

Consideration of Opinions on Non-binding Poll of VRFs and VSLs — Project 2010-10 – FAC Order 729

Dates of Non-binding Poll: 12/30/2010 - 1/8/2011

Summary Consideration: Most commenters agreed with most of the proposed VRFs and VSLs.

Based on stakeholder comments, the drafting team made conforming changes for improved clarity with the VSLs for R1 and corrected an error in the VSLs for R2. The VSLs for R2 started with a Lower VSL that described acceptable performance (providing within 30 calendar days of a request). The VSLs for R2 were corrected so that the VSL for Lower is 60 days late, with 30-day increments from there.

No changes were proposed or made to any of the VRFs.

If you feel that the drafting team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process. If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Herb Schrayshuen, at 609-452-8060 or at herb.schrayshuen@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

Balloter	Entity	Segment	Vote	Comment
Venkataramakrishnan Vinnakota	BC Hydro	2	Negative	BC Hydro does not support FAC Order 729 revisions therefore we reject the revisions to the VRF VSL
Pat G. Harrington	BC Hydro and Power Authority	3	Negative	
Clement Ma	BC Hydro and Power Authority	5	Negative	
Gordon Rawlings	BC Transmission Corporation	1	Negative	
<p>Response: The ERO has been directed to make changes to the standard to comply with a FERC directive. Most stakeholders who participated in the comment periods for the revision of FAC-012 and FAC-013 indicated support for this project. FERC Order 729 determined in paragraph 290 that the assessment of transfer capability “will be useful for long-term planning, in general, by measuring sufficient long-term capacity needed to ensure the reliable operation of the Bulk-Power System.” The standard drafting team is charged with addressing FERC’s directives to the ERO and has sought to find an equally effective and efficient means to meet FERC’s directive - while maximizing the benefit to reliable transmission system planning.</p>				
Joseph S. Stonecipher	Beaches Energy Services	1	Negative	(See my comments for the other ballot for Project 2010-10)
<p>Response: Please see the response to your comments in the “Consideration of Comments Report” for comments submitted during the public posting period.</p>				
Gregory Van Pelt	California ISO	2	Negative	Reference the IRC Standards Review Committee Comments
<p>Response: Please see the response to the IRC SRC’s comments in the “Consideration of Comments Report” for comments submitted during the public posting</p>				

¹ The appeals process is in the Reliability Standards Development Procedure: http://www.nerc.com/files/RSDP_V6_1_12Mar07.pdf.

Balloter	Entity	Segment	Vote	Comment
period.				
Gregg R Griffin	City of Green Cove Springs	3	Negative	R2 is confusing. The main requirement requires distribution of the methodology; however, bullet 2.2 requires distribution of the results. Which is it? It would seem bullet 2.2 needs to be redrafted to refer to the methodology since the distribution of results is in R5. R5 needs more clarity. It says that the PC must make the results available, but to whom? Due to CEII, we presume this is not for publishing on a web-site, so, we presume that the recipients would be the same as in R2, but, R5 should specifically say so. Would it make sense to move R4 to before R2 and combine R2 with R5 , and R3 with R6 and have R2/R5 and R3/R6 refer to both the methodology and results?
Response: Response:				
R2 - Thank you for your comments. R2.2 requires the distribution of the Planning Coordinator's Transfer Capability Methodology, not the assessment results. The revised standard requires distribution of the methodology under R2, Part 2.2 and distribution of the assessment results under R5 – in both cases to those entities with a reliability related need for the information.				
R5. Each Planning Coordinator shall make the documented Transfer Capability assessment results available within 45 calendar days of the completion of the assessment to the recipients of its Transfer Capability Methodology pursuant to R2.1 and R2.2. However, if a functional entity that has a reliability related need for the results of the annual assessment of the Transfer Capabilities makes a written request for such an assessment after the completion of the assessment, the Planning Coordinator shall make the documented Transfer Capability assessment results available to that entity within 45 calendar days within receipt of the request				
Move R4 to before R2 and combine R2 with R5: The SDT believes the current ordering provides the best clarity. R1, R2 and R3 deal with the methodology and R4, R5 and R6 deal with the assessment.				
Randall McCamish	City of Vero Beach	1	Negative	Although the Standard Drafting Team (SDT) has made very significant improvements to the standard, there are a few items that ought to be "fixed". R2 is confusing. The main requirement requires distribution of the methodology; however, bullet 2.2 requires distribution of the results. Which is it? It would seem bullet 2.2 needs to be redrafted to refer to the methodology since the distribution of results is in R5. R5 needs more clarity. It says that the PC must make the results available, but to whom? Due to CEII, we presume this is not for publishing on a web-site, so, we presume that the recipients would be the same as in R2, but, R5 should specifically say so. Would it make sense to move R4 to before R2 and combine R2 with R5 , and R3 with R6 and have R2/R5 and R3/R6 refer to both the methodology and results?
Frank Gaffney	Florida Municipal Power Agency	4	Negative	
David Schumann	Florida Municipal Power Agency	5	Negative	
Richard L. Montgomery	Florida Municipal Power Agency	6	Negative	
Stan T. Rzad	Keys Energy Services	1	Negative	
Response: Response:				
R2 - Thank you for your comments. R2.2 requires the distribution of the Planning Coordinator's Transfer Capability Methodology, not the assessment results.				

Balloter	Entity	Segment	Vote	Comment
<p>The revised standard requires distribution of the methodology under R2, Part 2.2 and distribution of the assessment results under R5 – in both cases to those entities with a reliability related need for the information.</p> <p>R5. Each Planning Coordinator shall make the documented Transfer Capability assessment results available within 45 calendar days of the completion of the assessment to the recipients of its Transfer Capability Methodology pursuant to R2.1 and R2.2. However, if a functional entity that has a reliability related need for the results of the annual assessment of the Transfer Capabilities makes a written request for such an assessment after the completion of the assessment, the Planning Coordinator shall make the documented Transfer Capability assessment results available to that entity within 45 calendar days within receipt of the request</p> <p>Move R4 to before R2 and combine R2 with R5: The SDT believes the current ordering provides the best clarity. R1, R2 and R3 deal with the methodology and R4, R5 and R6 deal with the assessment.</p>				
Henry Ernst-Jr	Duke Energy Carolina	3	Affirmative	<p>Duke Energy appreciates the work of the drafting team and offers the following clarifying changes for further improvement to the standard.</p> <p>1. The VSLs for R2 are incorrect. The paragraph after the “OR” in the Lower VSL is not a violation. To correct this, replace the paragraph after the “OR” in the Lower VSL with the corresponding paragraph from Moderate.</p> <p>Likewise, move the paragraph after the “OR” in Higher to Moderate. Also, modify the paragraph after the “OR” in High to make it 90 to 120 days. Then add a new paragraph after the “OR” in Severe, making it more than 120 days after receipt of a request.</p>
Response: Correct – the VSLs for R2 have been revised in support of your comments.				
Ajay Garg	Hydro One Networks, Inc.	1	Abstain	We do not have any concerns with the revised VSLs but caution that they may need to be revised depending on the SDT’s response to our comments on the standard and any other industry comments.
David L Kiguel	Hydro One Networks, Inc.	3	Abstain	
Response: Please see the SDT’s proposed modifications to the standard.				
Kim Warren	Independent Electricity System Operator	2	Negative	If our comments on the requirements are accepted, the VRFs and VSLs will need to be revised.
Response: Please see the SDT’s proposed modifications to the standard.				
Larry E Watt	Lakeland Electric	1	Negative	This standard requires clarification prior to setting of VRF/VSL.
Response: Please see the SDT’s proposed modifications to the standard.				
Mace Hunter	Lakeland Electric	3	Negative	FAC-013-2 lacks clarity, its VSLs are severe for what amounts to a long range sensitivity study, and the requirements should better match the purpose. The whitepaper adds some clarity; however, the clarity should be in the standard, not in associated white papers. It is unclear if the intent is to have the PC determine the amount of internal generation that can be replaced with external generation or if the PC should determine system upgrades using Transfer Capability as a consideration. These two studies would be approached differently and give different results. There are many reasons, beyond the two discussed, to perform

Balloter	Entity	Segment	Vote	Comment
				<p>TC determination. Recommend better refining of the purpose of the Transfer Capability Assessment to be performed. An example of a requirement that requires clarification: Requirement R1, Part R1.3 "A statement that the assumptions and criteria used to perform the assessment are consistent with the Planning Coordinator's planning practices.", is intended to provide consistency in the performance of the assessment of transfer capability and the planning practices used in the evaluation of the reliability of the BES. Does this mean the PC perform category 'D' [per TPL-004 table 1] analysis for each transfer considered? It is recommended that the standard better spell out the minimum criteria used to limit the transfer. Finally, R2 – R5 have the PC distribute the methodology, assessment and assessment data beyond that which is necessary. Dissemination should be "on request." While this standard supports reliability through an increase in awareness, other standards, applicable to the PC, ensure the entity has a "Plan" which ensures reliability. As this amounts to a sensitivity study as part of the annual TPL based assessments the VSLs should be reduced.</p>
<p>Response: The SDT believes the VSLs are appropriate. The commenter appears to be referring to VRFs. FAC-013-2 has been written to provide flexibility to the Planning Coordinator to perform the assessment according to their knowledge of the behavior and needs of their system. The SDT does not believe it is appropriate to specify load level, contingency events, nor cut off factors to be used in the assessment. The SDT believes it is essential that adjacent Planning Coordinators be provided the assessment result. Dissemination on request does apply to other reliability related entities.</p>				
Jason L Marshall	Midwest ISO, Inc.	2	Negative	Missing one of the parts 1.1, 1.2, 1.3 or 1.5 is a Moderate VSL while missing only part of 1.4 is a Lower VSL. This implies that missing one of the parts 1.1, 1.2, 1.3 or 1.5 are deemed to have missed a greater part of the requirement as a whole than missing part of 1.4. We disagree and, thus, recommend that the VSLs for missing one of 1.1, 1.2, 1.3 or 1.5 should start at a Lower VSL and increment to the next VSL for each successive missing part.
James D Burley	Midwest Reliability Organization	10	Negative	
<p>Response: The SDT believes the existing VSLs are correct and logical and follow NERC's guidance on VSL's for requirements with parts that contribute unequally to the requirement: If a requirement has several parts, and the parts contribute unequally to the reliability-related objective of the requirement, then noncompliance with each of the parts should be clearly associated with at least one of the VSLs. Missing one or two parts of R1.4 is not as significant as missing all of 1.1, 1.2, 1.3. or 1.5. The SDT revised the format of the VSLs for R1 to improve this clarity.</p>				
Robert Matthey	Ohio Valley Electric Corp.	1	Negative	VSLs don't take into account the impact of each of the sub-requirements. Not all sub-requirements are of equal importance but VSLs are based on a number of sub-requirements that are not met without taking into account the reliability impact of the particular sub-requirement.

Balloter	Entity	Segment	Vote	Comment
<p>Response: The SDT deliberated over the VSLs and did assign them based, as you suggest, on their assessment of the contribution that each "part" of the requirement makes to the whole requirement. In the SDT's assessment, missing part of 1.4 has a lesser impact on meeting the intent of the requirement than missing a part of 1.1, 1.2, 1.3 or 1.5 – thus the VSLs that were posted for ballot proposed that meeting a part of 1.4 would be a Lower VSL, and missing a part of 1.1, 1.2, 1.3 or 1.5 would be a Moderate VSL. The SDT revised the format of the VSLs for R1 to improve this clarity.</p>				
John C. Collins	Platte River Power Authority	1	Negative	<p>We suggest writing FAC-013-2 as a Transfer Capability methodology only, and let the entities with a need to determine Transfer Capabilities in the Planning Horizon apply the methodology in a Planning Horizon year of their choosing. According to the December 9, 2010 White Paper for FAC-013-2, there is a desire to "add to the portfolio of knowledge for planning for future reliable operation of the BES" and "to identify potential future weaknesses in the system." We suggest a Transfer Capability assessment belongs in the new draft TPL-001-2 where it could be studied in one of the Near-Term TPL studies, and where past Transfer Capability studies (as qualified in R2.6 of TPL-001-2 Draft 6) would be acceptable under the test for no material changes in the system (don't force an annual assessment).</p>
Terry L Baker	Platte River Power Authority	3	Negative	
Carol Ballantine	Platte River Power Authority	6	Negative	
<p>Response: The SDT does not believe that writing the standard so that it only includes a transfer capability "methodology" would not meet the intent of the directives issued in Order 729. In the future, the requirement to conduct a planning transfer capability assessment may be moved into another standard, but to meet the deadline of filing a standard by January 28, 2010, the SDT believes that the most expeditious way of meeting the FERC deadline was to develop the proposed requirements in the revised FAC-012 standard.</p>				
Henry E. LuBean	Public Utility District No. 1 of Douglas County	4	Negative	<p>Since I voted NO for the 2010-10 standard, I thought it was appropriate to vote no on this ballot to be consistent. The reason I used for the NO vote on the standard is: We agree with others that there is a conflict between the purpose statement and the title of the standard, as well as a concern regarding the potential for double jeopardy given that the requirements of the proposed FAC-013-2 are duplicative with other standards. We suggest, along with others, that it would be more appropriate to incorporate the requirement of this proposed standard into the appropriate section of FAC-010, FAC-014, and the TPL Planning Standards.</p>
<p>Response: The SDT does not believe that there is a conflict between the purpose statement and the requirements – and does not believe that the requirements in the proposed standard duplicate requirements in other standards. Note, however, that the team did rearrange the text within the purpose statement to improve the alignment between the purpose statement and the associated requirements.</p>				
Greg Lange	Public Utility District No. 2 of Grant County	3	Negative	<p>If we don't believe the standard is necessary then we can't vote for the VSL's.</p>
<p>Response: The ERO has been directed to make changes to the standard to comply with a FERC directive. Most stakeholders who participated in the comment periods for the revision of FAC-012 and FAC-013 indicated support for this project. FERC Order 729 determined in paragraph 290 that the assessment of transfer capability "will be useful for long-term planning, in general, by measuring sufficient long-term capacity needed to ensure the reliable operation of the Bulk-Power System." The standard drafting team is charged with addressing FERC's directives to the ERO and has sought to find an equally effective and efficient means to meet FERC's directive - while maximizing the benefit to reliable transmission system planning.</p>				

Baller	Entity	Segment	Vote	Comment
Anthony E Jablonski	ReliabilityFirst Corporation	10	Negative	ReliabilityFirst thanks the SDT for making changes to the VSLs based on the previous comments, but still has concerns with the VSL designations for R2, R3 and R5. The designation of number of days is not inclusive. For example, what if and entity notified one or more of the parties specified in Requirement R2 of a new or revise Transfer Capability Methodology exactly 30 days after its implementation. Falling exactly at 30 days is "not more than 30 calendar days..." so it is not a Lower VSL. Falling exactly at 30 days is not "more than 30 calendar days" either, thus not a Moderate VSL. The SDT should consider revising the language to state: "more than or equal to 30 calendar days after its implementation..." within the Moderate, High and Severe VSLs. Please note the emphasis on the words "or equal to".
Response: The entity that was 30 days late would fall into the "not more than 30" and is a Lower VSL. The Lower VSL for R2 should have started with 60 days, and this correction has been made.				
Keith V. Carman	Tri-State G & T Association, Inc.	1	Negative	Tri-State's has submitted comments to support the negative vote through the electronic form provided on the Project 2010-10 Standards page.
Response: Please see the drafting team's response to the comments submitted through the comment form.				
Janelle Marriott	Tri-State G & T Association, Inc.	3	Negative	"Reference Tri-State Generation and Transmission Assn., Inc. Formal comments submitted to NERC electronically via the Project 2010-10 FAC Order 729 Formal Comment link."
Response: Please see the drafting team's response to the comments submitted through the comment form.				