setting up a system from scratch. Three aspects of the present NERC Standards Development Process are of concern. First, NERC isn't focused on preventing cascading outages. Second, NERC expanded the applicability of the Standards to many more entities than authorized by the Act. Third, NERC is responding primarily to directives from FERC, which is only one of the stakeholders in the ERO process authorized by the Act. Target Level of Reliability At the FERC Technical Conference on Standards Development held on July 6, 2010 (FERC Technical Conference), Louise McCarren, CEO of WECC, contrasted disturbances and loss of load events using a trip event of the 4 Palo Verde units, totaling 4,400 MW, as a disturbance that didn't result in any loss of load. This proves to be a good example of the robust and resilient character of the US electric grid. At the same FERC Technical Conference, the idea that a loss of load event is a per se violation of the standards was rejected. However, in the NERC definition of Allowable Level of Reliability , the last bullet point inappropriately refers to supplying consumers "at all times" (which is the absence of "loss of load"

events). The other five bullets deal with what the focus of the standards needs to be on, preventing cascading outages, which the Bulk Power System (BPS) does very well, even if imperfectly.

Surprisingly, in its Supplemental Filing related to the FERC Technical Conference , NERC stated "Such a forum could be used to better understand the scope and meaning of reliability (e.g., cascading versus load loss), …." NERC didn't get the message at the FERC Technical Conference nor understand the Act's mission for an ERO, that cascading outages are the reliability concern. Standards Development can't be consistent with the Act if the target level of reliability is different than authorized by the Act.

As the WECC vulnerability study (mentioned in Panel 1 discussion by Louise McCarren at the FERC Technical Conference) of the reliability impact of violations indicated, most of the violations had minimal impact on reliability. The Commissioners' interest in the results of this study makes clear that the Commission is interested in significant reliability improvement within the BPS.

Proposed standards, like PRC-005-2, that fail to focus on entities, equipment and possible events that have a significant impact on reliability, contravene the Act's grant of authority to NERC to assure that "instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance."

Applicability of Standards

It's generally recognized that the Act was a result of the 2003 Blackout. The 2003 Blackout Report recognized that "a one size fits all" formula to reliability would be "disastrous to reliability" . NERC defines a Reportable Disturbance in terms of the largest contingency. Balancing Authorities (BA) are responsible for tracking Reportable Disturbances. The make-up of the balancing area makes a difference in how large the largest contingency is. However, by NERC changing its focus from significant reliability issues, as represented by Reportable Disturbances, to including all facilities >100 kV, its Registered Entities encompass ones that, in many balancing areas, are too small to cause a Reportable Disturbance or other significant reliability issue. NERC lost sight of its reliability mission with this expansion of the applicability of its standards to entities too small to have a significant (eg Reportable) impact on the Bulk Power System .

In its Notice of Proposed Rulemaking regarding the Revision to Electric Reliability Organization Definition of Bulk Electric System under RM09-18, dated March 18, 2010, FERC is evaluating this expansion. This expansion of applicability requires 1) many more Registered Entities to create standards compliance programs, 2) the Regional Entities to monitor and periodically audit many more Registered Entities, and 3) NERC to review many more audits and other reports than if the standards were applicable to the entities defined under the Bulk Power System definition in the Act.

FERC Directives to NERC

NERC is under intense pressure from FERC to change many of the standards. As documented in filings with FERC from Canadian participants , the NERC industry driven stakeholder process should not be driven by any single party, regardless of who they are. NERC was given authority under the Act, to execute the industry driven stakeholder process. NERC's focus on meeting FERC's directives is appropriate, but cannot subvert the stakeholder process authorized by the Act.

Without the proper definition of the Bulk Power System to guide the application of standards to significant reliability issues, proposed standards like PRC-005-2 (drafted in response to FERC directive) will consume increasing amounts of resources, in the drafting/commenting/balloting process as well as for Registered Entity compliance. The proposed PRC-005-2 effort to expand the scope of protection system requirements has failed multiple ballots. The combination of four standards into one may be convenient in the present standards drafting process, where some overlap occurs between standards, but the SDT never identified any real reliability benefits of applying the very detailed standards or the disproportionate impact of the onerous Violation Risk Factor (VRF) and Violation Severity Levels (VSL) when applied uniformly to very different sizes and types of protective systems.

Recommendation

This plan is the perfect opportunity to redirect the focus of standards development to significant reliability impacts. One approach would be to begin a parallel, very high priority project to abandon the BES definition and make the definition of Bulk Power System consistent with Reportable Disturbances in each balancing area to focus on significant reliability improvement. Then any Registered Entity that isn't needed for significant reliability would be de-registered. Regional Entities would need to apply the BPS definition to validate which Registered Entities would continue to be registered. This way, compliance resources of NERC and the Regional Entities could be directed to the appropriate entities and significant reliability issues.

Existing SDT's would need to be retrained on the new focus. Drafting in the existing projects would need to be redirected to make sure that for the remaining Registered Entities that only BPS elements meeting the significance test would be subject to the standards requirements.

The Plan should be rewritten to revise the direction of the Standards Program to focus on preventing cascading outages, eliminate the expansive applicability and stay true to the stakeholder process. With this redirection, future standards development can significantly improve the reliability of the BPS.

Additional information:

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Western Electricity Coordinating Council (WECC)

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2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
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8 — Small Electricity End Users
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Reliability Standards Suggestions and Comments

Introduction

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A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9-9-10

Submitted by (Name):	**Organization:**
Jack Cashin *If submitted for a group, please complete the table at the end of this form.	Electric Power Supply Association
Phone:	**E-mail:**
202-349-0155	jcashin@epsa.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Critical Infrastructure Protection Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-08
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: The Electric Power Supply Association (EPSA) appreciates the opportunity to comment on the Draft Reliability Standards Development Plan: 2011-2013. Development of Standards or revisions to Standards must first focus on those Standards that have the greatest material impact on the reliability of the Bulk-Power System (BPS). The Draft Standards Development Plan provides that focus by prioritizing standards for the next 3 year time horizon so that the appropriate Reliability Standards can move through the Standards process efficiently. The need for NERC to prioritize Standards was highlighted during much of the discussion at the July 6 FERC technical conference that addressed Standards development. The Draft Standards Development Plan uses a tool that ranks Standards so that stakeholders can understand how Standards have been prioritized. The use of the Standards Committee's Process Subcommittee (SCPS) tool serves as an example by providing measurable results. The manner in which projects have been separated into high priority, priority projects near completion and additional projects, and then ranked within those categories, is a needed exercise so that the industry can understand how the Standards Committee will

prioritize Standards work.

Background and Overview

EPSA members, as competitive suppliers, are generators and marketers and therefore do not consider themselves to be transmission entities. However, many members own certain interconnection facilities that have been registered as transmission facilities. This has caused generators to be considered for registration as transmission owners or operators. While generators are willing to comply with the subset of transmission-related requirements that are germane to their facilities, they do not believe it is appropriate to register them as transmission owners (TO) or operators (TOP) which carries responsibility for all TO/TOP requirements.

EPSA applauded the NERC Board of Trustees (BOT) approval of the generator owner/operator and transmission owner/operator (GOTO) Ad hoc Group that developed better defined transmission-related requirements that could apply to a generator. Due to the Standard's importance, EPSA was further encouraged when the Standards Authorization Request (SAR) went forward in January with its corresponding comment period ending in March. Competitive suppliers look forward to efficient completion of Project 2010-07 Transmission Requirements at the Generator Interface.

Suggestions and Comments

As an initial matter the first table on page 17 should be deleted since the prioritization results from the June 10 Standards Committee Meeting and the use of the SPCS tool are actually represented in the "Additional Projects to be initiated in Order of Priority" table on page 18.

EPSA appreciates the transparency of the SPCS tool but has some observations that should be part of the "initial proposed queue" discussions when Project 2010-07 is considered. While Project 2010-07 Transmission Requirements at the Generator Interface's Overall Priority Rating is equal to that of Project 2007-11 Disturbance Monitoring, it appears to be rated below Project 2007-11in the "Additional Projects to be initiated in Order of Priority" table on page 18. If there is a specific reason for this it should be included in the Draft Plan or noted in the SPCS tool rankings. Otherwise both Projects should be ranked as equal.

The criteria for the listed SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which jump started the need for Project 2010-07, NERC commented on the need to correct potential reliability gaps. From the Adhoc Group's Final Report on the Generator Requirements at the Transmission Interface:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies. NERC stated, "from a reliability perspective and from the standpoint of section 215 of the FPA, this transmission line is integrated with other elements of the [Bulk Power System] requiring coordination of operation with those other elements." "

In fact the Objective for Ad hoc Team's Report, which served as the genesis for Project 2010-07 SAR, was:

"Evaluate existing NERC Reliability Standard requirements and develop a recommendation and possible Standards Authorization Request to address gaps in reliability for interconnection facilities of the Generator Owner and expectations for the Generator Operator in operating those facilities. Propose strategies to address or resolve other related issues as appropriate."

The primary task of the work that resulted in the Project 2010-07 was to find and address potential reliability gaps. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Because Project 2010-07 touches on so many other Standards EPSA believes that the Project also deserves points for the fourth criteria because the project modifications will need to be coordinated with other standard modifications. Due to the need for the Standard to be coordinated with other Standards, the Transmission Requirements at the Generator Interface standard should at a minimum garner points for "in more then 2 years." So that Standard development and revision remains clear and without duplication or overlap, Project 2010 needs to be sufficiently coordinated with other Standards.

Recommendation for improvement: EPSA appreciates the work of the Standards Committee and the SPCS and their work on prioritizing Standards and the attention that has been given to the Transmission Requirements at the Generator Interface Standard in the Draft Reliability Standards Development Plan: 2011-2013. While the Project has been ranked high and approaches High Priority Projects Under Development list, EPSA recommends that the Standards Committee and the SPCS consider these comments as further reasons that NERC support the importance of the Transmission Requirements at the Generator Interface Standard drafting effort. This group's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps. Therefore, finishing the standard will reduce the amount of resources being expended by both by the registered entity that now must comply with superfluous requirements and the Regional Entities who will avoid lengthy negotiations on applicability.

Thank you for the opportunity to provide these brief comments. EPSA and its member companies look forward to the Final Reliability Standards Development Plan: 2011-2013.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
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Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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Submission Information

Date: September 15, 2010

Submitted by (Name):	**Organization:**
Jason L. Marshall *If submitted for a group, please complete the table at the end of this form.	Midwest ISO
Phone:	**E-mail:**
317-249-5494	jmarshall@midwestiso.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☐ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2008-12
Project Title(s): Coordinate Interchange Standards
Suggestion or Comment: We recommend that this project's priority be elevated. Since the drafting team that is working on this standard consists largely of Interchange Subcommittee (IS) members and the IS identified the issues the SDT is addressing, we do not believe that it will significantly impact other projects. In other words, we do not believe there are likely any resource conflicts. In fact, this SDT seems to willing to dedicate the time and effort necessary to address the compliance issues with the INT standards.
Recommendation for improvement: Elevate the priority of the project

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☒ No ☐
Reliability Issue: The ORS has submitted a SAR to remove specific references to Reliability Coordinator tools in the NERC standards. Currently, if one of those tools becomse unavailable, every NERC registered RC could become subject to compliance actions. The ORS has already performed most of the work to eliminate this problem. Thus, the SAR should be moved forward.
Suggestion or Comment: Move the SAR submitted by the NERC ORS forward to address the references to specific Reliability Coordinator tools in the standards.
Example: They are contained in the SAR.
Recommendation for improvement: Move the SAR submitted by the NERC ORS forward to address the references to specific Reliability Coordinator tools in the standards.
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: To Table 1 (beginning on page 5), please add a column that identifies the driver/requestor for the item. Recommended choices would be: 1) FERC Order 2) ERO/RE 3) If industry submission, list the organization 4) Blackout Report Recommendation (including specific reference to which recommendation) Since priorities will likely change, a copy of the table should be posted on a link on the “Standards Under Development” plan and updated when changes occur.
Example:
Recommendation for improvement: Some of the project summaries identify a blackout recommendation specifically (i.e. recommendation 23) and some generically (no number or description) in the purpose section. All references should be to specific blackout recommendations so that industry knows what specific issue is being addressed.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

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Submission Information

Date: 16 Sept 2010

Submitted by (Name):	**Organization:**
Joseph DePoorter *If submitted for a group, please complete the table at the end of this form.	Midwest Reliability Organization's NERC Standards Review Subcommittee (MRO NSRS)
Phone:	**E-mail:**
608-252-1581	jdepoorter@mge.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: 1. The MRO NSRS has concerns on yet another aggressive Reliability Standards Development Plan for 2011-2013. Our industry requires sound and un-ambigious reliability standards and do not want to rush any project in order to fullfill a projected plan. We believe we are starting to see well written Standards that will enhance the reliability of the BES. 2. The placement of hyper links within the plan were very helpful and thank you. Has the NERC Standards team (within NERC) thought of the possibility of have hyper links within a NERC Standard? Understand that this would only be used to "assist" an entity and by no means be the only way to gety through a Standard. Perhaps it could just be hyper linked to forms, attachments, etc within the Standard. 3. The MRO NSRS is not sure of the impact of the recent FERC Order Approving Pettition and Directing Compliance Filing (issued Sept 3, 2010) will have on this proposed plan. At a minimum, each SDT should understand that FERC is concerned about the writing of each requirement to fullfill FERCs directives.
Example:
Recommendation for improvement: See comments above.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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Group Comments (Complete this page if comments are from a group.)

Group Name: Midwest Reliability Organization's NERC Standards Review Subcommittee (MRO NSRS)

Lead Contact: Carool Gerou

Contact Organization: MRO

Contact Segment: 10

Contact Telephone: 651-855-1735

Contact E-mail: ca.gerou@midwestreliabilioty.org

Group Members (Names)	Group Member Organization	Region*	Segment*
Mahmood Safi	Omaha Public Utility District	MRO	1,3,5,6
Chuck Lawrence	American Transmission Company	MRO	1
Tom Webb	WPS Corporation	MRO	3,4,5,6
Jason Marshall	Midwest ISO Inc.	MRO	2
Jodi Jenson	Western Area Power Administration	MRO	1,6
Ken Goldsmith	Alliant Energy	MRO	4
Dave Rudolph	Basin Electric Power Cooperative	MRO	1,3,5,6
Eric Ruskamp	Lincoln Electric System	MRO	1,3,5,6
Joseph Knight	Great River Energy	MRO	1,3,5,6
Joe DePoorter	Madison Gas & Electric	MRO	3,4,5,6
Scott Nickels	Rochester Public Utilties	MRO	4
Terry Harbour	MidAmerican Energy Company	MRO	1,3,5,6

* If more than one Region or Segment applies, please list all that apply.

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Submission Information

Date: September 20, 2010

Submitted by (Name):	**Organization:**
Kelsi Oswald *If submitted for a group, please complete the table at the end of this form.	Pinellas County Resource Recovery Facility
Phone:	**E-mail:**
727-464-7514	koswald@pinellascounty.org
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface Project
Suggestion or Comment: Please include this project in the list of high priority projects. As a registered Generator, I believe Project 2010-07 is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators to be forced to register as TOPs and/or to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for BES reliability as associated with their tie-lines to be rationally and clearly described in a formal standards process, which can address specific gaps rather than either applying TOP standards in whole or in part, or allowing this important issue to be delayed further with any associated reliability risks.
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/2010

Submitted by (Name):	**Organization:**
Ken Parker *If submitted for a group, please complete the table at the end of this form.	Union Power Partners, LP
Phone:	**E-mail:**
813-301-4907	kparker@entegrapower.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☐ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-07 Transmission Requirements at the Generator Interface
Project Title(s): Project 2010-07 Transmission Requirements at the Generator Interface
Suggestion or Comment: Clarification of Applicability
Recommendation for improvement: The standard is not applicable to Generators with one-half mile or less of transmission.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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NERC
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Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Las Vegas Cogeneration LP (NCR05214)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: See Attached
Example: See Attached
Recommendation for improvement: See Attached
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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Segment numbers are:

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9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Introduction

Las Vegas Cogeneration LP appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **Las Vegas Cogeneration LP** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Las Vegas Cogeneration LP is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Las Vegas Cogeneration LP** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Las Vegas Cogeneration LP acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

Las Vegas Cogeneration LP appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

To: Standards Committee
From: Mark Bennett
Competitive Power Ventures, Inc.
Subject: Standards Suggestions: Project 2010-07
Date: September 20, 2010

Introduction

Competitive Power Ventures, Inc. (CPV) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, CPV believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

CPV is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, CPV respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

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It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

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Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

CPV acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

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registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

CPV appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

Dominion believes that NERC may have lost its focus on what is critically important to the reliability Bulk Electric System. In developing its Reliability Standards Development Plan 2011 – 2013, NERC should place the highest priority on standards that are identified to close existing reliability gaps that have been repeatedly indentified upon analysis of significant events and outages on Bulk Electric System facilities. It is Dominion's position that Standards that do not directly deal with demonstrated reliability gaps need should be placed 'on hold' until the standard that appropriately addresses these gaps are well along in NERC's standard developmental pipeline. It is really that simple.

More specifically, NERC should place the highest priority on reliability standards now in the queue addressing protection systems, vegetation management as well as the training and tools that support these demonstrated gaps. There are far too many proposed standards in this crowded Reliability Standards Development Plan that fail to meet this necessary and basic threshold. For example, there exists in the current queue a proposed standard dealing with physical protection on generation (with a SAR introduced by a generation contractor). This may well be one of the sharpest examples of missing the focus or sweet spot on should be in focus right now.

Finally, since NERC continues to register selected radial generation leads as transmission for compliance demonstration purposes, creating a misplaced set of reliability standards on those organizations, Dominion does believe that if such actions by some Reliability Councils, NERC must believe there is a existing reliability gap that must be filled. {The SAR also deals with vegetation management which has been which is a repeat issue on event analysis on significant events and outages on the BES.} Therefore, by this very same screening process, the draft SAR dealing with generation/transmission interface should be moved up in priority.

To: Standards Committee
From: Mike Hirst
Cogentrix Energy, LLC
Subject: Standards Suggestions: Project 2010-07
Date: September 20, 2010

Introduction

Cogentrix Energy, LLC (CELLC) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, CELLC believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

CELLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, CELLC respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

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Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

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Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

CELLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

CELLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/2010

Submitted by (Name):	**Organization:**
Nathaniel Larson *If submitted for a group, please complete the table at the end of this form.	New Harquahala Generating Co, LLC
Phone:	**E-mail:**
928-372-3215	nlarson@harqgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: Introduction New Harquahala Generating Co, LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, New Harquahala Generating Co, LLC believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the

Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

New Harquahala Generating Co, LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, New Harquahala Generating Co, LLC respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

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Thank you for the opportunity to provide these brief comments.

Recommendation for improvement: The project needs to be on the high priority projects under development plan for 2011-2013.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

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Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Comments of Indeck Energy Services, Inc.
on the draft NERC 2011-2013 Standards Development Plan

The NERC 2011-2013 Standards Development Plan[1] (Plan) is an opportunity to adjust the continent's approach to electric grid standards. After criticism from FERC in a series of orders in March, NERC clearly adjusted its plan to focus on priority projects. NERC, along with FERC, has been vastly expanding the applicability of standards since NERC became the ERO. Indeck believes that NERC has exceeded its authority under FPA 215[2] (the"Act") in both its membership expansion and the development of its reliability target level for Regional Entities.

When viewed in its entirety, the NERC standards program is structured as if the electric system is in poor shape and run by rookies. It is already highly reliable, has extensive redundancy and margin, and has multiple operational interventions (including load shedding) to avoid cascading outages. The NERC Standards need to build upon this foundation rather than assuming that it is setting up a system from scratch.

Three aspects of the present NERC Standards Development Process are of concern. First, NERC isn't focused on preventing cascading outages. Second, NERC expanded the applicability of the Standards to many more entities than authorized by the Act. Third, NERC is responding primarily to directives from FERC, which is only one of the stakeholders in the ERO process authorized by the Act.

Target Level of Reliability

At the FERC Technical Conference on Standards Development held on July 6, 2010[3] (FERC Technical Conference), Louise McCarren, CEO of WECC, contrasted disturbances and loss of load events using a trip event of the 4 Palo Verde units, totaling 4,400 MW, as a disturbance that didn't result in any loss of load. This proves to be a good example of the robust and resilient character of the US electric grid.

At the same FERC Technical Conference, the idea that a loss of load event is a per se violation of the standards was rejected. However, in the NERC definition of Allowable Level of Reliability[4], the last bullet point inappropriately refers to supplying consumers "at all times" (which is the absence of "loss of load" events). The other five bullets deal with what the focus of the standards needs to be on, preventing cascading outages, which the Bulk Power System (BPS) does very well, even if imperfectly.

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[1] http://www.nerc.com/files/2011-2013_RS-Development-Plan.pdf
[2] 16 U.S.C. 824 et seq., Sec. 215. Electric Reliability.
[3] Docket No. AD10-14, Supplemental Notice of Technical Conference re Reliability Standards Development et al under AD10-14, dated 6/18/2010
[4] http://www.nerc.com/files/Adequate_Level_of_Reliability.pdf, Last bullet:
The system has the ability to supply the aggregate electric power and energy requirements of the electricity consumers at all times, taking into account scheduled and reasonably expected unscheduled outages of system components.

Surprisingly, in its Supplemental Filing related to the FERC Technical Conference[5], NERC stated "Such a forum could be used to better understand the scope and meaning of reliability (*e.g.*, cascading versus load loss), …." NERC didn't get the message at the FERC Technical Conference nor understand the Act's mission for an ERO, that cascading outages are the reliability concern. Standards Development can't be consistent with the Act if the target level of reliability is different than authorized by the Act.

As the WECC vulnerability study (mentioned in Panel 1 discussion by Louise McCarren at the FERC Technical Conference) of the reliability impact of violations indicated, most of the violations had minimal impact on reliability. The Commissioners' interest in the results of this study makes clear that the Commission is interested in significant reliability improvement within the BPS.

Proposed standards, like PRC-005-2, that fail to focus on entities, equipment and possible events that have a significant impact on reliability, contravene the Act's grant of authority to NERC to assure that "instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance."[6]

Applicability of Standards

It's generally recognized that the Act was a result of the 2003 Blackout. The 2003 Blackout Report recognized that "a one size fits all" formula to reliability would be "disastrous to reliability"[7]. NERC defines a Reportable Disturbance[8] in terms of the largest contingency. Balancing Authorities (BA) are responsible for tracking Reportable Disturbances. The make-up of the balancing area makes a difference in how large the largest contingency is. However, by NERC changing its focus from significant reliability issues, as represented by Reportable Disturbances, to including all facilities >100 kV, its Registered Entities encompass ones that, in many balancing areas, are too small to cause a Reportable Disturbance or other significant reliability issue. NERC lost sight of its reliability mission with this expansion of the applicability of its standards to entities too small to have a significant (eg Reportable) impact on the Bulk Power System .

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[5] Supplemental Comments of the North American Electric Reliability Corporation following the July 6, 2010 Technical Conference under Docket No. AD10-14, August 20, 2010.

[6] 16 U.S.C. 824 et seq., Sec. 215. Electric Reliability. (a) (4) "The term `reliable operation' means operating the elements of the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements."

[7] http://www.nerc.com/docs/docs/blackout/ch7-10.pdf, Chapter 10, discussion on Recommendation 25, "NERC standards are the minimum—national standards should always be minimum rather than absolute or "one size fits all" criteria. [Systems for] densely populated areas, like the metropolitan areas of New York, Chicago, or Washington, must be designed and operated in accordance with a higher level of reliability than would be appropriate for sparsely populated parts of the country. It is essential that regional differences in terms of load and population density be recognized in the application of planning and operating criteria. Any move to adopt a national, "one size fits all" formula for all parts of the United States would be disastrous to reliability."

[8] NERC Glossary of Terms used in Reliability Standards, http://www.nerc.com/files/Glossary_12Feb08.pdf

In its Notice of Proposed Rulemaking regarding the Revision to Electric Reliability Organization Definition of Bulk Electric System under RM09-18, dated March 18, 2010, FERC is evaluating this expansion. This expansion of applicability requires 1) many more Registered Entities to create standards compliance programs, 2) the Regional Entities to monitor and periodically audit many more Registered Entities, and 3) NERC to review many more audits and other reports than if the standards were applicable to the entities defined under the Bulk Power System definition in the Act.

FERC Directives to NERC

NERC is under intense pressure from FERC to change many of the standards. As documented in filings with FERC from Canadian participants[9], the NERC industry driven stakeholder process should not be driven by any single party, regardless of who they are. NERC was given authority under the Act, to execute the industry driven stakeholder process. NERC's focus on meeting FERC's directives is appropriate, but cannot subvert the stakeholder process authorized by the Act.

Without the proper definition of the Bulk Power System to guide the application of standards to significant reliability issues, proposed standards like PRC-005-2 (drafted in response to FERC directive[10]) will consume increasing amounts of resources, in the drafting/commenting/balloting process as well as for Registered Entity compliance. The proposed PRC-005-2 effort to expand the scope of protection system requirements has failed multiple ballots. The combination of four standards into one may be convenient in the present standards drafting process, where some overlap occurs between standards, but the SDT never identified any real reliability benefits of applying the very detailed standards or the disproportionate impact of the onerous Violation Risk Factor (VRF) and Violation Severity Levels (VSL) when applied uniformly to very different sizes and types of protective systems.

Recommendation

This plan is the perfect opportunity to redirect the focus of standards development to significant reliability impacts. One approach would be to begin a parallel, very high priority project to abandon the BES definition and make the definition of Bulk Power System consistent with Reportable Disturbances in each balancing area to focus on significant reliability improvement. Then any Registered Entity that isn't needed for significant reliability would be de-registered. Regional Entities would need to apply the BPS definition to validate which Registered Entities would continue to be registered. This way, compliance resources of NERC and the Regional Entities could be directed to the appropriate entities and significant reliability issues.

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[9] Joint Comments of The Independent Electricity System Operator, Hydro One Networks Inc., Ontario Power Generation Inc., Five Nations Energy Inc., Brookfield Renewable Power Inc., New Brunswick System Operator, & Nova Scotia Power Inc., RM09-18, dated May 10, 2010.

[10] FERC RM06-16, (Order No. 693) Mandatory Reliability Standards for the Bulk-Power System, (Issued March 16, 2007)

Existing SDT's would need to be retrained on the new focus. Drafting in the existing projects would need to be redirected to make sure that for the remaining Registered Entities that only BPS elements meeting the significance test would be subject to the standards requirements.

The Plan should be rewritten to revise the direction of the Standards Program to focus on preventing cascading outages, eliminate the expansive applicability and stay true to the stakeholder process. With this redirection, future standards development can significantly improve the reliability of the BPS.

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Submission Information

Date: 8/18/2010

Submitted by (Name):	**Organization:**
John Seelke *If submitted for a group, please complete the table at the end of this form.	NERC
Phone:	**E-mail:**
609-524-7051	john.seelke@nerc.net
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
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Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☒ No ☐
Reliability Issue: Time limits to correct SOL violations are not stated in the standards
Suggestion or Comment: There are not specific time limits prescribed to correct an SOL violation in the standards. IROL violations have a prescribed time limit (IROL Tv) that does not exceed 30 min.
Example: TOP-004-2 addresses this issue indirectly. See R1-R5. R4 requires operators operating in an unknown state to return the system to a proven safe state within 30 minutes. R5 permits operators to shed load for an SOL or IROL violation.
Recommendation for improvement: IROL violations and more serious than SOL violations, but an SOL violation is also serious as indicated above.
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: Also see IRO-003-1, R1; IRO-005-2, R1.2 & R1.3; IRO-008-1, R1-R3; IRO-009-1, R1-R4.
Example:
Recommendation for improvement: Add a requirement, probably in an IRO or TOP standard, to require that SOL violations be corrected within 30 minutes or less (or some other time period).
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

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Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: September 20, 2010

Submitted by (Name):	**Organization:**
Rex Roehl *If submitted for a group, please complete the table at the end of this form.	Indeck Energy Services
Phone:	**E-mail:**
847-520-3212	rroehl@indeck-energy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: Introduction Indeck Energy Services (Indeck) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, Indeck believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's

reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Indeck is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Indeck respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings . Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP

standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to raise the priority of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary to address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rationale exists for not doing so.

Suggestions and Comments

Indeck acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions

needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for improvement: Indeck appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and raise the priority of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
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Reliability Standards Suggestions and Comments

Introduction

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Submission Information

Date: 9/13/2010

Submitted by (Name):	**Organization:**
Regional Reliability Standards Working Group (RRSWG) Stephanie.monzon@nerc.net *If submitted for a group, please complete the table at the end of this form.	
Phone: 610.608.8084	**E-mail:** stephanie.monzon@nerc.net
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-05
Project Title(s): Special Protectio Systems
Suggestion or Comment: The RRSWG fully supports the advancement of Project 2010-05 Protection Systems and the elevation in priority to place the project on the NERC Standards Committee's High Priority Standard Development Projects. The RRSWG has drafted two Standard Authorization Requests (SARs) that separates NERC Project 2010-05 into two projects, outlining the proposed revisions to the applicable standards: 1. Analysis and Mitigation of Transmission and Generation Protection System Misoperations a. PRC-003-1 — Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems b. PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations c. PRC-016-0 — Special Protection System Misoperations

2. Special Protection Systems

a. PRC-012-0 — Special Protection System Review Procedure

b. PRC-014-0 — Special Protection System Assessment

The proposed revisions contained in the SAR titled: Analysis and Mitigation of Transmission and Generation Protection System Misoperations are supported by the NERC System Protection and Control Subcommittee as documented in their technical review of the PRC Reliability Standards indentified in this SAR. (See NERC SPCS Assessment of Standards: PRC—003-1 –– Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems, PRC--004--1 –– Analysis and Mitigation of Transmission and Generation Protection Misoperations, PRC--016--1 –– Special Protection System Misoperations dated: May 22, 2009.) This project will address the FERC Order No. 693 directives associated with the 'fill-in-the-blank' standards and also incorporate the recommendations contained in the NERC Reliability Standards Issues Database.

The RRSWG also recommends that the priority of this project be elevated for the following reasons:

1. Based on the data and analysis contained in the NERC 2009 Long Term Reliability Assessment 2009-2018 (dated: October 2009), protection system misoperations have increased significantly over the past three (3) years and contribute to more than 50 percent of the Category 2 or higher disturbances (based on 2008 data/analysis). Detailed reporting requirements will enhance NERC staff's ability to effectively obtain and analyze each reportable misoperation. This in turn will provide for accurate assessments and the development of meaningful lessons learned for the industry.

2. On March 18, 2010, FERC issued several orders and notices of proposed rulemakings pertaining to standards development activities and processes, suggesting a lack of progress in responding to directives from FERC Order No. 693 as well in the timeliness of standards development in general. At the May 2010 NERC Board meeting, Gerry Cauley, NERC's President, also expressed these concerns, indicating that the resolution to these concerns is one of NERC's top priorities in the near term. As identified above, this project will address the FERC Order No. 693 directives associated with the 'fill-in-the-blank' standards.

Recommendation for improvement: see section above

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement: The RRSWG has proposed two SARs for this project separating out the associated standards as noted above.
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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Group Comments (Complete this page if comments are from a group.)

Group Name: Regional Reliability Standards Working Group (RRSWG)

Lead Contact: Stephanie Monzon

Contact Organization: NERC

Contact Segment:

Contact Telephone: 610.608.8084

Contact E-mail: stephanie.monzon@nerc.net

Group Members (Names)	Group Member Organization	Region*	Segment*
Peter Heidrich	FRCC		
Pat Huntley	SERC		
Lee Pedowicz	NPCC		
Anthony Jablonski	RFC		
David Kelley	SPP		
Carol Gerou	MRO		
Don Jones	TRE		
Ken Wilson	WECC		

* If more than one Region or Segment applies, please list all that apply.

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Midwest Reliability Organization (MRO)
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ReliabilityFirst Corporation (RFC)
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Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

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8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
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Cowlitz County PUD Comments Regarding Project 2010-07

Introduction

Cowlitz County PUD No. 1 of Washington State (District) appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. The District supports the views and comments of the Generator Forum and hopes that NERC will respond favorably. The District understands that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, The District believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, The District is responding to the invitation in the Plan to discuss additional criteria relating to this Project that The District believes warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

The District is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, The District respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, the District can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on. Further, the District and many other smaller entities were caught into the registration process well after these standards were approved by FERC.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

The District acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "significantly" or at a minimum "moderately" improves reliability.

Recommendation for Improvement

The District appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, the District urges the the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

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A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Scott Helyer *If submitted for a group, please complete the table at the end of this form.	Tenaska, Inc.
Phone:	**E-mail:**
817-462-1512	shelyer@tnsk.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail
(Complete only those items applicable to your submittal)

Notes:

1. Please be as specific as possible.
2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to.
3. If practical, please provide an example to clearly describe the issue.
4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.

1. Does this suggestion or comment address an existing standard?

   Yes ☐ No ☒ (If no, skip to the next question.)

Standard Number(s):

Standard Title(s):

Element(s) (i.e., Requirement R1.2., Measure M2., etc.):

Suggestion or Comment:

Example:

Recommendation for improvement:

2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan?

   Yes ☒ No ☐ (If no, skip to the next question.)

Project Number(s): 2010-07

Project Title(s): Transmission Requirements at the Generator Interface

Suggestion or Comment:

Tenaska, Inc. appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects.

Based on our review of the Plan, however, Tenaska, Inc. believes that the criteria used in the initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface). Specifically, we are concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) from the list of high priority Projects. This decision contradicts the importance placed on this project by over 113 respondents to the 2009 NERC survey regarding this issue, it greatly diminishes the efforts put forth, at the request of NERC, by the GO/TO Ad Hoc task force that was asked to recommend

solutions to this issue, and it appears to reject many of the recommendations included in the GO/TO Ad Hoc Group Report. Unless the Standards Committee decides to elevate the importance of this Project, generators will continue to face the possibility of involuntary TO registration, and possibly, TOP registration. Unfortunately, such registration appears to be an interpretation of the various TO and TOP standards which is arguably a failure to follow the intent of standards process, if not a failure to follow the process itself.

With that said, Tenaska, Inc. acknowledges the need for NERC to prioritize requests for new and revised standards. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances such as those associated with the TO and TOP registration of generators addressed in Project 2010-07.

To this point, it is not clear why Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. In the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

Furthermore, the primary charge of GO/TO Ad Hoc task force was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The GO/TO Ad Hoc task force work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Finally, the ranking process fails to recognize that a group of industry volunteers stands ready to address the issue as the SAR drafting team is quite prepared to take the next step as a Standards drafting team. It would be a shame to potentially lose such volunteers to other work assignments when they are prepared to work on a resolution to this important issue.

Tenaska, Inc. appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07. The results of this effort will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. This is especially problematic because those very standards were not written for generators. It is time for reliability gaps associated with generator tie-lines to be rationally and clearly described in a formal

standards process. Accordingly, for all the reasons cited above, Tenaska, Inc. respectfully requests that the criteria be reconsidered to give greater weight to the unique aspects of this Project.
Recommendation for improvement: see above

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

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Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

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Reliability Standards Suggestions and Comments

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A link to the current version of the Reliability Standards Development Plan can be found on NERC's standards Web page.

Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: September 14, 2010

Submitted by (Name):	**Organization:**
Rex Roehl *If submitted for a group, please complete the table at the end of this form.	Indeck Energy Services, Inc.
Phone:	**E-mail:**
(847) 520-3212	rroehl@indeck-energy.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: Comments on the draft NERC 2011-2013 Standards Development Plan
Example:
Recommendation for improvement: The NERC 2011-2013 Standards Development Plan (Plan) is an opportunity to adjust the continent's approach to electric grid standards. After criticism from FERC in a series of orders in March, NERC clearly adjusted its plan to focus on priority projects. NERC, along with FERC, has been vastly expanding the applicability of standards since NERC became the ERO. Indeck believes that NERC has exceeded its authority under FPA 215 (the"Act") in both its membership expansion and the development of its reliability target level for Regional Entities. When viewed in its entirety, the NERC standards program is structured as if the electric system is in poor shape and run by rookies. It is already highly reliable, has extensive redundancy and margin, and has multiple operational interventions (including load shedding) to avoid cascading outages. The NERC Standards need to build upon this foundation rather than assuming that it is setting up a system from scratch. Three aspects of the present NERC Standards Development Process are of concern. First, NERC isn't focused on preventing cascading outages. Second, NERC expanded the applicability of the Standards to many more entities than authorized by the Act. Third, NERC is responding primarily to directives from FERC, which is only one of the stakeholders in the ERO process authorized by the Act. Target Level of Reliability At the FERC Technical Conference on Standards Development held on July 6, 2010 (FERC Technical Conference), Louise McCarren, CEO of WECC, contrasted disturbances and loss of load events using a trip event of the 4 Palo Verde units, totaling 4,400 MW, as a disturbance that didn't result in any loss of load. This proves to be a good example of the robust and resilient character of the US electric grid. At the same FERC Technical Conference, the idea that a loss of load event is a per se violation of the standards was rejected. However, in the NERC definition of Allowable Level of Reliability , the last bullet point inappropriately refers to supplying consumers "at all times" (which is the absence of "loss of load"

events). The other five bullets deal with what the focus of the standards needs to be on, preventing cascading outages, which the Bulk Power System (BPS) does very well, even if imperfectly.

Surprisingly, in its Supplemental Filing related to the FERC Technical Conference , NERC stated "Such a forum could be used to better understand the scope and meaning of reliability (e.g., cascading versus load loss), …." NERC didn't get the message at the FERC Technical Conference nor understand the Act's mission for an ERO, that cascading outages are the reliability concern. Standards Development can't be consistent with the Act if the target level of reliability is different than authorized by the Act.

As the WECC vulnerability study (mentioned in Panel 1 discussion by Louise McCarren at the FERC Technical Conference) of the reliability impact of violations indicated, most of the violations had minimal impact on reliability. The Commissioners' interest in the results of this study makes clear that the Commission is interested in significant reliability improvement within the BPS.

Proposed standards, like PRC-005-2, that fail to focus on entities, equipment and possible events that have a significant impact on reliability, contravene the Act's grant of authority to NERC to assure that "instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance."

Applicability of Standards

It's generally recognized that the Act was a result of the 2003 Blackout. The 2003 Blackout Report recognized that "a one size fits all" formula to reliability would be "disastrous to reliability" . NERC defines a Reportable Disturbance in terms of the largest contingency. Balancing Authorities (BA) are responsible for tracking Reportable Disturbances. The make-up of the balancing area makes a difference in how large the largest contingency is. However, by NERC changing its focus from significant reliability issues, as represented by Reportable Disturbances, to including all facilities >100 kV, its Registered Entities encompass ones that, in many balancing areas, are too small to cause a Reportable Disturbance or other significant reliability issue. NERC lost sight of its reliability mission with this expansion of the applicability of its standards to entities too small to have a significant (eg Reportable) impact on the Bulk Power System .

In its Notice of Proposed Rulemaking regarding the Revision to Electric Reliability Organization Definition of Bulk Electric System under RM09-18, dated March 18, 2010, FERC is evaluating this expansion. This expansion of applicability requires 1) many more Registered Entities to create standards compliance programs, 2) the Regional Entities to monitor and periodically audit many more Registered Entities, and 3) NERC to review many more audits and other reports than if the standards were applicable to the entities defined under the Bulk Power System definition in the Act.

FERC Directives to NERC

NERC is under intense pressure from FERC to change many of the standards. As documented in filings with FERC from Canadian participants , the NERC industry driven stakeholder process should not be driven by any single party, regardless of who they are. NERC was given authority under the Act, to execute the industry driven stakeholder process. NERC's focus on meeting FERC's directives is appropriate, but cannot subvert the stakeholder process authorized by the Act.

Without the proper definition of the Bulk Power System to guide the application of standards to significant reliability issues, proposed standards like PRC-005-2 (drafted in response to FERC directive) will consume increasing amounts of resources, in the drafting/commenting/balloting process as well as for Registered Entity compliance. The proposed PRC-005-2 effort to expand the scope of protection system requirements has failed multiple ballots. The combination of four standards into one may be convenient in the present standards drafting process, where some overlap occurs between standards, but the SDT never identified any real reliability benefits of applying the very detailed standards or the disproportionate impact of the onerous Violation Risk Factor (VRF) and Violation Severity Levels (VSL) when applied uniformly to very different sizes and types of protective systems.

Recommendation

This plan is the perfect opportunity to redirect the focus of standards development to significant reliability impacts. One approach would be to begin a parallel, very high priority project to abandon the BES definition and make the definition of Bulk Power System consistent with Reportable Disturbances in each balancing area to focus on significant reliability improvement. Then any Registered Entity that isn't needed for significant reliability would be de-registered. Regional Entities would need to apply the BPS definition to validate which Registered Entities would continue to be registered. This way, compliance resources of NERC and the Regional Entities could be directed to the appropriate entities and significant reliability issues.

Existing SDT's would need to be retrained on the new focus. Drafting in the existing projects would need to be redirected to make sure that for the remaining Registered Entities that only BPS elements meeting the significance test would be subject to the standards requirements.

The Plan should be rewritten to revise the direction of the Standards Program to focus on preventing cascading outages, eliminate the expansive applicability and stay true to the stakeholder process. With this redirection, future standards development can significantly improve the reliability of the BPS.

Additional information:

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Submission Information

Date: September 16, 2010

Submitted by (Name):	**Organization:**
Steve Rueckert *If submitted for a group, please complete the table at the end of this form.	WECC
Phone:	**E-mail:**
801 883-6878	steve@wecc.biz
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: We believe that those projects that have been identified as the most important, for the most part, are prioritized correctly. However, We also believe that, in general, all of the fill-in-the-blank standards should receive a higher priority. The cofusion among the regions and the audited entities as to what is required and how best to identify the requirements is taking up valuable time. Many of the fill-in-the-blank standards require the Regional Reliability Organization to develop processes or procedures, and not Regional Reliability Standards. However, processes and procedures are not mandatory, and the registered entities are confused. Additinally, any region that initiates development of a regional reliabiblitystandard, simply to meet a fill-in-the-blank requirement could very well end up trying to withdraw that very regional standard if the NERC fill-in-the-blank standard gets modified removing the requirment for the region to devleop the standard in the first place. This could be problematic if FERC has approved some regional reliability standards intended to meet the fill-in-the blank requirements and determines that they are more stringent than the new NERC continent-wide standard. The result would still be different standards, with different requirements across the continent.
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

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Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	SWG Colorado LLC (NCR05029)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
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Example: See Attached
Recommendation for improvement: See Attached
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Introduction

SWG Colorado LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **SWG Colorado LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

SWG Colorado LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **SWG Colorado LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

SWG Colorado LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

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Recommendation for Improvement

SWG Colorado LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

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NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Valencia Power LLC (NCR10216)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
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Example:
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Suggestion or Comment: See Attached
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Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Introduction

Valencia Power LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **Valencia Power LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Valencia Power LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Valencia Power LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Valencia Power LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

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Submission Information

Date: 9/21/10

Submitted by (Name):	**Organization:**
Dale Fredrickson *If submitted for a group, please complete the table at the end of this form.	Wisconsin Electric
Phone:	**E-mail:**
414-221-2484	dale.fredrickson@we-energies.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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Example:
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Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See comments in Item 4. below
Recommendation for improvement: Upgrade status of this Project

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Submission Information

Date: 9/21/10

Submitted by (Name):	**Organization:**
Dale Fredrickson *If submitted for a group, please complete the table at the end of this form.	Wisconsin Electric
Phone:	**E-mail:**
414-221-2484	dale.fredrickson@we-energies.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings (see Note 1 below).. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to reconsider the priority of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally

untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach (See Note 2 below).

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

Wisconsin Electric acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

[Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface]

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly

impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "Significantly" or at a minimum "Moderately" improves reliability.

Recommendation for Improvement

Wisconsin Electric appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Note 1. http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

Note 2. In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Thank you for the opportunity to provide these comments.

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
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8 — Small Electricity End Users
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NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

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Please return all completed forms via e-mail to sarcomm@nerc.net with the words "Standards Suggestions" in the subject line.

Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	SWG Colorado LLC (NCR05029)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: See Attached
Example: See Attached
Recommendation for improvement: See Attached
Additional information:
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Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

Introduction

SWG Colorado LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **SWG Colorado LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

SWG Colorado LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **SWG Colorado LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

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[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

SWG Colorado LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

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"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

SWG Colorado LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

NERC welcomes suggestions and comments targeted at improving the reliability of the bulk power system through improved reliability standards. Please use this form to submit your suggestions and/or comments related to NERC's Reliability Standards or Reliability Standards Development Plan. NERC will consider all suggestions and comments received and will incorporate the ideas submitted into a future standards development project or a future revision of the Reliability Standards Develop Plan, as appropriate.

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Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Scott Helyer *If submitted for a group, please complete the table at the end of this form.	Tenaska, Inc.
Phone:	**E-mail:**
817-462-1512	shelyer@tnsk.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Suggestion or Comment Detail
(Complete only those items applicable to your submittal)

Notes:

1. Please be as specific as possible.
2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to.
3. If practical, please provide an example to clearly describe the issue.
4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.

1. Does this suggestion or comment address an existing standard?

   Yes ☐ No ☒ (If no, skip to the next question.)

Standard Number(s):

Standard Title(s):

Element(s) (i.e., Requirement R1.2., Measure M2., etc.):

Suggestion or Comment:

Example:

Recommendation for improvement:

2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan?

   Yes ☒ No ☐ (If no, skip to the next question.)

Project Number(s): 2010-07

Project Title(s): Transmission Requirements at the Generator Interface

Suggestion or Comment:

Tenaska, Inc. appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects.

Based on our review of the Plan, however, Tenaska, Inc. believes that the criteria used in the initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface). Specifically, we are concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) from the list of high priority Projects. This decision contradicts the importance placed on this project by over 113 respondents to the 2009 NERC survey regarding this issue, it greatly diminishes the efforts put forth, at the request of NERC, by the GO/TO Ad Hoc task force that was asked to recommend

solutions to this issue, and it appears to reject many of the recommendations included in the GO/TO Ad Hoc Group Report. Unless the Standards Committee decides to elevate the importance of this Project, generators will continue to face the possibility of involuntary TO registration, and possibly, TOP registration. Unfortunately, such registration appears to be an interpretation of the various TO and TOP standards which is arguably a failure to follow the intent of standards process, if not a failure to follow the process itself.

With that said, Tenaska, Inc. acknowledges the need for NERC to prioritize requests for new and revised standards. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances such as those associated with the TO and TOP registration of generators addressed in Project 2010-07.

To this point, it is not clear why Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. In the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

Furthermore, the primary charge of GO/TO Ad Hoc task force was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The GO/TO Ad Hoc task force work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Finally, the ranking process fails to recognize that a group of industry volunteers stands ready to address the issue as the SAR drafting team is quite prepared to take the next step as a Standards drafting team. It would be a shame to potentially lose such volunteers to other work assignments when they are prepared to work on a resolution to this important issue.

Tenaska, Inc. appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07. The results of this effort will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. This is especially problematic because those very standards were not written for generators. It is time for reliability gaps associated with generator tie-lines to be rationally and clearly described in a formal

standards process. Accordingly, for all the reasons cited above, Tenaska, Inc. respectfully requests that the criteria be reconsidered to give greater weight to the unique aspects of this Project.
Recommendation for improvement: see above

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Submission Information

Date: 9/20/2010

Submitted by (Name):	**Organization:**
Ken Parker *If submitted for a group, please complete the table at the end of this form.	Union Power Partners, LP
Phone:	**E-mail:**
813-301-4907	kparker@entegrapower.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): Project 2010-07 Transmission Requirements at the Generator Interface
Project Title(s): Project 2010-07 Transmission Requirements at the Generator Interface
Suggestion or Comment: Clarification of Applicability
Recommendation for improvement: The standard is not applicable to Generators with one-half mile or less of transmission.

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☐
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
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Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
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7 — Large Electricity End Users
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9 — Federal, State, Provincial Regulatory or other Government Entities
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NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Reliability Standards Suggestions and Comments

Introduction

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Submission Information

Date: 9/20/10

Submitted by (Name):	**Organization:**
Angela McCarroll *If submitted for a group, please complete the table at the end of this form.	Valencia Power LLC (NCR10216)
Phone:	**E-mail:**
303-623-2797	mccarrolla@southwestgen.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
None	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**
Standards	

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
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Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See Attached
Recommendation for improvement: See Attached

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: See Attached
Example: See Attached
Recommendation for improvement: See Attached
Additional information:
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Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

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Introduction

Valencia Power LLC appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18)

As explained below, **Valencia Power LLC** believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration.

Overview and Background: Need to Reconsider Status of Project 2010-07

Valencia Power LLC is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, many generators, especially those that operate in WECC and TRE, will continue to face the possibility of involuntary TOP registration. This outcome would fly in the face of the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Those companies that have already dealt with this have been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, **Valencia Power LLC** respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming

majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings[1]. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant—a "criteria", if you will-- that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to rethink the status of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach.[2]

[1] http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

[2] In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly and what justification and rational exists for not doing so.

Suggestions and Comments

Valencia Power LLC acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

--Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the

most violated Standards. Project 2010-07 clearly impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either “significantly” or at a minimum “moderately” improves reliability.

Recommendation for Improvement

Valencia Power LLC appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team’s work is critical because it will limit registry overlap while better aligning an entity’s responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators’ responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Thank you for the opportunity to provide these brief comments.

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Submission Information

Date: September 16, 2010

Submitted by (Name):	**Organization:**
Steve Rueckert *If submitted for a group, please complete the table at the end of this form.	WECC
Phone:	**E-mail:**
801 883-6878	steve@wecc.biz
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
Standards Committee	
NERC Program Area (if applicable):	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Suggestion or Comment Detail (Complete only those items applicable to your submittal)
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1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☐ No ☒ (If no, skip to the next question.)
Project Number(s):
Project Title(s):
Suggestion or Comment:
Recommendation for improvement:

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment: We believe that those projects that have been identified as the most important, for the most part, are prioritized correctly. However, We also believe that, in general, all of the fill-in-the-blank standards should receive a higher priority. The cofusion among the regions and the audited entities as to what is required and how best to identify the requirements is taking up valuable time. Many of the fill-in-the-blank standards require the Regional Reliability Organization to develop processes or procedures, and not Regional Reliability Standards. However, processes and procedures are not mandatory, and the registered entities are confused. Additinally, any region that initiates development of a regional reliabiblitystandard, simply to meet a fill-in-the-blank requirement could very well end up trying to withdraw that very regional standard if the NERC fill-in-the-blank standard gets modified removing the requirment for the region to devleop the standard in the first place. This could be problematic if FERC has approved some regional reliability standards intended to meet the fill-in-the blank requirements and determines that they are more stringent than the new NERC continent-wide standard. The result would still be different standards, with different requirements across the continent.
Example:
Recommendation for improvement:
Additional information:
Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

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Submission Information

Date: 9/21/10

Submitted by (Name):	**Organization:**
Dale Fredrickson *If submitted for a group, please complete the table at the end of this form.	Wisconsin Electric
Phone:	**E-mail:**
414-221-2484	dale.fredrickson@we-energies.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

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Example:
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2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See comments in Item 4. below
Recommendation for improvement: Upgrade status of this Project

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
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Note 1. http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

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Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

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Submission Information

Date: 9/21/10

Submitted by (Name):	**Organization:**
Dale Fredrickson *If submitted for a group, please complete the table at the end of this form.	Wisconsin Electric
Phone:	**E-mail:**
414-221-2484	dale.fredrickson@we-energies.com
NERC Committee (if applicable):	**Subcommittee, Working Group, or Task Force (if applicable):**
NERC Program Area (if applicable): Standards	**Compliance audit, readiness review, or events analysis (if applicable — specify the entity and date of the audit, evaluation, or event):**

Suggestion or Comment Detail (Complete only those items applicable to your submittal)
Notes: 1. Please be as specific as possible. 2. To the extent possible, please identify the specific element(s) of the standard (e.g. Requirement R1.2 or Section D.1.1 or Measure M1, etc.) each suggestion or comment pertains to. 3. If practical, please provide an example to clearly describe the issue. 4. If possible please provide a suggestion for improving the specific language of a standard to mitigate the issue.
1. Does this suggestion or comment address an existing standard? Yes ☐ No ☒ (If no, skip to the next question.)
Standard Number(s):
Standard Title(s):
Element(s) (i.e., Requirement R1.2., Measure M2., etc.):
Suggestion or Comment:
Example:
Recommendation for improvement:
2. Does this suggestion or comment address a standards development project identified in the current Reliability Standards Development Plan? Yes ☒ No ☐ (If no, skip to the next question.)
Project Number(s): 2010-07
Project Title(s): Transmission Requirements at the Generator Interface
Suggestion or Comment: See comments in Item 4. below
Recommendation for improvement: Upgrade status of this Project

3. Does this suggestion or comment address a new topic or issue (please be as specific as possible)? Yes ☐ No ☒
Reliability Issue:
Suggestion or Comment:
Example:
Recommendation for improvement:
4. Please provide any additional information you feel will assist the NERC standards staff in addressing this suggestion or comment that could not be captured in questions 1, 2, or 3 above:
Suggestion or Comment:
Example:
Recommendation for improvement:
Additional information: Wisconsin Electric appreciates the opportunity to comment on the Reliability Standards Development Plan for 2011-2013 (the Plan), particularly the proposed order of Projects. We understand that limited resources require NERC and its stakeholders to establish a rational and fair approach to ranking Projects. The Standards Committee's initial criteria for the prioritization tool establishes, as stated in the Plan, "an initial proposed queue for discussion and consideration." (p.18) As explained below, Wisconsin Electric believes that the criteria used in this initial ranking process did not fully account for the special circumstances and significance of the new standards needed to clarify requirements for generator interconnection transmission facilities (Project 2010-07 Transmission Requirements at the Generator Interface.) Therefore, we are responding to the invitation in the Plan to discuss additional criteria relating to this Project that we believe warrant the Standards Committee's reconsideration. Overview and Background: Need to Reconsider Status of Project 2010-07 Wisconsin Electric is concerned with the decision to exclude the Transmission Requirements at the Generator Interface Project (Project 2010-07) - based on the GO/TO Ad Hoc Group Report - from the list of high priority Projects. Unless the Standards Committee decides to elevate the importance of this Project, some generators may face the possibility of involuntary TOP registration. This outcome would be contrary to the Ad Hoc Group's technical experts, who expressly recommended that "NERC and the Regional Entities should refrain from further registering Generation Owners and Generation Operators as Transmission Owners and Transmission Operators generically by virtue of the Generator Interconnection Facility." (Final Report, p. 5)

Some entities have already been subjected to protracted and complicated negotiations to establish exactly which TOP standards will apply, as well as increased compliance exposure and risk. Despite the Ad Hoc Group's recommendations, it appears this will continue unchecked unless and until the Ad Hoc Group's SAR is developed and implemented. These circumstances, along with the report from the Board approved Ad Hoc Group of technical experts, distinguishes Project 2010-07 from virtually all other Projects. Accordingly, Wisconsin Electric respectfully requests that the criteria be rethought to give greater weight to the unique aspects of this Project.

(1) NERC Survey and The GO/TO Ad Hoc Group Report

At its meeting on February 9, 2009, the results of a generator owner/operator—transmission owner/operator survey were presented to the NERC Board. Of the 113 respondents, representing a cross-section of functional categories, an overwhelming majority commented that generator TOP registrations were unnecessary. As explained to the Board, "[T]he survey achieved its primary objective to help shape the issues and potential actions to resolve the Generator Owner/Operator reliability standard requirements." (MRC Meeting, Agenda Item 15, p. 6)

Due to the "significant level of interest" and "sensitivity of the issues", the board established the GOTO Ad Hoc Group (the Group), comprised of technical experts, "to thoroughly vet the issues raised and propose an action plan to resolve the issues for the long-term that may include proposed standards authorization requests for standards modifications." (Id.) When commenting on the Group's Final Report, many industry stakeholders supported the Group's findings (see Note 1 below).. Most agreed with the conclusions and recommendations, including "a sole-use facility that interconnects the generator to the grid should not be registered as a Transmission Owner or Transmission Operator by virtue of owning or operating its Generator Interconnection Facility." (Final Report, p.3)

(2) TOP Standards Were Not Designed or Intended to Apply to Generators

It is especially significant that the TOP Standards were not originally intended to apply to generators. Indeed, we can assume that few, if any generators participated in the TOP standards drafting process, because they had no reason to expect they would ever be subject to them. Therefore, generators currently face the possibility of having to comply with standards they did not, through no fault of their own, draft or comment on.

Consequently, due to the difficulties generators have complying with TOP standards, mitigation plans and related violations are highly likely, if not inevitable for generators forced into the TOP category. It is extremely important for the Standards Committee to reconsider the priority of Project 2010-07 so that an already appointed Standards Drafting Team can immediately set in motion the work necessary address this problem.

(3) Inconsistent, Disparate Treatment of Registered Entities

Many viewed the Final Report as a significant step toward addressing these operationally and legally

untenable circumstances. Indeed, the Final Report inspired optimism that a framework to ensure a consistent continent-wide approach, with standards specifically designed to address the gaps identified in Ad Hoc Group's technical assessment, was within reach (See Note 2 below).

Delays in the established drafting team's work to address the gaps with the standards the Ad Hoc Group envisioned increases the risk of inconsistent registrations resulting in disparate treatment of generators. In fact, it is not known whether those generators that are currently registered as TOPs are being treated similarly, and what justification and rational exists for not doing so.

Suggestions and Comments

Wisconsin Electric acknowledges the need for NERC to prioritize standards, as was highlighted during the discussion at the July 6 FERC technical conference that addressed Standards development. The use of the Standards Committee's Process Subcommittee (SCPS) tool helps stakeholders to understand how projects were determined to be considered a 'higher priority' than other projects. However, the prioritization tool could be improved by better accounting for the unique circumstances associated with the TOP registration of generators addressed in Project 2010-07.

The criteria for the SPCS tool scores for Project 2010-07 are appropriate but there are several areas where either the tool did not record scores for Project 2010-07 or assessed an unexplained low score. For example, Project 2010-07 scores no points for whether the project is needed to fill a reliability gap. However, in the Harquahala case, which provided the central focus for Project 2010-07, NERC rationalized the need to register certain generators as a TOPs based on its general perception of reliability gaps:

"NERC stated that a reliability gap exists because several high risk Reliability Standards do not otherwise apply to Harquahala under its other registration functions including those for vegetation management; taking corrective action if a protective relay failure reduces system reliability; coordinating protection systems; analyzing protection system misoperations and developing a corrective action plan to avoid future misoperations; developing procedures for monitoring voltage levels and reactive flow; and exercising the responsibility and clear decision-making authority to take actions needed to ensure the reliability of its area and to take action to alleviate operating emergencies."

[Ad hoc Group's Final Report on the Generator Requirements at the Transmission Interface]

The Ad Hoc Group's primary charge was to provide a technical assessment of the actual nature and extent of these perceived reliability gaps. The Group's work resulted in Project 2010-07 which, when completed, will address reliability gaps in a manner that will be far less burdensome and costly than placing generators into a functional category which most industry commentators believe is inappropriate and unnecessary. Therefore, the Project should have been credited with points as a Standard needed to fill identified gaps in reliability.

Project 2010-07 scored a 6, in recognition of incrementally improving BPS reliability. The Transmission Requirements at the Generator Interface SAR identifies that the Standard affects 25 different Standards and the SPCS tool notes that 4 of those are the most violated Standards. Project 2010-07 clearly

impacts many Standards, for which several are keenly important to ensuring reliability. Therefore Project 2010-07 should have scored either "Significantly" or at a minimum "Moderately" improves reliability.

Recommendation for Improvement

Wisconsin Electric appreciates the work of the Standards Committee and the challenges associated with prioritizing standards projects, each with their own merits. While the Transmission Requirements at the Generator Interface Project 2010-007 has been ranked high and approaches High Priority Projects Under Development list, we urge the Standards Committee to consider these comments and upgrade the status of Project 2010-07.

The Project 2010-07 drafting team's work is critical because it will limit registry overlap while better aligning an entity's responsibilities with its registration. Moreover, it will address reliability gaps in a manner that is far more efficient and compatible with the spirit and intent of the standards process. It is unacceptable for generators unfortunate enough to be forced to register as TOPs to have to negotiate on a case by case basis exactly which TOP standards will apply, and how. This is especially problematic because those very standards were not written for generators. It is time for generators' responsibility for gaps associated with their tie-lines to be rationally and clearly described in a formal standards process.

Note 1. http://www.nerc.com/files/GOTO_Comments_2009Sept23.pdf

Note 2. In FERC's Order on ERO Three-Year Performance Assessment (Docket Nos. RR09-7-000 and AD10-14-000) issued on September 16, the Commission declined to express support for the Ad Hoc Group's recommendations "at this time". (Order, ¶160-161) However, the Commission was "sympathetic" to concerns about consistency in registrations, and suggested that it would give greater weight to actions contemplated in the Ad Hoc Group's recommendations when approved by the NERC board. Therefore, the FERC Order underscores the need to act on the Ad Hoc Group's recommendations by proceeding with Project 2010-07 as soon as possible, so standards to address gaps at the generator/transmission interface can be developed and submitted to the NERC board for approval.

Thank you for the opportunity to provide these comments.

Thank you for taking the time to submit your suggestion(s) for improving the reliability of the bulk power system through improved reliability standards!

Group Comments (Complete this page if comments are from a group.)

Group Name:

Lead Contact:

Contact Organization:

Contact Segment:

Contact Telephone:

Contact E-mail:

Group Members (Names)	Group Member Organization	Region*	Segment*

* If more than one Region or Segment applies, please list all that apply.

Regional acronyms are:

Florida Reliability Coordinating Council (FRCC)
Midwest Reliability Organization (MRO)
Northeast Power Coordinating Council (NPCC)
ReliabilityFirst Corporation (RFC)
SERC Reliability Corporation (SERC)
Southwest Power Pool (SPP)
Texas Regional Entity (TRE)
Western Electricity Coordinating Council (WECC)

Segment numbers are:

1 — Transmission Owners
2 — RTOs and ISOs
3 — Load-serving Entities
4 — Transmission-dependent Utilities
5 — Electric Generators
6 — Electricity Brokers, Aggregators, and Marketers
7 — Large Electricity End Users
8 — Small Electricity End Users
9 — Federal, State, Provincial Regulatory or other Government Entities
10 — Regional Reliability Organizations and Regional Entities

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Submission Information

Submitted by: Sam Holeman
Organization: Duke Energy Corporation
E-mail: Sam.Holeman@duke-energy.com
Phone: 704-382-0011
Date: September 20, 2010

Comments:

- Clear focus on mission and objective in acknowledgement – good
- NERC's mission – does the first sentence need another word? An international regulatory "entity with the ??" authority.
- In the section 2011-2013 Projects – suggest that we use the same wording that we do in the tables for Additional priority projects in final balloting vs. additional priority projects near completion.
- I really appreciate the reduction in number of pages and the links to associated documents. This is a much easier read that it has been in the past.
- This is really becoming a one stop shopping spot for all things standards development based – good thing.
- Series of improvements – page 10 – I think the standing committees have a role in priorities. Who does the quality review (role for standing committees)? May want to put some details on the quality review. Point (6) – not sure how this will involve more participants. Point (8), where are the details behind these process descriptions?
- Do we want to include a link to the ANSII principles?
- Do we have a link to the drafting team membership lists for the projects?
- Transition to Results Based Standards – good description – A Venn diagram could illustrate this concept and provide visual clarity.
- Last sentence in second paragraph in this transition section is very effective and clear – should be point of focus.
- Sentence around Bal-001 is somewhat confusing – not sure of the point here ("The goal of the standard is to maintain…") – may want to bounce this off of the Resources Subcommittee.

After consultation with Tom Bowe and Larry Kezele, I hope to ask each OC subcommittee to review the priority lists provided in this plan and provide a screening of which standard best fits their charter and provide a summary position paper on the status of the specific projects and how they should fit within the development plan. I also will ask these OC subgroups to select 2-3 standards (existing) that fit within their standards and ask they to evaluate these standards against practical operations and a culture of compliance and a culture of reliability via position papers. Hopefully, we can get these reports ready for the 12/10 Standing Committee meetings.

Thanks for the opportunity to comment – I do think we are making progress.

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Submission Information

Submitted by: Don Watkins
Organization: Bonneville Power Administration
E-mail: dswatkins@bpa.gov
Phone: 360-418-2344
Date: September 16, 2010

Comments:

Thank you for soliciting comments from the NERC OC.

As an entity, BPA is submitting comments on this. As a NERC OC member (Fed-US), I want to strongly emphasize the detrimental impact resulting from the massive levels of documentation and administrative burden associated with current audit practices. This has absorbed high levels of our expertise (there is a limited supply of these experts even if entities could hire as many people as they wanted) which necessarily diverts and distracts from the level of attention that can be paid to direct reliability operations. It seems that there must be some robust ways of substantially reducing "administrivia" with minimal reliability risk to standards compliance and, at the same time, actually improving reliability.

I would also strongly support the idea of carefully assessing to assure that the solutions aren't worse that the problems, i.e. the cost of compliance requirements could exceed the practical value of the standard. For instance, we could redirect our attention to a much smaller set constituting the most important power system indicators rather that the more than a thousand current requirements that micro-manage every minute detail of reliability planning and operations. Focusing on the few distinguishes what is most important. This was the basis of the former WECC Reliability Management System (RMS) put in place after the 1996 Western blackout.

I would urge you to recognize where the body of experts on the system reside, and build that into the fabric of the standards development. While I have high respect for both NERC and FERC staff, the true expertise and "wisdom" of the BES is contained in the many experts spread across the continent that deal daily with the issues and nuances of the system.

Knowing that there are substantial differences in systems, I would also suggest that standards should provide guidelines, but allow for deference to the RRO's in whether certain facilities need to be treated as BES facilities or not. Sometimes hard rules lead to outcomes that defy common sense.

Finally, I would observe that trust has been broken between the major entities involved FERC, NERC, Entities) which will necessarily lead to burdensome impacts for compliance, etc. BPA supports the idea of a high level forum where FERC commissioners, NERC Executives and executives from entity classes can come together and collaborate, establishing a mutual understanding of each one's fundamental needs, and mutually working to fulfill those; all the while increasing the level of transparency and trust.

Thank you again for the opportunity to comments from the NERC OC.