

Consideration of Comments on Initial ballot of MOD-004-1 — Capacity Benefit Margin (Project 2006-07: ATC/TTC/AFC and CBM/TRM Revisions)

Summary Consideration: Based on stakeholder comments submitted with the initial ballots for MOD-004-1, the Standard Drafting Team made minor changes to clarify or correct the standard. The changes are summarized as follows:

- 1.) Inclusion of parenthesis in R4.2, to indicate that either single or multiple paths or regions are acceptable.
- 2.) Clarifications of R5 to more thoroughly communicate the time frame for which CBM values should be established. The new language reads “during the 13 full calendar months (months 2–14) following the current month (the month in which the Transmission Service Provider is establishing the CBM values).”
- 3.) Clarifications of R6 to more thoroughly communicate the time frame for which CBM values should be established. The new language reads “during each of the full calendar years two through ten following the current year (the year in which the Transmission Planner is establishing the CBM values).”
- 4.) Correction of the R6 time horizon to “Long Term Planning,” rather than “Operations Planning,” since the requirement applies to values being calculated for years 2 through 10.
- 5.) Clarification of R11 to make clear that all Balancing Authorities and Transmission Service Providers are subject to the requirement.
- 6.) Removal of the capitalization of the term “Energy Deficient Entity” as used in R12, as this term is not included in the NERC glossary, and modification of the associated footnote to be clear this is not a defined term.
- 7.) Correction of M10 to correct pronoun-antecedent agreement.

Otherwise, no changes were made to the standard. Significant comments that did not result in changes, and their associated responses, are summarized below.

- Some entities expressed a general concern that this standard did not address reliability issues. The SDT disagreed.
- Some entities questioned what obligations this standard placed on entities with regard to transmission expansion or other actions available to CBM requesters whose needs cannot be satisfied. The SDT responded that it was up to the transmission customer to determine how best to address their needs.

- Some entities suggested that the standard should develop requirements for or related to resource adequacy. The SDT believes this is outside the scope of NERC in general and this effort in particular.
- Some entities continued to express a desire to see the standard modified to explicitly allow specific implementation of the functional model. The SDT reiterated that entities that have chosen to delegate responsibilities should consider delegation agreements, JROs, or Variances to address their specific needs.
- Some entities questioned if this standard was intended to create new planning standards or be tied directly with the TPL standards. The SDT responded that this standard does not directly affect the TPL standards. The standard defines the attributes of a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.
- Some entities explained concern with R6 seeming to apply to “all” Transmission Planners. The SDT noted that the Applicability section of the standard makes clear that nothing in the standard applies to a Transmission Planner unless “their associated Transmission Service Provider has elected to maintain CBM.”

One entity expressed concern that too many of the VSLs had “four levels,” and that the graduation between levels was inappropriate. The SDT explained that the current VSLs have been set appropriately, and the graduations across all four levels are specifically intended to allow for partial compliance when such partial compliance protects the reliability of the bulk power system to some extent, though not to the full extent required. In cases where partial compliance would not improve reliability, the SDT used the “pass/fail” approach of having a single, severe VSL.

Entity	Segment	Vote	Comment
Ameren Services Company	1	Negative	<p>1. The standard as written is more appropriate for NAESB in that it addresses market issues related to ATC/AFC (R1.2 & R5).</p> <p>Response: The SDT disagrees, and believes there are reliability issues addressed by this standard.</p> <p>2. Similarly the use of CBM is related to the access to short term transmission service (R1.3).</p>

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			<p>Response: SDT does not disagree, but believes there are reliability issues addressed by this standard.</p> <p>3. The requirements provide for a review of CBM as transmission capacity is available but does not address how or if mitigation is required to restore CBM (R1.1).</p> <p>Response: The standard does not require expansion if CBM is not available or that CBM be maintained in future years, although the TSP may offer this to the LSE or RP. The Planning Authority may take actions related to this, but is not required to do so in this standard.</p> <p>4. Methodologies described in R3.1 are not definitive. LOLE and LOLP are a function of reserve margins and CBM so how can an entity use one or the other to define CBM. The same LOLE can be the result of an 80% reserve margin and large CBM or a 130% reserve margin and 0 CBM.</p> <p>Response: This standard does not attempt to specify resource adequacy requirements, as NERC does not have the authority to mandate such requirements.</p> <p>5. R3.2 allows the LSE to arbitrarily pick paths and sources to make up CBM. Without contractual obligations for explicit capacity or participation in some form or reserve sharing group there is no foundation for this selection. The impact of changing paths and sources if the LSE/BA changes their selection would lead to inconsistent ATC/AFC values.</p> <p>Response: By definition, CBM is a margin based on expectations and risk mitigation, not on contracts. Note that the Balancing Authority is not a requester identified in this standard.</p> <p>6. Same comments with respect to R4.</p> <p>Response: By definition, CBM is a margin based on expectations and risk mitigation,</p>

Entity	Segment	Vote	Comment
			<p data-bbox="772 245 989 269">not on contracts.</p> <p data-bbox="772 315 1913 415">7. How does the TSP maintain CBM? In the short term CBM can be included in the ATC/AFC calculation to avoid over subscription but how does the TSP assure that CBM is maintained in granting long term transmission service?</p> <p data-bbox="772 456 1843 557">Response: The standard defines the attributes of a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.</p> <p data-bbox="772 597 1877 698">8. What obligation does the TSP have to maintain CBM if the LSE, BA, or RP performs studies in which large values of CBM are used to minimize capacity reserve requirements?</p> <p data-bbox="772 738 1913 940">Response: This practice is allowed under some state statutes, and the SDT does not believe it to be inappropriate. If capacity is available, then the TSP must make it available to the Load Serving Entity or Resource Planner. If the capacity is not available, they have the obligation to inform the requester that it is not available, so the requester can pursue other options. Note that the Balancing Authority is not a requester identified in this standard.</p> <p data-bbox="772 1019 1898 1120">9. What obligation does the TSP have to allocate CBM to the paths or flowgates designated by the LSE, RP, or BA? These could be market participants who could game the market by their unilateral selection of paths or flowgates.</p> <p data-bbox="772 1161 1906 1362">Response: Per the standard, entities cannot request specific Flowgates. If they provide path or source, TSP should use it in their determination. The requirements that mandate studies or regulatory statement should provide information to support any request, and market monitoring or regulators should address any potential market manipulation. Note that the Balancing Authority is not a requester identified in this standard.</p>

Entity	Segment	Vote	Comment
			<p>10. What is the impact of R6? Does the TP, in including the unilateral and arbitrary CBM allocations, need to mitigate any resulting transmission deficiencies?</p> <p>Response: The SDT does not expect these allocations to be arbitrary unilateral determinations, as the standard mandates those determinations be based on studies and other information. If capacity is available, then the Transmission Planner should make it available to the Load Serving Entity or Resource Planner. If the capacity is not available, they have the obligation to inform the requester that it is not available, so the requester can pursue other options (up to and including the potential expansion of the system).</p> <p>11. How does CBM affect TPL standards compliance for the TP? Since CBM is the access to undesignated resources over unreserved transmission service how should it be treated in long term planning?</p> <p>Response: This standard does not directly affect the TPL standards. If capacity is available, then the Transmission Planner should make it available to the Load Serving Entity or Resource Planner. If the capacity is not available, they have the obligation to inform the requester that it is not available, so the requester can pursue other options (up to and including the potential expansion of the system).</p> <p>12. What doe LSE, RP, and BA do if under R7 the TSP informs them that the CBM they needed to meet their LOLE, LOLP, or reserve margins is not available in the amounts they assumed?</p> <p>Response: If the capacity is not available, the requester can pursue other options (up to and including the potential expansion of the system). Note that the Balancing Authority is not a requester identified in this standard.</p> <p>13. The same applies to R8 if the TP indicates that there is insufficient transmission capacity in the future to support the amount of CBM assumed/required.</p> <p>Response: If the capacity is not available, the requester can pursue other options (up</p>

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			<p>to and including the potential expansion of the system). Note that the Balancing Authority is not a requester identified in this standard.</p> <p>14. Requirements R10, R11, R12 are all related to transmission service and OATT and are more appropriate in NAESB.</p> <p>Response: The SDT disagrees. R10, R11, and R12 describe how CBM is used, and ensure that the energy deficient entity can access the available CBM.</p>
Response: Please see in-line responses.			
Duke Energy Carolina	1	Affirmative	<p>1. In R5.2, second bullet, can an adequate flowgate analysis be performed if only the expected import path is provided (i.e., no source region is provided)? Same for R6.2</p> <p>Response: Entities should be able to infer a general import region from a provided path.</p> <p>2. For clarification, R11 should be modified to say that: ALL BAs and TSPs shall waive, within the bounds of reliable operation, any Real-time timing and ramping requirements.</p> <p>Response: The SDT has modified the standard as suggested. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>3. R3.1 and R4.1 : the word “studies” in the first three bullets should be changed to “study”, to reflect that multiple studies aren’t required. Also, in the fourth bullet, the phrase “other entities” should be changed to “an other entity” to reflect that reserve margin or resource adequacy requirements may only be established by one other entity.</p> <p>Response: The requirement states that entities may provide “one or more” of the items listed, and the SDT believes this to be sufficiently clear. Similarly, the use of the plural “entities” allows that there may be multiple entities, but does not require multiple entities.</p> <p>4. R3.2 and R4.2 : the word “paths” should be changed to “path(s)” and the word “regions” should be changed to “region(s)”, to reflect that there may be only one import</p>

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			<p>path or region.</p> <p>Response: The SDT has modified the standard to incorporate this suggestion. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>5. M10 should be revised as follows: "Each Load-Serving Entity and Balancing Authority shall provide evidence (such as logs, copies of tag data, or other data from its Reliability Coordinator) that at the time it requested to import energy using firm Transfer Capability set aside as CBM, IT WAS in an EEA 2 or higher."</p> <p>Response: The SDT has modified the standard to incorporate this suggestion. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p>
Response: Please see in-line responses.			
Exelon Energy	1	Affirmative	<p>General comment</p> <p>This standard brings the industry closer to a unified CBM calculation methodology by requiring that one of four calculation methodologies be utilized and documented. This is an improvement from where the industry is today but falls short of what the FERC desired. The standard still requires improvement in several areas. Suggested modifications to the standard to achieve these improvements are included in our comments.</p> <p>Requirements R3 and R4</p> <p>R3 and R4 need to be reworded to make clear that the Load-Serving Entity or Resource Planner determine the "amount" of Generation Capability Import Requirement (GCIR) not the "need" for GCIR. In addition, the Planning Authority also needs to be included because some Load-Serving Entities may not have the experience or data to perform the required studies. These studies require knowledge of generator availabilities, aggregated coincitized loads, transmission expansion and outage rate data, etc. The following wording changes are recommended:</p> <p>R3. Each Load-Serving Entity or Planning Authority determining the need for</p>

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			<p>Transmission capacity to be set aside as CBM for imports into a Balancing Authority Area shall determine the amount of GCIR needed by:</p> <p>R4. Each Resource Planner determining the need for Transmission capacity to be set aside as CBM for imports into a Balancing Authority Area shall determine the amount of GCIR needed by:</p> <p>R3.1 and R4.1 Fourth Bullet: The amount of Generation Capability Import Requirement (GCIR) required, cannot be based on reserve margin or resource adequacy requirements. This requirement is inconsistent with the "Transmission Capability Margins and Their Use In ATC Determination " White Paper" which states on page 9, "The planned purchase of energy to serve network load (including native load) and/or meet required/recommended generation reserve levels are not to be included in the CBM quantity". The reserve margin or resource adequacy requirements may be inputs or considerations in the determination of GCIR but not the direct basis for the determination. Bullet 4 in R3.1 and R 4.1 needs to be completely removed.</p> <p>Response: The current language is appropriate. In certain cases (such as that of Regional Transmission Organizations), it may be appropriate for the Load Serving Entities and/or Resource Planners to delegate this responsibility to a Planning Authority (either through a delegation agreement or through a Joint Registration Organization). The standard does not prohibit such delegation.</p> <p>Requirement R6 In R6, the transmission planner should not be required to use flowgates or be determining CBM values for them. The transmission planning process is typically a more rigorous study process than used in ATC calculations. This is discussed on page 10 of the "Transmission Capability Margins and Their Use In ATC Determination " White Paper" which states "The methodology used to derive CBM must be documented and consistent with published planning criteria. A CBM is considered consistent with published planning criteria if the same components that comprise the CBM are also addressed in the planning criteria. The methodology used to determine and apply CBM</p>

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			<p>does not have to involve the same mechanics as the planning process, but the same uncertainties must be considered and any simplifying assumptions explained. It is recognized that ATC determinations are often time constrained and thus will not permit the use of the same mechanics employed in the more rigorous planning process". The following wording changes are recommended for R6:</p> <p style="padding-left: 40px;">At least every 13 months, the Transmission Planner shall either establish a CBM value for each ATC Path or Flowgate or incorporate into the planning process the GCIR amounts determined in R3 or R4. Either of these values is to be used in planning during each of the years two through ten following the current year. This value shall:</p> <p style="padding-left: 80px;">R6.1. Be based upon :</p> <ul style="list-style-type: none"> · Any studies (as described in R3.1) performed by Load-Serving Entities or Planning Authorities for loads within the Transmission Service Provider's area · Any studies (as described in R4.1) performed by Resource Planners for loads within the Transmission Service Provider's area <p>Response: The SDT has currently addressed this concern in Measure M6, by clarifying that inclusion of GCIR in the base case meets the requirement. If the commenter does not believe that this measure adequately addresses this concern, the SDT suggests the commenter submit a SAR to modify the requirement.</p> <p>Requirement R5, R7 and R8 R7 and R8 do not appear to align. In R7, the Transmission Service Provider notifies the LSEs and Resource Planners of the "amount of CBM set aside to meet their need", while in R8, the Transmission Planner notifies the same entities of the "amount of CBM set aside to meet their need". Yet, there is no requirement that the two CBM values be based on the same criteria. R5 and R6.1 only require the TSP and Transmission Planner to "reflect consideration of the studies conducted by Load-Serving Entities and Resource Planners. These two requirements need to be revised to have the Transmission Service Provider and Transmission Planner base their CBM related studies on the CIGR values provided by the Load-Serving Entities and Resource Planners. Only the Transmission</p>

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			<p>Service Provider needs to inform the Load-Serving Entities and Resource Planners of the CBM values while the Transmission Planner only needs to inform them that the GCIR values have been incorporated into the Planning process. The following wording changes are recommended:</p> <p>R5.1. Be based upon :</p> <ul style="list-style-type: none"> · Any studies (as described in R3.1) performed by Load-Serving Entities or Planning Authorities for loads within the Transmission Service Provider's area · Any studies (as described in R4.1) performed by Resource Planners for loads within the Transmission Service Provider's area <p>R7. Less than 31 calendar days after the establishment of CBM, the Transmission Service Provider that maintains CBM shall notify all the Load-Serving Entities, Planning Authorities and Resource Planners that determined they had a need for CBM on the Transmission Service Provider's system of the amount of CBM set aside.</p> <p>R8. Less than 31 calendar days after the establishment of CBM, the Transmission Planner shall notify all the Load-Serving Entities, Planning Authorities and Resource Planners that determined they had a need for CBM on the system being planned by the Transmission Planner of the amount of CBM set aside or that the GCIR values provided, have been incorporated into the planning process.</p> <p>Response: While the processes for the Transmission Service Provider and the Transmission Planner are different, there is still an obligation to inform the requester whether its request can be accommodated or not. If the values have been incorporated, but no indication has been given to the requester whether or not the system can support the request, then the intent of the requirement has not been met. Note that the SDT recognizes that Regional Transmission Organizations may perform the CBM determination in aggregate for their Load Serving Entities and/or Resource Planners, and this standard is intended to support that approach.</p>
<p>Response: Please see in-line responses.</p>			

Entity	Segment	Vote	Comment
FirstEnergy Energy Delivery	1	Negative	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by the NERC ATC/CBM/TRM standard drafting team (SDT). However, based on difficulties of efficiently and effectively implementing the proposed MOD-004 standard within the Midwest ISO, FE is voting NEGATIVE to the standard as written. FE believes a standard should not be written in a way that would knowingly require delegation or JRO agreements for a large number of responsible entities. Therefore, in order for FE to support this standard, we request that the SDT work with MISO and their respective member companies to complete a regional variance for the MISO regional transmission organization and include it within the standard as a Regional Difference.</p> <p>A variance is needed to explain the MOD-004 requirements that describe tasks which have been transferred by the MISO member transmission companies to MISO. As discussed in our comments, the requirements that need a variance are R3, R4, R6, R8, and R9.</p> <p>It is FE's opinion that an Entity Variance as described in the NERC Reliability Standards Development Procedure is the appropriate mitigation measure and that including the variance with the initial development of the standard is appropriate per the NERC standard development procedure. In the MISO market, MISO, through Module E of its tariff, conducts Resource Adequacy studies to determine if sufficient generation resources are available to serve load within its footprint. Also, MISO establishes CBM values for flowgates based on the remaining power requirement for short term (less than a year) ATC calculations and establishes a predetermined CBM value for each ATC Path or Flowgate or GCIR for each designated area to be used for future transmission planning during the subsequent years two through ten. Both of these processes (Resource Adequacy and CBM Methodology) have been through a stakeholder process and MISO's member companies have agreed to abide by these rules.</p> <p>Response: The standard is based on the general definitions and criteria included in the Functional Model. The SDT agrees that in the case of some Regional Transmission Organizations these functions have been aggregated. However, this aggregation is a grouping of the fundamental building blocks established by the Functional Model. To mandate a specific aggregation of those building blocks into a prescribed structure</p>

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			<p>through the standard as suggested by the commenter would seem to defeat the purpose of the modular approach taken with the Functional Model. As written, the standard allows entities to combine the functions as appropriate for their area, and NERC accommodates such aggregations through the delegation agreements or the JRO process.</p> <p>This can be addressed relatively simply through a Variance. If the Midwest ISO and its members desire a Variance that would apply to all Load Serving Entities and Resource Planners within the Midwest ISO, the SDT will work with the Midwest ISO to develop such a variance. The Midwest ISO, or its members, should submit a SAR requesting the Variance.</p> <p>Requirements R3 and R4 state that the Load Serving Entity (LSE) and Resource Planner (RP) “determining the need for Transmission capacity to be set aside as CBM :shall determine that need by:” As written, it is FE’s understanding that the standard does not explicitly require an LSE or RP to perform a study and justify whether or not CBM is needed and that the intent is if a LSE or RP has elected to request CBM then the study shall be based on the sub-requirements of R3 and R4.</p> <p>Response: The SDT confirms that the standard does not require Load Serving Entities or Resource Planners to perform the studies or justifications <i>unless</i> they elect to request CBM.</p> <p>In requirement R6 the Time Horizon should reflect Long-term Planning.</p> <p>Response: The SDT notes this was a “cut and paste” error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p> <p>Also, the statement in R6 “to be used in planning” is assumed to imply only planning for reviewing the adequacy of CBM values within the realm of resource planning and are no way meant to be tied to the TPL planning standards.</p>

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			<p>Response: This standard does not directly affect the TPL standards. The standard defines the attributes of a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.</p>
<p>Response: Please see in-line responses.</p>			
Hydro One Networks, Inc.	1	Negative	<p>Hydro One Networks Inc. casts a Negative vote with the following comments: Requirements R5 and R6 address the establishment for a CBM value : at least every 13 months following the current month. The language is not clear as the “current month” needs to be defined for the proposed change to make sense. The language was better in the previous version. In general, the revisions are not explicit enough and could lead to misinterpretations that are not within the intent of the Standard.</p>
<p>Response: The SDT has modified the standard to include new language regarding “current month” and “current year” such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p>			
Hydro-Quebec TransEnergie	1	Negative	<p>In R5 and R6 respectively, the terms "current month" and "current year" are not clear when put in the context of this Standard; they should be change for "the month (or year) when it is calculated" or the original wording should be restored. In R12, if the new concept of "energy deficient entity" is to be used, it needs to be defined in the Glossary.</p>
<p>Response: The SDT has modified the standard to include new language regarding “current month” and “current year” such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term “energy deficient entity,” the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept used in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
National Grid	1	Negative	<p>National Grid agrees with the recommendations by NPCC and its members by recommending a negative vote to the changes made to MOD-004. These latest changes</p>

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			<p>are not explicit enough and could lead to misinterpretations, modifying the intention of the standard. Specifically, in requirement R5, the revision to "subsequent 13 months" is not clear. The "current month" needs to be defined for the change to make sense. A suggestion is to have the revisions to R5 rescinded and the original wording restored. Similarly, in requirement R6, the revision to "subsequent years..." is not clear. The "current year" needs to be defined for the change to make sense. A suggestion is to have the revisions to R6 rescinded and the original wording restored. In requirement R12, "energy deficient entity" needs to be defined in the Glossary.</p>
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term "energy deficient entity," the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept utilized in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
New York Power Authority	1	Negative	<p>These latest revisions are not explicit enough, and could lead to misinterpretations, modifying the intention of the standard.</p>
<p>Response: The SDT has made changes in response to other comments, and believes these changes may assist in addressing the NYPA concerns. However, without more specific comments from NYPA, the SDT cannot modify the standard with the intent of addressing NYPA's issues.</p>			
Northeast Utilities	1	Negative	<p>R5 - The revision to "subsequent 13 months" is not clear. The "current month" needs to be defined for the change to make sense. A suggestion is to have the revisions to R5 rescinded and the original wording restored. R6 - The revision to "subsequent years..." is not clear. The "current year" needs to be defined for the change to make sense. A suggestion is to have the revisions to R6 rescinded and the original wording restored. R12 - "energy deficient entity" needs to be defined in the Glossary. These latest revisions are not explicit enough, and could lead to misinterpretations, modifying the intention of the standard.</p>
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it</p>			

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<p>is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term "energy deficient entity," the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept utilized in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
Southwest Transmission Cooperative, Inc.	1	Abstain	SWTC is abstaining. SWTC does not use CBM at this time.
<p>Response: This standard was crafted in such a way as to support those entities that do not use CBM.</p>			
Consolidated Edison Co. of New York	3	Negative	<p>These latest revisions are not explicit enough, and could lead to misinterpretations, modifying the intention of the standard. The term "energy deficient entity" needs to be defined in the Glossary. Requirement R5: The revision to "subsequent 13 months" is not clear. The "current month" needs to be defined for the change to make sense. A suggestion is to have the revisions to R5 rescinded and the original wording restored. Requirement R6: The revision to "subsequent years..." is not clear. The "current year" needs to be defined for the change to make sense. A suggestion is to have the revisions to R6 rescinded and the original wording restored.</p>
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term "energy deficient entity," the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept utilized in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
Consumers	3	Affirmative	We believe there is a typo in the last parenthetical of R6, which should read: R6. ... This

Entity	Segment	Vote	Comment
Energy			value shall: [Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]
<p>Response: The SDT notes this was a “cut and paste” error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p>			
FirstEnergy Solutions	3	Negative	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by the NERC ATC/CBM/TRM standard drafting team (SDT). However, based on difficulties of efficiently and effectively implementing the proposed MOD-004 standard within the Midwest ISO, FE is voting NEGATIVE to the standard as written. FE believes a standard should not be written in a way that would knowingly require delegation or JRO agreements for a large number of responsible entities. Therefore, in order for FE to support this standard, we request that the SDT work with MISO and their respective member companies to complete a regional variance for the MISO regional transmission organization and include it within the standard as a Regional Difference.</p> <p>A variance is needed to explain the MOD-004 requirements that describe tasks which have been transferred by the MISO member transmission companies to MISO. As discussed in our comments, the requirements that need a variance are R3, R4, R6, R8, and R9.</p> <p>It is FE's opinion that an Entity Variance as described in the NERC Reliability Standards Development Procedure is the appropriate mitigation measure and that including the variance with the initial development of the standard is appropriate per the NERC standard development procedure. In the MISO market, MISO, through Module E of its tariff, conducts Resource Adequacy studies to determine if sufficient generation resources are available to serve load within its footprint. Also, MISO establishes CBM values for flowgates based on the remaining power requirement for short term (less than a year) ATC calculations and establishes a predetermined CBM value for each ATC Path or Flowgate or GCIR for each designated area to be used for future transmission planning during the subsequent years two through ten. Both of these processes (Resource Adequacy and CBM Methodology) have been through a stakeholder process and MISO's member companies have agreed to abide by these rules.</p> <p>Response: The standard is based on the general definitions and criteria included in the Functional Model. The SDT agrees that in the case of some Regional Transmission</p>

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			<p>Organizations these functions have been aggregated. However, this aggregation is a grouping of the fundamental building blocks established by the Functional Model. To mandate a specific aggregation of those building blocks into a prescribed structure through the standard as suggested by the commenter would seem to defeat the purpose of the modular approach taken with the Functional Model. As written, the standard allows entities to combine the functions as appropriate for their area, and NERC accommodates such aggregations through the delegation agreements or the JRO process.</p> <p>This can be addressed relatively simply through a Variance. If the Midwest ISO and its members desire a Variance that would apply to all Load Serving Entities and Resource Planners within the Midwest ISO, the SDT will work with the Midwest ISO to develop such a variance. The Midwest ISO, or its members, should submit a SAR requesting the Variance.</p> <p>Requirements R3 and R4 state that the Load Serving Entity (LSE) and Resource Planner (RP) "determining the need for Transmission capacity to be set aside as CBM :shall determine that need by:" As written, it is FE's understanding that the standard does not explicitly require an LSE or RP to perform a study and justify whether or not CBM is needed and that the intent is if a LSE or RP has elected to request CBM then the study shall be based on the sub-requirements of R3 and R4.</p> <p>Response: The SDT confirms that the standard does not require Load Serving Entities or Resource Planners to perform the studies or justifications <i>unless</i> they elect to request CBM.</p> <p>In requirement R6 the Time Horizon should reflect Long-term Planning.</p> <p>Response: The SDT notes this was a "cut and paste" error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p> <p>Also, the statement in R6 "to be used in planning" is assumed to imply only planning for</p>

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			<p>reviewing the adequacy of CBM values within the realm of resource planning and are no way meant to be tied to the TPL planning standards.</p> <p>Response: This standard does not directly affect the TPL standards. The standard creates a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.</p>
<p>Response: Please see in-line responses.</p>			
Hydro One Networks, Inc.	3	Negative	<p>Hydro One Networks Inc. casts a Negative vote with the following comments: Requirements R5 and R6 address the establishment for a CBM value : at least every 13 months following the current month. The language is not clear as the "current month" needs to be defined for the proposed change to make sense. The language was better in the previous version. In general, the revisions are not explicit enough and could lead to misinterpretations that are not within the intent of the Standard.</p>
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p>			
Lincoln Electric System	3	Negative	<p>MOD-004 R6 appears to be missing an important disclaimer present on most other requirements such as "that maintains CBM" which allows entities to forego the requirement when they don't use CBM. An entity that does not use CBM should not be required to perform analyses or develop studies on CBM at least every 13 months.</p>
<p>Response: This concern is actually addressed in the "applicability" section of the standard. The standard applies only to "Transmission Planners, when their associated Transmission Service Provider has elected to maintain CBM." In earlier drafts, similar language was used to describe the applicability of the Transmission Service Provider. However, it was noted that one of the requirements (R11) should apply to ALL TSPs. Accordingly, the applicability was modified so that the standard applied to ALL TSPs, and the specific requirements that applied to those TSPs that maintain CBM included the specific language referenced. Since there are no requirements that apply to Transmission Planners other than those Transmission Planners whose associated Transmission Service Providers have elected to maintain CBM, the "Applicable Entity" approach is still effective, and was retained.</p>			

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Niagara Mohawk (National Grid Company)	3	Negative	These latest revisions are not explicit enough, and could lead to misinterpretations, modifying the intention of the standard. See below. R5 & R6: The revision to "subsequent 13 months" is not clear. The "current month" needs to be defined for the change to make sense. A suggestion is to have the revisions to R5 rescinded and the original wording restored. R12: "energy deficient entity" needs to be defined in the Glossary.
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term "energy deficient entity," the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept utilized in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
Consumers Energy	4	Affirmative	"We believe there is a typo in the last parenthetical of R6, which should read: R6. ... This value shall: [Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]"
<p>Response: The SDT notes this was a "cut and paste" error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p>			
Integrus Energy Group, Inc.	4	Negative	<p>Requirements R3 and R4 need to provide for groups of LSEs that form Planning Reserve Sharing Groups (PRSGs) that desire a single CBM for imports into a particular zone that may or may not be a single BAA. The existing language in R3 and R4 limits CBM to a single LSE/Resource Planning and a single BAA. R3 and R4 must be flexible enough to provide for groups of LSEs that identify a single CBM value into a defined region or zone (for example, 5 LSEs within a defined import constrained zone).</p> <p>Response: Groups of Load Serving Entities and Resource Planners are already accommodated and allowed through delegation agreements and within the Joint Registration Organization process, and this standard does not prohibit their use.</p> <p>Requirements R3 and R4 must also reflect the emergency nature of CBM that is contained in R10. Suggested R3 and R4 language for consideration: Each Load-Serving</p>

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			<p>Entity or groups of Load-Serving Entities determining the need for Transmission capacity to be set aside as CBM for emergency imports into a Balancing Authority Area or other defined CBM region shall determine that need by:</p> <p>Response: By definition, CBM is intended to be used “only in times of emergency generation deficiencies.” As such, the SDT believes that adding the word “emergency “ is unnecessary. This is further supported in the “usage” requirements (R10, R11, and R12).</p>
<p>Response: Please see in-line responses.</p>			
Ohio Edison Company	4	Negative	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by the NERC ATC/CBM/TRM standard drafting team (SDT). However, based on difficulties of efficiently and effectively implementing the proposed MOD-004 standard within the Midwest ISO, FE is voting NEGATIVE to the standard as written. FE believes a standard should not be written in a way that would knowingly require delegation or JRO agreements for a large number of responsible entities. Therefore, in order for FE to support this standard, we request that the SDT work with MISO and their respective member companies to complete a regional variance for the MISO regional transmission organization and include it within the standard as a Regional Difference.</p> <p>A variance is needed to explain the MOD-004 requirements that describe tasks which have been transferred by the MISO member transmission companies to MISO. As discussed in our comments, the requirements that need a variance are R3, R4, R6, R8, and R9.</p> <p>It is FE’s opinion that an Entity Variance as described in the NERC Reliability Standards Development Procedure is the appropriate mitigation measure and that including the variance with the initial development of the standard is appropriate per the NERC standard development procedure. In the MISO market, MISO, through Module E of its tariff, conducts Resource Adequacy studies to determine if sufficient generation resources are available to serve load within its footprint. Also, MISO establishes CBM values for flowgates based on the remaining power requirement for short term (less</p>

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			<p>than a year) ATC calculations and establishes a predetermined CBM value for each ATC Path or Flowgate or GCIR for each designated area to be used for future transmission planning during the subsequent years two through ten. Both of these processes (Resource Adequacy and CBM Methodology) have been through a stakeholder process and MISO's member companies have agreed to abide by these rules.</p> <p>Response: The standard is based on the general definitions and criteria included in the Functional Model. The SDT agrees that in the case of some Regional Transmission Organizations these functions have been aggregated. However, this aggregation is a grouping of the fundamental building blocks established by the Functional Model. To mandate a specific aggregation of those building blocks into a prescribed structure through the standard as suggested by the commenter would seem to defeat the purpose of the modular approach taken with the Functional Model. As written, the standard allows entities to combine the functions as appropriate for their area, and NERC accommodates such aggregations through the delegation agreements or the JRO process.</p> <p>This can be addressed relatively simply through a Variance. If the Midwest ISO and its members desire a Variance that would apply to all Load Serving Entities and Resource Planners within the Midwest ISO, the SDT will work with the Midwest ISO to develop such a variance. The Midwest ISO, or its members, should submit a SAR requesting the Variance.</p> <p>Requirements R3 and R4 state that the Load Serving Entity (LSE) and Resource Planner (RP) "determining the need for Transmission capacity to be set aside as CBM :shall determine that need by:" As written, it is FE's understanding that the standard does not explicitly require an LSE or RP to perform a study and justify whether or not CBM is needed and that the intent is if a LSE or RP has elected to request CBM then the study shall be based on the sub-requirements of R3 and R4.</p> <p>Response: The SDT confirms that the standard does not require Load Serving Entities or Resource Planners to perform the studies or justifications <i>unless</i> they elect to request CBM.</p>

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			<p>In requirement R6 the Time Horizon should reflect Long-term Planning.</p> <p>Response: The SDT notes this was a “cut and paste” error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p> <p>Also, the statement in R6 “to be used in planning” is assumed to imply only planning for reviewing the adequacy of CBM values within the realm of resource planning and are no way meant to be tied to the TPL planning standards.</p> <p>Response: This standard does not directly affect the TPL standards. The standard creates a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.</p>
Response: Please see in-line responses.			
FirstEnergy Solutions	5	Negative	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by the NERC ATC/CBM/TRM standard drafting team (SDT). However, based on difficulties of efficiently and effectively implementing the proposed MOD-004 standard within the Midwest ISO, FE is voting NEGATIVE to the standard as written. FE believes a standard should not be written in a way that would knowingly require delegation or JRO agreements for a large number of responsible entities. Therefore, in order for FE to support this standard, we request that the SDT work with MISO and their respective member companies to complete a regional variance for the MISO regional transmission organization and include it within the standard as a Regional Difference.</p> <p>A variance is needed to explain the MOD-004 requirements that describe tasks which have been transferred by the MISO member transmission companies to MISO. As discussed in our comments, the requirements that need a variance are R3, R4, R6, R8, and R9.</p> <p>It is FE’s opinion that an Entity Variance as described in the NERC Reliability Standards Development Procedure is the appropriate mitigation measure and that including the variance with the initial development of the standard is appropriate per the NERC</p>

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			<p>standard development procedure. In the MISO market, MISO, through Module E of its tariff, conducts Resource Adequacy studies to determine if sufficient generation resources are available to serve load within its footprint. Also, MISO establishes CBM values for flowgates based on the remaining power requirement for short term (less than a year) ATC calculations and establishes a predetermined CBM value for each ATC Path or Flowgate or GCIR for each designated area to be used for future transmission planning during the subsequent years two through ten. Both of these processes (Resource Adequacy and CBM Methodology) have been through a stakeholder process and MISO's member companies have agreed to abide by these rules.</p> <p>Response: The standard is based on the general definitions and criteria included in the Functional Model. The SDT agrees that in the case of some Regional Transmission Organizations these functions have been aggregated. However, this aggregation is a grouping of the fundamental building blocks established by the Functional Model. To mandate a specific aggregation of those building blocks into a prescribed structure through the standard as suggested by the commenter would seem to defeat the purpose of the modular approach taken with the Functional Model. As written, the standard allows entities to combine the functions as appropriate for their area, and NERC accommodates such aggregations through the delegation agreements or the JRO process.</p> <p>This can be addressed relatively simply through a Variance. If the Midwest ISO and its members desire a Variance that would apply to all Load Serving Entities and Resource Planners within the Midwest ISO, the SDT will work with the Midwest ISO to develop such a variance. The Midwest ISO, or its members, should submit a SAR requesting the Variance.</p> <p>Requirements R3 and R4 state that the Load Serving Entity (LSE) and Resource Planner (RP) "determining the need for Transmission capacity to be set aside as CBM :shall determine that need by:" As written, it is FE's understanding that the standard does not explicitly require an LSE or RP to perform a study and justify whether or not CBM is needed and that the intent is if a LSE or RP has elected to request CBM then the study shall be based on the sub-requirements of R3 and R4.</p>

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			<p>Response: The SDT confirms that the standard does not require Load Serving Entities or Resource Planners to perform the studies or justifications <i>unless</i> they elect to request CBM.</p> <p>In requirement R6 the Time Horizon should reflect Long-term Planning.</p> <p>Response: The SDT notes this was a “cut and paste” error, and has modified the standard to incorporate this suggestion. As this simply corrects a typographical error, the SDT does not believe this to be a significant change.</p> <p>Also, the statement in R6 “to be used in planning” is assumed to imply only planning for reviewing the adequacy of CBM values within the realm of resource planning and are no way meant to be tied to the TPL planning standards.</p> <p>Response: This standard does not directly affect the TPL standards. The standard creates a CBM value that should be considered in long-term studies. While this standard does not create new planning requirements, it does support the planning function.</p>
<p>Response: Please see in-line responses.</p>			
Barry Green Consulting Inc.	6	Negative	<p>In the current draft of MOD-004 that is subject to balloting, I have the following two concerns:</p> <p>* The update frequency for specifying the quantities of CBM to be withheld should be specified and should be at least quarterly. Less frequent updates may mean either that insufficient CBM is being withheld for emergency purposes or an excessive amount of ATC is being withheld from the market unnecessarily.</p> <p>Response: The SDT believes that 13 months is an appropriate time frame based on previous industry comments.</p> <p>* R3.1 specifies certain types of studies that are appropriate for the determination of CBM to be requested, for example LOLP studies. However, no guidance is provided on the appropriate target reliability. For example is 1 day in 10 years appropriate or 1 day in 100 years?</p>

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			<p>Response: Specifying such requirements would be straying into inappropriate areas outside the team's scope, as resource adequacy standards are generally mandated by regulatory bodies and not NERC.</p>
<p>Response: Please see in-line responses.</p>			
Consolidated Edison Co. of New York	6	Negative	<p>The latest revisions are not explicit enough, and could lead to misinterpretations, modifying the intention of the standard.</p> <p>Requirement 5: The revision to "subsequent 13 months" is not clear. The "current month" needs to be defined for the change to make sense. A suggestion is to have the revisions to R5 rescinded and the original wording restored.</p> <p>Requirement 6: The revision to "subsequent years..." is not clear. The "current year" needs to be defined for the change to make sense. A suggestion is to have the revisions to R6 rescinded and the original wording restored.</p> <p>Requirement 12: "energy deficient entity" needs to be defined in the Glossary.</p>
<p>Response: The SDT has modified the standard to include new language regarding "current month" and "current year" such that it is more explicit. The intent is that an entity establishing CBM in January should produce values for use in the months of February, March, April, May, June, July, August, September, October, November, December, January, and February. Similarly, an entity establishing CBM in 2008 should produce values for use in the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017. As this simply clarifies existing language, the SDT does not believe this to be a significant change.</p> <p>Regarding the use of the term "energy deficient entity," the SDT has removed the capitalization from the phrase and surrounded it with quotation marks. The intent is not to define this term, but make reference to the concept utilized in the EOP standards. To the extent a formal NERC definition needs to be made, the SDT believes this should be done through the development of the EOP standards.</p>			
FirstEnergy Solutions	6	Negative	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by the NERC ATC/CBM/TRM standard drafting team (SDT). However, based on difficulties of efficiently and effectively implementing the proposed MOD-004 standard within the Midwest ISO, FE is voting NEGATIVE to the standard as written. FE believes a standard should not be written in a way that would knowingly require delegation or JRO agreements for a large number of responsible entities. Therefore, in order for FE to support this standard, we request that the SDT work with MISO and their respective member companies to complete a regional variance for the MISO regional transmission organization and include it within the standard as a Regional Difference.</p>

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Response: Please see in-line responses.			
Lincoln Electric System	6	Negative	MOD-004 R6 appears to be missing an important disclaimer present on most of the other requirements such as "that maintains CBM" which allows entities to forego the requirement when they don't use CBM. An entity that does not use CBM should not be required to perform analyses or develop studies on CBM at least every 13 months.
Response: This concern is actually addressed in the “applicability” section of the standard. The standard applies only to			

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<p>"Transmission Planners, when their associated Transmission Service Provider has elected to maintain CBM." In earlier drafts, similar language was used to describe the applicability of the Transmission Service Provider. However, it was noted that one of the requirements (R11) should apply to ALL TSPs. Accordingly, the applicability was modified so that the standard applied to ALL TSPs, and the specific requirements that applied to those TSPs that maintain CBM included the specific language referenced. Since there are no requirements that apply to Transmission Planners other than those Transmission Planners whose associated Transmission Service Providers have elected to maintain CBM, the "Applicable Entity" approach is still effective, and was retained.</p>			
MidAmerican Energy Co.	6	Negative	Absolutely no standardization in the industry due to this "standard". Might create some additional transparency in the industry but this standard clearly does not define how the CBM value shall be determined and allocated across transmission paths. It is generic in nature and fill-in-the-blank. I am sure one could argue FERC orders don't require that everyone use a similar methodology, but MidAmerican would like that to be the case.
<p>Response: This standard improves the standardization of CBM significantly. If the commenter wishes to standardize further, the SDT suggests submission of language for consideration in a future version of the standard.</p>			
JDRJC Associates	8	Negative	The VSLs need further work. Too many have four levels and the graduation between levels don't make sense from a reliability impact perspective.
<p>Response: The current VSLs have been set appropriately, and the gradations across all four levels are specifically intended to allow for partial compliance when such partial compliance protects the reliability of the bulk power system to some extent, though not to the full extent required. In cases where partial compliance would not improve reliability, the SDT has used the "pass/fail" approach of having a single, severe VSL.</p>			
Midwest Reliability Organization	10	Negative	MOD-004 R6 appears to be missing an important disclaimer present on most other requirements such as "that maintains CBM" which allows entities to forego the expense when they don't use CBM. An entity that does not use CBM should not be required to perform analyses or develop studies on CBM at least every 13 months.
<p>Response: This concern is actually addressed in the "applicability" section of the standard. The standard applies only to "Transmission Planners, when their associated Transmission Service Provider has elected to maintain CBM." In earlier drafts, similar language was used to describe the applicability of the Transmission Service Provider. However, it was noted that one of the requirements (R11) should apply to ALL TSPs. Accordingly, the applicability was modified so that the standard applied to ALL TSPs, and the specific requirements that applied to those TSPs that maintain CBM included the specific language referenced. Since there are no requirements that apply to Transmission Planners other than those Transmission Planners whose associated Transmission Service Providers have elected to maintain CBM, the "Applicable Entity" approach is still effective, and was retained.</p>			