

Consideration of Comments
Draft 2 of Version 0 Reliability Standards
Comment Period: September 1 to October 15, 2004

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Introduction

The Version 0 Drafting Team received 96 comment forms in response to its September 1, 2004, posting of the Draft 2 Version 0 Reliability Standards. The Drafting Team received several additional unstructured comments in the form of letters, markups of the draft standards and emails. All [comments](#) received by the Drafting Team during the comment period are posted for public viewing.

The Drafting Team met October 20-21 in New Orleans to consider the comments. NERC staff had transferred the comments into a tabular format and reordered the comments by subject so that the Drafting Team could discuss one issue or standard at a time.

The summary below explains the considerations the Drafting Team gave to comments received on survey questions on the comment form, as well as a few additional key issues raised by commenters. The Draft 2 survey results and the Drafting Team's response to comments on specific planning standards and operating standards are posted as well on the [Version 0 Reliability Standards web page](#).

The Drafting Team believes that comments on Draft 2 show the industry has converged on interim solutions to a number of key issues to allow Version 0 to proceed to ballot in December 2004. The Drafting Team has strived to be as responsive to the comments as possible in the third draft, while remaining within its charter of translating the existing reliability rules into a reliability standard format, within the context of the functional model.

Overall Support for the Version 0 Standards as a Work in Progress

Question 10 of the Draft 2 questionnaire asked:

Recognizing the Draft 2 Version 0 Standards are still draft and subject to further improvement based on public comments, if you were asked today to consider voting to approve the Version 0 Standards (in single block vote) as presented in Draft 2, how do you think you would vote?

- 11 answered they would approve the standards as presented.
- 55 answered they would approve the standards conditioned on certain improvements being made.
- 21 answered they would not approve the standards.
- 10 did not respond.
- 2 answered both affirmative and negative.

Consideration of Comments

The drafting team is encouraged by the degree of consensus shown by this informal straw poll. However, these results are not based on a weighted average vote and should not be considered a prediction of the eventual vote on the standards. Nonetheless, nearly 76% of the respondents indicated they would respond favorably on the vote (13% approving the standards as presented and 63% indicating conditional approval if certain issues are addressed). The major issues affecting these conditional votes were a) confusion over the roles of the Reliability Authority and Reliability Coordinator and b) the inclusion of Phase 3 and 4 planning standards that lacked a historical basis for showing industry consensus.

The Drafting Team believes it has resolved those two important issues in Draft 3 in response to consensus comments from industry with the following decisions:

- Defer implementation of the Reliability Authority in Version 0 (remove the Reliability Authority from the standards). Include the Reliability Coordinator with the same requirements that exist in current policy. Recommend a task group be immediately formed to resolve functional model implementation issues, including the Reliability Authority – Reliability Coordinator relationship.
- Keep the questionable Phase 3 and 4 planning standards out of Draft 3 of the Version 0 standards and recommend the expedited development of replacement Version 1 standards to fill the gaps in those areas.

Question 11 of the Draft 2 questionnaire asked:

Are there any “show stoppers” in the approach or results to date that would prevent you from approving the standards? If so, what are they?

Question 12 of the Draft 2 questionnaire asked for any additional comments.

The most critical issues identified in the comments submitted for questions 10 – 12 were:

Reliability Coordinator/Reliability Authority Issue – The most frequently cited “show stopper” was the potential confusion caused by including both the Reliability Coordinator and Reliability Authority in Draft 2 of the Version 0 standards. The majority of commenters favored including the Reliability Coordinator (57 to 18 in response to Question 1). This approach is logical because existing operating policies refer to Reliability Coordinators as a responsible entity. It is unclear whether these requirements could be assigned to the Reliability Authority in a manner consistent with the Functional Model – the Reliability Coordinator responsibilities do not coincide neatly with those assigned to the Reliability Authority in the Functional Model. The Drafting Team agrees with the majority of commenters and has retained the Reliability Coordinator in Draft 3.

The most significant “show stopper”, however, was the inclusion of the Reliability Authority in addition to the Reliability Coordinator. Some argued that having two “reliability” entities would lead to uncertainty regarding who had ultimate authority or accountability. The Drafting Team found that when it included the Reliability Authority in Draft 2, many of the requirements were either redundant with those assigned to Transmission Operators or were contrived extrapolations of existing policy meant to capture the reporting hierarchy between the Transmission Operator, Balancing Authority, and Reliability Authority. For these reasons, the Drafting Team has determined that the Reliability Authority should be removed from Draft 3. The Drafting Team recommends that implementation of the Reliability Authority be deferred pending development of a Functional Model implementation plan and a review of the Functional Model to clarify the relationship between the Reliability Coordinator and Reliability Authority and to resolve other issues.

Ultimately, this approach may be unsatisfactory to some because it leaves unresolved the question raised by the discussion: Who has ultimate authority and responsibility for reliability? Some believe it exists at the current control areas and others believe it exists at the regional entity with reliability oversight. This fundamental question cannot be resolved in the time frame of Version 0 standards and must be addressed in the future in the Functional Model implementation planning process.

Phase 3 and 4 Planning Standards – The second most significant “show stopper” mentioned was the Phase 3 and 4 planning standards that lacked consensus and that were felt by some to be technically deficient in their current form. Over the past six years, the NERC planning standards were approved through a phased approach. For each phase, the standards were to have been field tested, commented on, revised, and implemented. Phases 1, 2, and 2B standards went through this process. The Drafting Team considered the resulting planning standards to be consensus industry standards for inclusion in Version 0.

Some Phase 3 standards were field tested, but the comments were never fully resolved, and Phase 4 standards were never field tested. In the posting of Draft 2, the Drafting Team proposed to removing these incomplete Phase 3 and 4 planning standards from the Version 0 reliability standards and asked for comments. The industry voiced overwhelming support (71 to 11 in response to Question 5) for removing the Phase 3 and 4 planning standards from Version 0. Therefore, most of the requirements in the following planning standards have not been included in Draft 3 of the Version 0 reliability standards:

- I.D, Voltage Support and Reactive Power
- I.F, Disturbance Monitoring
- II.B, Generation Equipment Modeling
- II.E, Dynamic Demand Characteristics
- III.B, Transmission Control Devices
- III.C, Generator Protection and Control
- III.E, Under Voltage Load Shed
- IV.A, System Blackstart Capability
- IV.B, Automatic Restoration of Load

In some instances, individual requirements of the Phase 3 and 4 planning standards were “crisped” in the compliance templates approved by the board in April 2004 (e.g., IV.A.M1). These requirements have been retained in Draft 3 of the Version 0 standards.

While a large majority of commenters supported this approach, many of them calling this issue a “show stopper”, a minority had the opposite reaction. These commenters pointed out that the Phase 3 and 4 planning standards: a) had been approved by the board and were therefore existing standards; b) addressed several board and government task force recommendations from the August 2003 blackout; and c) would leave a reliability gap if absent from Version 0. In response to these concerns, the Drafting Team

recommends an expedited development of replacement standards outside of the Version 0 project. With an April 1, 2005, implementation date for Version 0, the Drafting Team is hopeful that any gaps in the standards can be resolved as soon as practical thereafter.

Inclusion of Guides – Some commenters indicated that inclusion of guides as attachments to the standards would be a “show stopper”. Industry comments were split 41 to 37 in favor of keeping the guides in the standards. Those in favor did not want to lose the documentation of best practices included in the guides. Those opposed argued that the standards should include only mandatory requirements and not voluntary guides.

The Drafting Team has determined in preparing Draft 3 that only mandatory requirements should be in the Version 0 standards. However, any policy guides that were adopted into the compliance program with the board’s approval of the compliance templates in April 2004 are considered to be mandatory requirements. On that basis, the majority of the attachments to the operating standards in Draft 2 of the Version 0 standards have been retained in the standards. Specific line items that were included in the operating guides but not in the compliance templates were removed. The only guide that was removed in its entirety was the operator training program guide (Appendix 8B). This guide was removed because a) the criteria need to be updated in the functional model framework and that would take too long for the Version 0 standards project and b) the criteria were not explicitly listed in Compliance Template P8T3.

Inclusion of Generator Operators/Owners, Load-Serving Entities, Distribution Providers, and Purchasing-Selling Entities – Several commenters cited the inclusion of these functions in the Version 0 standards as a “show stopper” issue. However, the majority of commenters on Draft 1 supported including these functions where there are existing standards today. The Drafting Team agrees with the majority of commenters that these functions should remain in the Version 0 standards, where there is a logical translation of an existing requirement in an operating policy or planning standard. An argument of the minority is that these entities are not part of the compliance monitoring process. However, it is a well-recognized fact that not all NERC standards are currently included in the compliance reviews (compliance templates do not cover all operating policies and planning standards). This does not lessen the obligation of the responsible entities to comply with these standards or to be accountable following a reliability incident. Some with the majority view have also argued that including these responsible entities provides leverage to ensure interconnection and service agreements include the necessary reliability requirements.

Definition of Bulk Electric System – Several commenters noted that lack of clarity in the definition of the Bulk Electric System was a “show stopper”. The Drafting Team agreed and updated this definition in the glossary. The definition provides a set of default criteria for the Bulk Electric System and leaves a role for the Regional Reliability Organization to adapt those criteria as needed. The definition retains the key elements of the several historical definitions of Bulk Electric System but has been simplified.

Other Issues – There were other issues mentioned as “show stoppers”. Each of these related to a specific standard and was addressed in the response to comments for the individual planning or operating standards.

Inclusion of Reliability Coordinator

Question 1 of the Draft 2 questionnaire asked:

The Drafting Team has determined that the Version 0 reliability standards will be less confusing to industry and less disruptive to the compliance monitoring program if all NERC operating policy

requirements currently assigned to Reliability Coordinators remain assigned to Reliability Coordinators in Version 0. The Drafting Team has therefore changed Reliability Authority back to Reliability Coordinator in Standards 033 to 040 and in a few other requirements that apply to Reliability Coordinators in several other standards. Do you agree with this change?

- 57 respondents indicated yes.
- 18 respondents indicated no.

Consideration of Comments

The Drafting Team has agreed to retain the Reliability Coordinator in Draft 3 with requirements assigned to be consistent with existing operating policies. The reasons for this decision are outlined in the discussion of “show stopper” issues above.

Inclusion of Reliability Authority

Question 2 of the Draft 2 questionnaire asked:

Should Version 0 reliability standards retain both the Transmission Operator and Reliability Authority, or should Version 0 adopt the Transmission Operator for now and leave implementation of the Reliability Authority for future versions of the standards and after clarification of the responsibilities of the Reliability Coordinator and Reliability Authority in the Functional Model?

- 33 respondents indicated the Drafting Team should retain the Reliability Authority, as well as the Transmission Operator.
- 30 respondents indicated the Reliability Authority should be removed from Version 0 standards.

Consideration of Comments

While industry respondents were split on this issue, the Drafting Team recognized that inclusion of both the Reliability Authority and Reliability Coordinator would be confusing and create strong objections from a significant number of organizations in the ballot pool. For the reasons described under “show stoppers” the Drafting Team has removed the Reliability Authority from Draft 3. The Drafting Team recommends that implementation of the Reliability Authority be deferred pending development of a Functional Model implementation plan and a review of the Functional Model to clarify the relationship between the Reliability Coordinator and Reliability Authority and other issues.

Dynamic Scheduling Requirement

Question 3 of the Draft 2 questionnaire asked:

In order to correct a deficiency in current operating policy, the Drafting Team proposes an alternative requirement (Requirement 5 of Standards 013) defining when dynamic schedule tags have to be modified. Alternative A is a translation of existing policy. Alternative B is a proposal of the Drafting Team to correct this deficiency in current policy. Which alternative do you prefer for adoption in Version 0?

- 26 respondents preferred to stay with the requirement in existing policy.
- 40 respondents preferred to adopt language to correct the deficiencies in the dynamic scheduling requirement.

Consideration of Comments

The Drafting Team agrees with the majority of commenters and has adopted Alternative B into Draft 3, thereby proposing to correct a recognized deficiency in the current policy. The Drafting Team considered this choice carefully because it could be interpreted as exceeding the scope of the project to translate existing policies and standards. However, the Drafting Team was given additional guidance in August by the Standards Authorization Committee not to incorporate standards known to be flawed. Thus the Drafting Team believes it is within the scope of the project to recommend dropping the Phase 3 and 4 planning standards and to modify the dynamic scheduling requirement to correct known deficiencies.

Inclusion of Guides

Question 4 of the Draft 2 questionnaire asked:

Do you agree with including these (guides as) attachments to the Version 0 standards along with “shall be considered” requirements?

- 41 respondents preferred to retain the guides as shown in Draft 2.
- 37 respondents preferred to no include the guides in the Version 0 standards.

Consideration of Comments

The Drafting Team response is outlined in the section on “show stoppers”. The majority of the so-called guides were retained in Draft 3 because they were explicitly stated as requirements in the April 2004 compliance templates, even though they were listed as guides in the operating policy. Where any specific elements were listed in the guide but not the compliance template, the Drafting Team dropped those elements. Appendix 8B describing the recommended elements of an operator training program was dropped as an attachment to Standard 031 for the principal reasons that a) the document was dated and there is not sufficient time to revise the document and achieve consensus in the Version 0 project timeframe and b) the required elements were not explicitly stated in Compliance Template P8T3 – there was simply a reference to the guide.

Phase 3 and 4 Planning Standards

Question 5 of the Draft 2 questionnaire asked:

Do you agree with dropping the (Phase 3 and 4) planning standards from Version 0 on the basis that the standards are incomplete, not validated through field testing, or not refined after deficiencies were noted in field testing?

- 71 respondents recommended dropping the listed planning standards.
- 11 respondents preferred to no include the guides in the Version 0 standards.

As noted previously, this issue was also mentioned as a “show stopper” issue for many respondents.

Consideration of Comments:

As described above in the “show stoppers” section, the Drafting Team has kept these standards out of Draft 3 and recommends an expedited development of replacement standards outside of the Version 0 project.

TTC/ATC/CBM/TRM as Business Practices

Question 6 of the Draft 2 questionnaire asked:

Should any portion of Standards 054 (TTC and ATC), 055 (CBM), or 056 (TRM) be a NAESB business practice? If yes, which section(s)?

- 32 respondents thought Standard 054 (TTC and ATC) was a business practice and 41 did not.
- 37 respondents thought Standard 055 (CBM) was a business practice and 32 did not.
- 17 respondents thought Standard 056 (TRM) was a business practice and 54 did not.

Consideration of Comments:

The industry response on this question was mixed. The Drafting Team believes significant portions of these standards are suitable as business practices but reliability requirements are included as well. Also, NAESB has indicated that it cannot adopt these standards as business practices in the time frame of the Version 0 project. Therefore, the Drafting Team has retained these standards in Draft 3 and recommends formation of a joint NERC-NAESB task group to immediately begin work on a replacement set of standards that would divide the business practice and reliability elements for assignment to NAESB and NERC respectively.

Distribution Provider in Facility Ratings Standard

Question 7 of the Draft 2 questionnaire asked:

The Distribution Provider was added to the list of entities that must comply with Standard 060 (Facility Ratings). Do you agree with this addition?

- 23 respondents agreed with including the Distribution Provider in this standard.
- 47 respondents did not.

Consideration of Comments:

The Drafting Team agrees with the majority of commenters and has not added Distribution Providers to the list of entities responsible for complying with the Facility Ratings standard.

Glossary of Terms

Question 8 of the Draft 2 questionnaire asked for comments on the proposed Glossary of Terms Used in Reliability Standards.

Consideration of Comments:

The Drafting Team received numerous constructive comments to improve the glossary and incorporated those in the Draft 3 Glossary of Terms Used in Reliability Standards. Specific changes may be seen by viewing the redline version of the glossary posted with Draft 3.

Standards Numbering Convention

Question 9 of the Draft 2 questionnaire asked:

Do you agree with changing to the proposed new numbering scheme in Version 0 (prior to the next posting for ballot) or do you prefer to keep the numbering scheme as used in Version 0 Draft 2 and address standards numbering later?

- 48 respondents recommended adopting the new numbering convention in Version 0.
- 34 respondents preferred to defer any changes in numbering until after Version 0.

Consideration of Comments:

The Drafting Team has adopted the recommendation of the majority of commenters to make the numbering change now in Version 0 rather than delaying the decision and having to make a change later. To facilitate the mapping of the Version 0 standards, the Drafting Team has retained both the old numbers and the new numbers in the Draft 3 posting.

Consideration of Specific Comments on Version 0 Standards

Drafting Team responses to comments on specific operating and planning standards are provided in separate Adobe Acrobat files posted under Draft 2 Response on the Version 0 Reliability Standards web page.