

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Industry Webinar – Revised SAR

Project 2013-01 Cold Weather Preparedness

SAR Drafting Team  
March 20, 2013

**RELIABILITY | ACCOUNTABILITY**



- Welcome, Introductions, and Administrative Items
- NERC Antitrust Guidelines
- Opening Remarks
- History of Project
- Response to Industry and Next Steps
- Revised Standards Authorization Request (SAR) – Reasonable Approach

- SAR Drafting Team (DT) Members
  - Ed Schnell, SAR Drafting Team Chair, American Electric Power
  - Matt Averett, Southern Company
  - Jason Fisher, Minnesota Power
  - Mike Gentry, Salt River Project
  - Kevin Lynch, PSEG Power Fossil LLC
- NERC Staff
  - Barb Nutter, Standard Developer

- Two hour webinar
- Presentation the first hour
- Informal Question and Answer session during the second half
  - Submitted via the chat feature
    - Please reference slide number, etc.
  - Presenters will attempt to address each question
  - Some questions may require SAR DT discussion
  - Session is intended to provide better understanding and reduce the number of minor comments received during open comment period

- **NERC Antitrust Guidelines**

- It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition. It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

- Disclaimer
  - Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. The notice included the number for dial-in participation. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.
  - Proposed standard text in this presentation may not reflect the finalized draft of the posted standard after this webinar

- **Webinar Objectives**
  - Provide a high-level review of the February, 2011 event and actions initiated as a result
  - Discuss the steps taken in response to the industry concerns regarding the initial SAR
  - Discuss directional changes taken by the SAR DT
  - Discuss the SAR DT's approach to address cold weather preparedness
  - Provide the industry with preliminary exposure to components of the revised SAR before posting for comments



# History of Project 2013-01



- February 2, 2011 SW Winter Weather Emergency
- FERC/NERC Report Recommendations
- Initial SAR submitted July 2012
- SAR approved in September 2012 by Standards Committee
- Comment Period
  - September – October 2012

- February 2, 2011 SW Winter Weather Emergency
  - Multiple generating units were unavailable and unable to meet commitments, due to extreme winter weather conditions
  - Balancing Authorities (BAs) were forced to shed load, in order to maintain frequency
  - FERC, NERC, and Regional Entities investigated the event

- Comments to Project 2013-01 Initial SAR
  - The industry was concerned about the proposed requirements in the initial SAR
  - The SAR DT has determined the need for a revised SAR



# Response to Industry and Next Steps

- Unit capabilities and performance
- Operating Committee Guideline should be sufficient
- Regional issue
- Requirements already exist
- Administrative burden

- Unit capabilities and performance concerns
  - Reporting unit capability based on anticipated winter weather
    - Each weather event is dynamic
    - Concern Generator Owners (GOs) would report a “conservative value” for unit output
  - Lack of clarity of the initial SAR

- Operating Committee Guideline should be sufficient
  - Leaves a gap in applicability for EOP-001
  - Does not ensure institutionalization of knowledge
  - Unknown whether guideline alone supports regulatory concerns
  - Voluntary

- Regional Issue
  - Geographical regional variance vs. entity regional variances
  - Varying plant designs
  - There is no “one size fits all” approach
- Requirements already exist
  - Requirements exist for normal operations planning but do not address GO applicability in emergency operations planning
- Administrative Burden
  - Approach taken in revised SAR should alleviate this concern





# Revised SAR – Reasonable Approach

- Clarifying the scope of initial SAR
- Recognizing differing weather patterns across the continent
- Institutionalizing plant extreme winter weather preparation
- Closing the gap in EOP-001

- Clarifying the scope of initial SAR
  - Revised SAR
    - Eliminates varying interpretations
    - Removes language about unit capabilities
    - Clear and concise
    - Reasonable approach

- Recognizing differing weather patterns across the continent
  - Revised SAR
    - Recognizes differing weather patterns
    - Enables GOs to utilize operating experience, situational awareness, and weather forecasts to define extreme winter weather
    - Allows GOs to plan and prepare accordingly for their region, unit design, etc.

- Institutionalizing plant extreme winter weather preparation
  - Revised SAR will require GOs to
    - Develop, maintain, and implement extreme winter weather preparation plan for its generating units
    - Review annually – update as necessary
    - Communicate annual review with host BA and Generator Operator (GOP)

- Closing the gap in EOP-001
  - Revised SAR
    - Expands applicability to include GO
      - Attachment 1, Item 10
    - Emergency Operations
      - Extreme winter weather is not necessarily an emergency – lack of preparation may lead to a system Emergency

- Enhances reliability of the Bulk Electric System (BES) by
  - Requiring GOs to develop, maintain, and implement an extreme winter weather preparation plan for its generating units
  - Annually review and update (as necessary) the plan
  - Annual notification of this process will be made to the host BA and GOP, that the plan has been reviewed

- Purpose
- Applicable Entity
- Attachment 1, Item 10
- New Requirement



- Purpose
  - Each Transmission Operator, Balancing Authority, and **Generator Owner** needs to develop, maintain, and implement a set of plans to mitigate operating emergencies. These plans need to be coordinated with other Transmission Operators, **Generator Operators**, Balancing Authorities, and the Reliability Coordinator.
- Applicable Entity
  - Balancing Authority
  - Transmission Operator
  - **Generator Owner**

- Attachment 1, Item 10
  - Maximizing generator output and availability — The operation of all generating sources to maximize output and availability. ~~This should include plans to winterize units and plants during extreme cold weather.~~
- New Requirement R7

- R7 Generator Owner shall:
  - R7.1
  - R7.2
  - R7.3

- R7 Each Generator Owner shall:
  - R7.1 Develop, maintain, and implement an extreme winter weather preparation plan for its generating units where extreme winter weather is defined as a significant deviation from normal average temperatures for its region.

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  - R7.2 Review the extreme winter weather preparation plan for its generating units annually and update as necessary.

- R7 Each Generator Owner shall:
  - R7.1 Develop, maintain, and implement an extreme winter weather preparation plan for its generating units where extreme winter weather is defined as a significant deviation from normal average temperatures for its region.
  - R7.2 Review the extreme winter weather preparation plan for its generating units annually and update as necessary.
  - R7.3 Submit annual confirmation of the review of its winter weather preparation plan for its generating units to its Balancing Authority and Generator Operator.

- Measure for Requirement R7
  - M3
    - Each Generator Owner shall have evidence that it developed, maintained, and implemented an extreme winter weather preparation plan for its generating units in accordance with Requirement R7.

- Today's important takeaways
  - Considerable industry feedback to the initial SAR
  - SAR DT working to address concerns through outreach
  - Acknowledge importance of emergency planning for extreme winter weather preparedness
  - Develop a reasonable approach to addressing industry and regulatory concerns
  - Close a gap in EOP-001 via proposed Requirement R7 and Measure M3
  - SAR revised to enhance reliability of the BES





# Questions and Answers

- Please submit your questions via the chat window
  - This session was intended to help general understanding
  - Please reference slide number, etc.
  - Presenters will respond to as many as possible
- Comments for the official record
  - Comments must be submitted during open comment period
  - Webinar and chat comments are not a part of the project record

- **Effective feedback:**
  - Specific to question, brevity is best
  - Provide suggestions or alternative approaches
  - Indicating agreement with others is preferred over copying the comments (e.g., ABC agrees with XYZ's comments..." or ABC agrees with XYZ's comments except for..") Provide proposed change and rationale
- **Less effective feedback:**
  - Repeating the same comment multiple times
  - No reference to where suggested change should occur
  - Non-specific concerns (e.g. This standard is not needed.)"

- NERC Standards Developer, Barb Nutter
  - Email at [barbara.nutter@nerc.net](mailto:barbara.nutter@nerc.net)
  - Telephone: 404.446.9692
  - To receive project announcements and updates
    - Request to be added to CWPREP\_Plus
- Next Steps
  - Post revised SAR for 30-day comment period in April 2013
  - Industry feedback on revised SAR will determine next steps

Additional information can be found on the NERC website:

- February 2011 Southwest Cold Weather Event  
(<http://www.nerc.com/page.php?cid=5|393>)
- FERC/NERC Staff Report on February 1-5, 2011 Southwest Cold Weather Event ([http://www.nerc.com/files/SW\\_Cold\\_Weather\\_Event\\_Final\\_Report.pdf](http://www.nerc.com/files/SW_Cold_Weather_Event_Final_Report.pdf))
- Project 2013-01 – Cold Weather Preparedness  
([http://www.nerc.com/filez/standards/Project2013-01\\_Cold\\_Weather.html](http://www.nerc.com/filez/standards/Project2013-01_Cold_Weather.html))