

# Consideration of Comments

## Definition of the Bulk Electric System Exception Criteria (Project 2010-17)

The Bulk Electric System Drafting Team thanks all commenters who submitted comments on the second draft of the Project 2010-17: Definition of the Bulk Electric System (BES) Exception Criteria. These standards were posted for a 45-day public comment period from August 26, 2011 through October 10, 2011. Stakeholders were asked to provide feedback on the standards and associated documents through a special electronic comment form. There were 72 sets of comments, including comments from approximately 137 different people from approximately 83 companies representing all 10 Industry Segments as shown in the table on the following pages.

The SDT made the following changes to the request form due to industry comments received:

- **General** – Clarified the use of facility versus Element(s).
- **Page 1** – Corrected typo: List any attached supporting documents and any additional information that is included to support the request.
- **Generation - Q1**. Replaced 'generator's or generator facility's' with 'generation resource's': What is the MW value of the host Balancing Authority's most severe single Contingency and what is the ~~generator's, or generator facility's~~ generation resource's, percent of this value?
- **Generation - Q2**. Replaced 'generator's or generator facility's' with 'generation resource's': Is the ~~generator or generator facility~~ generation resource used to provide reliability-related Ancillary Services?
- **Generation - Q3**. Replace 'generator' with 'generation resource': Is the ~~generator~~ generation resource designated as a must run unit for reliability?

The SDT feels that it is important to remind the industry that Phase II of this project will begin immediately after the conclusion of Phase I as SDT resources clear up. The same SDT will follow through with Phase II.

The SDT is recommending that this project be moved forward to the recirculation ballot stage.

There were two comments that were repeated multiple times throughout the various documents. The first topic was about how to sort through the definition inclusions and exclusions, i.e., which takes precedence. The SDT offers this guidance on that issue:

The application of the draft 'bright-line' BES definition is a three (3) step process that when appropriately applied will identify the vast majority of BES Elements in a consistent manner that can be applied on a continent-wide basis.

Initially, the BES 'core' definition is used to establish the bright-line of 100 kV, which is the overall demarcation point between BES and non-BES Elements. Additionally, the 'core' definition identifies the Real Power and Reactive Power resources connected at 100 kV or higher as included in the BES. To fully appreciate the scope of the 'core' definition an understanding of the term Element is needed. Element is defined in the NERC Glossary of Terms as:

"Any electrical device with terminals that may be connected to other electrical devices such as a generator, transformer, circuit breaker, bus section, or transmission line. An element may be comprised of one or more components. "

Element is basically any electrical device that is associated with the transmission or the generation (generating resources) of electric energy.

Step two (2) provides additional clarification for the purposes of identifying specific Elements that are included through the application of the 'core' definition. The Inclusions address transmission Elements and Real Power and Reactive Power resources with specific criteria to provide for a consistent determination of whether an Element is classified as BES or non-BES.

Step three (3) is to evaluate specific situations for potential exclusion from the BES (classification as non-BES Elements). The exclusion language is written to specifically identify Elements or groups of Elements for potential exclusion from the BES.

Exclusion E1 provides for the exclusion of 'transmission Elements' from radial systems that meet the specific criteria identified in the exclusion language. This does not include the exclusion of Real Power and Reactive Power resources captured by Inclusions I2 – I5. The exclusion (E1) only speaks to the transmission component of the radial system. Similarly, Exclusion E3 (local networks) should be applied in the same manner. Therefore, the only inclusion that Exclusions E1 and E3 supersede is Inclusion I1.

Exclusion E2 provides for the exclusion of the Real Power resources that reside behind the retail meter (on the customer's side) and supersedes inclusion I2.

Exclusion E4 provides for the exclusion of retail customer owned and operated Reactive Power devices and supersedes Inclusion I5.

In the event that the BES definition incorrectly designates an Element as BES that is not necessary for the reliable operation of the interconnected transmission network or an Element as non-BES that is necessary for the reliable operation of the interconnected transmission network, the Rules of Procedure exception process may be utilized on a case-by-case basis to either include or exclude an Element.

The second item is about providing specific guidance on how the information on the exception request form will be used in making decisions on inclusions/exclusions in the exception process. The SDT provides the following information on this item:

The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by

being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.

Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.

Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."

The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.

Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.

All comments submitted may be reviewed in their original format on the standard's project page:

[http://www.nerc.com/filez/standards/Project2010-17\\_BES.html](http://www.nerc.com/filez/standards/Project2010-17_BES.html)

If you feel that your comment has been overlooked, 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 404-446-2560 or at [herb.schrayshuen@nerc.net](mailto:herb.schrayshuen@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

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<sup>1</sup> The appeals process is in the Standards Processes Manual:  
[http://www.nerc.com/docs/standards/sc/Standard\\_Processes\\_Manual\\_Approved\\_May\\_2010.pdf](http://www.nerc.com/docs/standards/sc/Standard_Processes_Manual_Approved_May_2010.pdf).

**Index to Questions, Comments, and Responses**

1. Page one of the ‘Detailed Information to Support an Exception Request’ contains general instructions. Do you agree with the instructions presented or is there information that you believe needs to be on page one that is missing? Please be as specific as possible with your comments. ....13

2. Pages two and three of the Detailed Information to Support an Exception Request contain a checklist of items that deal with transmission facilities. Do you agree with the information being requested or is there information that you believe needs to be on page two or three that is missing? Please be as specific as possible with your comments. ....49

3. Page four of the ‘Detailed Information to Support an Exception Request’ contains a checklist of items that deal with generation facilities. Do you agree with the information being requested or is there information that you believe needs to be on page four that is missing? Please be as specific as possible with your comments. ....88

4. Do you have concerns about an entity’s ability to obtain the data they would need to file the ‘Detailed Information to Support an Exception Request’? If so, please be specific with your concerns so that the SDT can fully understand the problem.108

5. Are there other specific characteristics that you feel would be important for presenting a case and which are generic enough that they belong in the request? If so, please identify them here and provide suggested language that could be added to the document. .... 120

6. Are you aware of any conflicts between the proposed approach and any regulatory function, rule order, tariff, rate schedule, legislative requirement or agreement, or jurisdictional issue? If so, please identify them here and provide suggested language changes that may clarify the issue. .... 133

7. Are there any other concerns with the proposed approach for demonstrating BES Exceptions that haven’t been covered in previous questions and comments (bearing in mind that the definition itself and the proposed Rules of Procedure changes are posted separately for comments)? Please be as specific as possible with your comments. .... 142

END OF REPORT ..... 167

**The Industry Segments are:**

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment											
				1	2	3	4	5	6	7	8	9	10		
1.	Group	Guy Zito	Northeast Power Coordinating Council												X
Additional Member		Additional Organization		Region		Segment Selection									
1.	Alan Adamson	New York State Reliability Council, LLC		NPCC	10										
2.	Gregory Campoli	New York Independent System Operator		NPCC	2										
3.	Kurtis Chong	Independent Electricity System Operator		NPCC	2										
4.	Sylvain Clermont	Hydro-Quebec TransEnergie		NPCC	1										
5.	Chris de Graffenried	Consolidated Edison Co. of New York, Inc.		NPCC	1										
6.	Gerry Dunbar	Northeast Power Coordinating Council		NPCC	10										
7.	Brian Evans-Mongeon	Utility Services		NPCC	8										
8.	Mike Garton	Dominion Resources Services, Inc.		NPCC	5										
9.	Kathleen Goodman	ISO - New England		NPCC	2										
10.	Chantel Haswell	FPL Group, Inc.		NPCC	5										

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
11. David Kiguel	Hydro One Networks Inc.	NPCC	1																	
12. Michael Lombardi	Northeast Utilities	NPCC	1																	
13. Randy MacDonald	New Brunswick Power Transmission	NPCC	9																	
14. Bruce Metruck	New York Power Authority	NPCC	6																	
15. Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																	
16. Robert Pellegrini	The United Illuminating Company	NPCC	1																	
17. Si Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																	
18. David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																	
19. Saurabh Saksena	National Grid	NPCC	1																	
20. Michael Schiavone	National Grid	NPCC	1																	
21. Wayne Sipperly	New York Power Authority	NPCC	5																	
22. Donald Weaver	New Brunswick System Operator	NPCC	2																	
23. Ben Wu	Orange and Rockland Utilities	NPCC	1																	
24. Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC	3																	
2.	Group	Charles Long	SERC Planning Standards Subcommittee	X																X
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Pat Huntley	SERC	SERC	10																
2.	John Sullivan	Ameren Services Co.	SERC	1																
3.	James Manning	NC Electric Membership Corp.	SERC	1																
4.	Philip Kleckley	SC Electric & Gas Co.	SERC	1																
5.	Bob Jones	Southern Company Services	SERC	1																
6.	Jim Kelley	PowerSouth Energy Cooperative	SERC	1																
3.	Group	Brent Ingebrigtsen	LG&E and KU Energy	X		X		X	X											
No additional members listed.																				
4.	Group	Jean Nitz	ACES Power Marketing Standards Collaborators							X										
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Mohan Sachdeva	Buckeye Power, Inc.	RFC	3, 4																
2.	Susan Sosbe	Wabash Valley Power Association	SERC	3																
5.	Group	Jonathan Hayes	Southwest Power Pool Standards Review		X															

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				1	2	3	4	5	6	7	8	9	10
			Team										
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>Segment Selection</b>								
1.	Mark Wurm	Board of Public Utilities City of McPherson	SPP	1, 3, 5									
2.	John Allen	City Utilities of Springfield	SPP	1, 4									
3.	Sean Simpson	Board of Public Utilities City of McPherson	SPP	1, 3, 5									
4.	Stephen McGie	Coffeyville	SPP										
5.	Robert Rhodes	Southwest Power Pool	SPP	2									
6.	Jonathan Hayes	Southwest Power Pool	SPP	2									
6.	Group	Steve Rueckert	WECC Staff										X
No additional members listed.													
7.	Group	Chris Higgins	Bonneville Power Administration	X		X		X	X				
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>Segment Selection</b>								
1.	Lorissa Jones	Transmission Internal Ops	WECC	1									
2.	Chuck Matthews	Transmission Planning	WECC	1									
3.	Steve Larson	General Counsel	WECC	1, 3, 5, 6									
4.	Rebecca Berdahl	Long Term Sales and Purchases	WECC	3									
5.	John Anasis	Technical Operations	WECC	1									
6.	Erika Doot	Generation Support	WECC	1, 3, 5									
7.	Don Watkins	System Operations	WECC	1									
8.	Fran Halpin	Duty Scheduling	WECC	5									
9.	Joe Rogers	Transfer Services	WECC	3									
8.	Group	Louis Slade	Dominion	X		X		X	X				
<b>Additional Member</b>		<b>Additional Organization</b>		<b>Region</b>	<b>Segment Selection</b>								
1.	Connie Lowe		RFC	5, 6									
2.	Mike Garton		MRO	5, 6									
3.	Michael Gildea		NPCC	5, 6									
4.	Michael Crowley	Electric Transmission	SERC	1, 3									
5.	Sean Iseminger	Fossil & Hydro	SERC	5									
9.	Group	Bill Middaugh	TSGT G&T	X									

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			1	2	3	4	5	6	7	8	9	10																																			
No additional members listed.																																															
10.	Group	David Thorne	Pepeco Holdings Inc																																												
			X		X																																										
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11.	Group	Cynthia S. Bogorad	Transmission Access Policy Study Group																																												
			X		X	X	X	X																																							
No additional members listed.																																															
12.	Group	John P. Hughes	Electricity Consumers Resource Council (ELCON)																																												
			X		X		X	X	X																																						
No additional members listed.																																															
13.	Group	William D Shultz	Southern Company Generation																																												
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14.	Group	John Bussman	AECI and member G&Ts																																												
			X		X		X	X																																							
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15.	Group	Janelle Marriott Gill	Tri-State Generation and Transmission Assn., Inc. Energy Mangement																																												
					X		X																																								
No additional members listed.																																															
16.	Group	David Taylor	NERC Staff Technical Review																																												
No additional members listed.																																															
17.	Group	Al DiCaprio	IRC Standards Review Committee																																												
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				1	2	3	4	5	6	7	8	9	10
7.	Katherine Goodman	ISO-NE	NPCC 2										
8.	Terry Bilke	MISO	MRO 2										
18.	Individual	William Bush	Holland Board of Public Works			X							
19.	Individual	Silvia Parada Mitchell	Transmission	X		X		X	X				
20.	Individual	Sandra Shaffer	PacifiCorp	X		X		X	X				
21.	Individual	Janet Smith	Arizona Public Service Company	X		X		X	X				
22.	Individual	David Kiguel	Hydro One Networks Inc.	X		X							
23.	Individual	John Bee	Exelon	X		X		X					
24.	Individual	Eric Lee Christensen	Snohomish County PUD	X		X	X	X					
25.	Individual	Greg Rowland	Duke Energy	X		X		X	X				
26.	Individual	Richard Salgo	NV Energy	X									
27.	Individual	Thomas C. Duffy	Central Hudson Gas & Electric Corporation			X							
28.	Individual	Chris de Graffenried	Consolidated Edison Co. of NY, Inc.	X		X		X	X				
29.	Individual	Thad Ness	American Electric Power	X		X		X	X				
30.	Individual	Anthony Jablonski	ReliabilityFirst										X
31.	Individual	Joe Petaski	Manitoba Hydro	X		X		X	X				
32.	Individual	Robert Ganley	Long Island Power Authority	X									
33.	Individual	Eric Salsbury	Consumers Energy			X	X	X					
34.	Individual	David Burke	Orange and Rockland Utilities, Inc.	X		X							
35.	Individual	Kathleen Goodman	ISO New England Inc		X								
36.	Individual	Diane Barney	New York State Dept. of Public Service									X	
37.	Individual	John Seelke	PSEg Services Corp	X		X		X	X				
38.	Individual	Sylvain Clermont	Hydro-Quebec TransEnergie	X									
39.	Individual	Rick Hansen	City of St. George			X		X				X	
40.	Individual	Bud Tracy	Blachly-Lane Electric Cooperative			X							
41.	Individual	Dave Markham	Central Electric Cooperative (CEC)			X							

Group/Individual		Commenter	Organization	Registered Ballot Body Segment										
				1	2	3	4	5	6	7	8	9	10	
42.	Individual	Dave Hagen	Clearwater Power Company (CPC)			X								
43.	Individual	Roman Gillen	Consumer's Power Inc. (CPI)	X		X								
44.	Individual	Dave Sabala	Douglas Electric Cooperative (DEC)								X			
45.	Individual	Bryan Case	Fall River Electric Cooperative (FALL)			X								
46.	Individual	Rick Crinklaw	Lane Electric Cooperative (LEC)			X								
47.	Individual	Michael Falvo	Independent Electricity System Operator		X									
48.	Individual	Michael Henry	Lincoln Electric Cooperative (Lincoln)								X			
49.	Individual	Jon Shelby	Northern Lights Inc. (NLI)			X								
50.	Individual	Ray Ellis	Okanogan County Electric Cooperative (OCEC)			X								
51.	Individual	Rick Paschall	Pacific Northwest Generating Cooperative (PNGC)			X	X				X			
52.	Individual	Heber Carpenter	Raft River Rural Electric Cooperative (RAFT)			X								
53.	Individual	Steve Eldrige	Umatilla Electric Cooperative	X		X								
54.	Individual	Marc Farmer	West Oregon Electric Cooperative (WOEC)			X								
55.	Individual	Steve Alexanderson	Central Lincoln			X	X						X	
56.	Individual	Saurabh Saksena	National Grid	X		X								
57.	Individual	Darryl Curtis	Oncor Electric Delivery Company LLC	X										
58.	Individual	Roger Meader	Coos-Curry Electric Cooperative			X								
59.	Individual	Kirit Shah	Ameren	X		X		X	X					
60.	Individual	Guy Andrews	Georgia System Operations Corporation			X	X							
61.	Individual	Andrew Gallo	City of Austin dba Austin Energy	X		X	X	X	X					
62.	Individual	Andy Pusztai	ATC LLC	X										
63.	Individual	David Kahly	Kootenai Electric Cooperative			X								
64.	Individual	Linda Jacobson-Quinn	Farmington Electric Utility System			X								
65.	Individual	Mary Downey	City of Redding Electric Utility			X	X	X	X					

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
66.	Individual	Paul Cummings	City of Redding					X					
67.	Individual	Edwin Tso	Metropolitan Water District of Southern California	X									
68.	Individual	Rex Roehl	Indeck Energy Services					X					
69.	Individual	Keith Morisette	Tacoma Power	X		X	X	X	X				
70.	Individual	Tracy Richardson	Springfield Utility Board			X							
71.	Individual	Frank Cumpton	BGE	X									
72.	Individual	Gary Carlson	Michigan Public Power Agency					X					

1. **Page one of the ‘Detailed Information to Support an Exception Request’ contains general instructions. Do you agree with the instructions presented or is there information that you believe needs to be on page one that is missing? Please be as specific as possible with your comments.**

**Summary Consideration:** The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception application form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the application to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the application process. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the application details, the SDT believes that both

sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO panel for adjudication.

Now, the commenters could point to lack of direction being supplied to the ERO panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the Bulk Electric System. The SDT firmly believes that the technical prowess of the ERO panel, the visibility of the process, and the experience gained by having this same panel review multiple applications will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.

Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception application form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."

The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.

Finally, the SDT would point to the SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.

The SDT clarified the point that an entity may submit any information that it feels will help support its request as follows:

**Page 1** - List any attached supporting documents and any additional information that is included to supports the request:

Organization	Yes or No	Question 1 Comment
<p>Northeast Power Coordinating Council</p>	<p>No</p>	<p>How an exception application will be assessed by the RE and NERC is not addressed in the document. Stakeholders need to know how the exception application will be evaluated and processed. Suggest that the SDT develop a reference or a guidance document as part of the RoP that will provide guidance to Registered Entities, Regional Entities and the ERO on how an exception application will be processed. Of particular concern is the lack of clarity and specificity with respect to what analyses and study results are required under the third bullet on page 1 and under question 4 on both pages 2 and 4. This lack of clarity and specificity will lead to inconsistent application of the Technical Principles by both Registered Entities and Regional Entities.</p> <p>We recommend the following: the impact and performance analyses required by the 3rd bullet on page 1 and by #4 on pages 2 and 4 should be stipulated to be all analyses, scenarios, and contingencies required under NERC Standard TPL-002-1 with the “exception element” removed from the base system model. Entities shall report on all key performance measures of BES reliability specified in the TPL-002-1 attributable to the removed “exception element”.</p> <p>On page 1 under General Instructions, it is stated that:”A one-line breaker diagram identifying the facility for which the exception is requested must be supplied with every application. The diagram(s) supplied should also show the Protection Systems at the interface points associated with the Elements for which the exception is being requested.”What is meant by interface points?</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT</p>		

Organization	Yes or No	Question 1 Comment
		<p>would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the</p>

Organization	Yes or No	Question 1 Comment
		<p>bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>As far as developing reference or guidance documents, the SDT will consider this recommendation in Phase II of the project.</p> <p>The recommendation to use “the impact and performance analyses required by the 3rd bullet on page 1 and by #4 on pages 2 and 4 should be stipulated to be all analyses, scenarios, and contingencies required under NERC Standard TPL-002-1 with the “exception element” removed from the base system model” could be viable as a form of evidence an entity may want to submit if the entity believes this test provides evidence for the exception of an Element(s). The SDT encourages the submitting entity to provide any additional information or explanation in the comments section of the questions that it believes will assist in the review of its Exception Request. The SDT has made a clarifying change to the page 1 instructions to make this point clearer. Also see the answer to question #4.</p>

Organization	Yes or No	Question 1 Comment
<p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p> <p>As far as interface points, the SDT agrees with BPA’s suggestion that the interface point is the point requested by the entity seeking the exception where the Element or Elements interconnect(s) to Bulk Electric System Elements.</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>The first sentence only refers to element(s) designated as excluded. Element(s) designated as included under the BES definition, shouldn’t have to go through the exception process either.</p>
<p>Response: The SDT agrees with this comment. This language was added to clarify that Elements that are excluded (or included) do not have to go through the Exception Process unless they are attempting to change to classification of their Elements.</p>		
<p>WECC Staff</p>	<p>No</p>	<p>WECC has several concerns with the instructions on the checklist regarding the studies:</p> <ul style="list-style-type: none"> <li>o Study Case - The instructions state the study case that should be used, “Be based on an Interconnection-wide base case that is suitably complete and detailed to reflect the facility’s electrical characteristics and system topology.” The phrase “suitably complete and detailed” is vague. WECC recommends clarification of this phrase and the addition of specific requirements for what will constitute an appropriate case. Allowing the entity requesting an exception to choose any Interconnection-wide case could allow an inappropriate choice of case and could lead to inconsistent study results. If there are no requirements for the chosen case, then it is possible that the most favorable case to an entity’s argument will be chosen. In some instances that choice would likely be appropriate, but in others it would not necessarily be appropriate. At a minimum, there should be further description - and preferably, specific requirements - guiding the determination of which study case is most appropriate.</li> </ul> <p>Of particular importance in clarifying what case is an appropriate case, is the timeliness of the case. WECC recommends requiring that a recent case be used. In addition, if each entity is able to chose its own case, without further</p>

Organization	Yes or No	Question 1 Comment
		<p>requirements, there will be no way for the Regional Entity or NERC to ensure consistency of determinations with respect to the elements tested.</p> <p>o The entities are asked to address key performance measures of BES reliability through the studies. This instruction is vague concerning what the study must investigate and it leaves it up to the entity to determine the key performance measures. The “key performance” measures should be consistent with respect to similar elements and there is no way to ensure that if there are no specifications regarding such measures. The exceptions process must be objective and clear as to what performance measures need to be met for the process to be implemented consistently. WECC recommends further clarification and the addition of specific requirements beyond the guidance related to consistency with Transmission Planning (TPL) standards.</p> <p>o The background information on the comment form states: “The same checklist will be utilized for exceptions dealing with inclusions or exclusions.” But there is no mention of this in the document. A note should be added to the checklist instruction to state that the same checklist will be used for exclusions and inclusions.</p>
<p><b>Response:</b> In response to the comment about an appropriate base case, the SDT expects the entity seeking an exception to supply an appropriate base case that the Regional Entity will acknowledge as appropriate. Not indicating the explicit types of studies or base cases to be provided and how to interpret the information in the application process does not fail to provide a basis for the Regional Entity to determine what constitutes an acceptable submittal.</p> <p>The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, this is not something that hasn’t been handled before and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to move upward to the ERO panel for a final determination.</p> <p>The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would</p>		

Organization	Yes or No	Question 1 Comment
		<p>like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being</p>

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		<p>made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>As to the last comment, the SDT finds this wording redundant and not providing any additional clarity. No change made.</p>
<p>Dominion</p>	<p>No</p>	<p>Given that the second sentence in the 1st paragraph of this comment form reads “This same process would be used by Registered Entities to justify including Elements in the BES that might otherwise be excluded according to the proposed definition and designations.”, Dominion suggests that the 1st</p>

Organization	Yes or No	Question 1 Comment
		<p>sentence under General Instructions be revised to read “A one-line breaker diagram identifying the facility for which the exception (or inclusion) is requested must be supplied with every application. The diagram(s) supplied should also show the Protection Systems at the interface points associated with the Elements for which the exception <b>(or inclusion)</b> is being requested.”</p>
<p><b>Response:</b> The SDT reviewed the suggestion to add the phrase “(or inclusion)” and has elected to keep the original language because the term Exception includes both Exclusions and Inclusions.</p>		
<p>Pepco Holdings Inc</p>	<p>No</p>	<ol style="list-style-type: none"> <li>1) Why must the one-line diagram supplied show the Protection Systems at the interface points associated with the elements for which the exception is being requested? Since Protection Systems are not part of the new bright-line BES definition why would their presence, or absence, on the one-line diagram influence the exception process?</li> <li>2) The third bullet needs additional detail of what is being requested. The phrase “...key performance measures..” and use of methodologies described in TPS Standards does not provide sufficient direction needed. (see question #4)</li> </ol>
<p><b>Response:</b> In response to the question about including Protection Systems, the SDT has used the term “should also show the Protection Systems”. This is not mandatory; however the SDT has suggested this because the criterion for the evaluation of an exception is “the Elements are necessary for the reliable operation of the interconnected bulk power transmission system”. As an example, the elements could be part of a Special Protection System or RAS thus they could help the ERO to identify the Elements “necessary for Reliable Operation...” No change made.</p> <p>The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and</p>		

Organization	Yes or No	Question 1 Comment
		<p>received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled</p>

Organization	Yes or No	Question 1 Comment
		<p>separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>Also, see the answer to question #4.</p>
<p>Electricity Consumers Resource Council (ELCON)</p>	<p>No</p>	<p>The exception request form should begin with a question asking if the inclusion was triggered by the entity responding to an emergency request by the applicable BA, RC or TOP. The entity’s response to support recovery from an emergency may have resulted in (1) power flows through the entity’s facility into the BES, and/or (2) power injections to the BES that exceed the 20/75-MVA thresholds. The entity should not be required to provide detailed data and studies (as described in the “General Instructions”) if either of those conditions would not have occurred but for</p>

Organization	Yes or No	Question 1 Comment
		an emergency situation.
<p><b>Response:</b> While the SDT seriously doubts that such a situation will occur, the entity can choose the amount of and type of evidence to present; if the entity feels that abnormal operation should be considered in the evaluation of the Element(s) then they should supply that information to help explain its position.</p>		
AECI and member G&Ts	No	An opening statement of this form should make it clear that, prior to its determination, the Facilities within scope of this exemption request, remain included or excluded based upon the basic BES Definition Bright Line criteria Inclusions and Exclusions.
<p><b>Response:</b> This is a question that relates to the proposed ERO Rules of Procedure Appendix 5C. This question was forwarded to the RoP team.</p>		
Hydro One Networks Inc.	No	<p>On the posted document, we did not find how an exception application will be assessed by the RE and NERC. We believe that there is a huge gap and a lack of transparency for all stakeholders on how the exception application will be evaluated and processed.</p> <p>We strongly suggest that the SDT develop a reference or a guidance document as part of the RoP that will provide guidance to Registered Entities, Regional Entities and the ERO on how an exception application would/should be processed.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say</p>		

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		<p>that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and</p>

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		<p>consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>In response to the comment about developing reference or guidance documents, the SDT will consider this recommendation in Phase II.</p>
Duke Energy	No	<p>Need to include identification of any System Protection Coordination considerations per PRC-001-1.</p> <p>Also, we believe that a system map showing the geographical location of the facility(s) should be supplied with the request.</p>
<p><b>Response:</b> The detail of the diagrams and the type of diagrams suggested by Duke could be viable forms of evidence that an entity may want to submit if the entity believes they provide evidence to support the exception of an Element.</p> <p>Additionally, the SDT encourages the submitting entity to provide any additional information or explanation in the comments section of the questions that it believes will assist in the review of its Exception Request.</p>		

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Consolidated Edison Co. of NY, Inc.	No	<p>Con Edison’s overall concern is the lack of clarity and specificity with respect to what analyses and study results are required under the 3rd bullet on page 1 and under #4 on pages 2 and 4. This lack of clarity and specificity will lead to inconsistent application of the Technical Principles by both Registered Entities and Regional Entities. We recommend the following: the impact and performance analyses required by the 3rd bullet on page 1 and by #4 on pages 2 and 4 should be stipulated to be all analyses, scenarios, and contingencies required under NERC Standard TPL-002-1 with the “exception element” removed from the base system model. Entities shall report on all key performance measures of BES reliability specified in the TPL-002-1 attributable to the removed “exception element”.</p> <p>Note that references to NERC Standard TPL-001-2 should not be made in the Technical Principles document as TPL-001-2 has not yet been filed with (nor approved by) FERC.</p> <p>General Instructions One-Line Breaker Diagram questions and comments: Page 1, paragraph 2: Please explain the phrase “at the interface points.” Where is this location? Please provide several examples, i.e., for a radial, a local network, a generator, a transformer, a substation buss, and for other Elements (PARs, reactors, UFLS panels, relays and switches).</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn’t been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a</p>		

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		<p>single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel’s findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren’t shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn’t been handled before by either party and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p>

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<p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>2. TPL-001-2 has been approved by the NERC Board of Trustees. As per drafting team guidelines, this document is now to be used in all cases where the TPL standards are referenced in other standards projects.</p> <p>3. In response to the comment about interface points, the SDT agrees with BPA’s suggestion that the interface point is the point requested by the entity seeking the exception were the Element or Elements interconnect(s) to Bulk Electric System Elements.</p>		
New York State Dept. of Public Service	No	Missing from the document are any indicators as to how much information is sufficient, how the information will be evaluated, what weight will be given to the individual pieces of information, etc.
ReliabilityFirst	No	These instructions are at a very high level and provide no clear guidance on what is required. ReliabilityFirst Staff believes each bulleted item needs to provide clear expectations. As an example in bullet #2 “Clearly document all assumptions used”, the document and this bullet should include guidance such as what base case transfers were included, a list of facilities that were

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		assumed out of service, new facilities places in service and system load levels, etc.
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for</p>		

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		<p>adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>
Manitoba Hydro	No	

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<p><b>Response:</b> Without any specific comment the SDT is unable to respond.</p>		
<p>Orange and Rockland Utilities, Inc.</p>	<p>No</p>	<p>In the first paragraph “Entities that have Element(s) designated as excluded, under the BES definition and designations, do not have to seek exception for those Elements under the Exception Procedure.”, before the “General Instruction” it should have had another sentence saying that “for those who do not clearly meet the Inclusions and Exclusions should use the following instructions”. Otherwise, it’s still not very clear.</p>
<p><b>Response:</b> The SDT would like to point out that the “Detailed Information to Support an Exception Request” is only one section of the Exception Form. For clarity, please refer to the complete form contained as part of the proposed ERO Rules of Procedure Appendix 5C; also, see the RoP’s flow chart that outlines the process.</p>		
<p>ISO New England Inc</p>	<p>No</p>	<p>It is unclear what the purpose of submitting diagrams showing the Protection Systems is and we do not feel that it should be a requirement at the onset of the exception process.</p> <p>In the first bullet, we do not feel that the term “Interconnection-wide base case” is required as the phrase “suitably complete and detailed” should provide enough guidance to the submitter that inappropriate equivalent representations would not be accepted. The concern is that one could interpret “Interconnection-wide base case” as the entire Eastern Interconnection model is a requirement.</p>
<p><b>Response:</b> In response to the question about including Protection Systems, the SDT used the term “should also show the Protection Systems”. This is not mandatory; however the SDT has suggested this because the criterion for the evaluation of an Exception is “the Elements are necessary for the Reliable Operation of the interconnected bulk power transmission system”. As an example, the elements could be part of a special protection system or RAS thus they could help the ERO to identify the Elements “necessary for Reliable Operation...” No change made.</p> <p>In response to the comment about a base case, the SDT expects the entity seeking an exception to supply a Base Case that the Regional Entity will acknowledge as appropriate. The SDT points to the variations that will abound in the applications as negating</p>		

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<p>any hard and fast rules in this regard. However, this is not something that hasn't been handled before and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to move upward to the ERO panel for a final determination. No change made.</p>		
PSEg Services Corp	No	<p>What is meant by "key performance measures of BES reliability" in the third bullet? A descriptive list would be helpful.</p>
<p><b>Response:</b> As to the lack of key performance measures, the SDT refers the commenters to Appendix 5C of the proposed ERO Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. No change made.</p>		
Hydro-Quebec TransEnergie	No	<p>We believe that the new Technical Principles are better than the previous ones, as they allow flexibility for an Entity to make their case with technical justifications. However, without any guide or specific criteria, it does not allow an Entity to identify the real possibility to obtain an exception. It is not clear at all what will guide the Region or ERO to make their decision to grant or not the exception. In order give confidence to the Industry in the procedure, it would be necessary to define the elements that will guide the decision.</p> <p>Will impact base study be accepted?</p> <p>Will the threshold differences with Quebec Interconnection be accepted?</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and</p>		

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		<p>received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled</p>

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		<p>separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>The SDT refers Hydro-Quebec to Appendix 5C of the proposed ERO Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected bulk transmission system. Further, Reliable Operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements.</p> <p>As far as a difference for the Quebec Interconnection, the SDT encourages the submitting entity to provide any additional information or explanation in the comments section of the questions that it believes will assist in the review of its Exception Request.</p>

Organization	Yes or No	Question 1 Comment
City of St. George	No	<p>While the general instruction information outlined is applicable, it lacks sufficient detail to know exactly what is needed to be submitted. More importantly the general instructions and the overall document lacks criteria that if met (through study and other documentation methods) would allow for exclusion from or inclusion to the BES. Something similar to the criteria or concepts used in the Appendix 1 of the Local Network Exclusion justification document is needed. Clear criteria should allow an entity to determine with a reasonable degree of certainty that if the criteria are met as demonstrated by the associated study effort that an exemption can be obtained. Otherwise without that criteria, the process will be not far from where the exemption process is today, which will be costly, time consuming and frustrating for the registered entities as well as the regions and NERC. The process needs to be repeatable and consistent between all regions and entities. Entities need to know what is expected and where the finish line is. As presently written each region and NERC would have to develop their own criteria individually and will be open to opinions which could change as personnel changes occur in a given position or panel.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity</p>		

Organization	Yes or No	Question 1 Comment
		<p>plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel’s findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren’t shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn’t been handled before by either party and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or</p>

Organization	Yes or No	Question 1 Comment
		<p>response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>In response to clear criteria, the SDT refers the commenters to Appendix 5C of the proposed ERO Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements.</p>
<p>Georgia System Operations Corporation</p>	<p>No</p>	<p>: The last half of the first sentence should be changed to “do not have to seek an Exclusion Exception under the Exception Procedure for the Element(s).” The use of “Element(s)” relates back to that term at the start of the sentence, and the reference to an “Exclusion Exception” is necessary because an entity (albeit probably not the Owner), still may choose to seek an Inclusion Exception for such an Element(s).</p> <p>In the 3rd bullet, the reference should be to TPL standards (plural).</p>
<p><b>Response:</b> In response to the suggestion to change the first sentence, the SDT would like to point out that the “Detailed Information to Support an Exception Request” is only one section of the Exception Form. For further clarity, please refer to the complete Exception form contained as part of the proposed ERO Rules of Procedure Appendix 5C; also, see the RoP’s flow chart that outlines</p>		

Organization	Yes or No	Question 1 Comment
<p>the process. No change made.                      The SDT notes that there is now only one TPL standard, TPL-001-2; TPL-001-2 has been approved by the NERC Board of Trustees. As per drafting team guidelines, this document is now to be used in all cases where the TPL standards are referenced in other standards projects. No change made.</p>		
<p>ATC LLC</p>	<p>No</p>	<p>Since an Exception Request may be for approval to designate identified Element(s) as either excluded from or included in the BES, the wording of the first sentence should be changed and the request should clearly indicate (e.g. exclusion/inclusion check boxes) whether the request regards exclusion or inclusion of the Element(s). Here is some draft wording for consideration: Entities that have Element(s) that are included under the BES definition and designations, but seek to have them designated as excluded from the BES or that that have Element(s) that are excluded under the BES definition and designations, but seek to have them designated as included in the BES should submit an Exception Request according to the NERC Exception Procedures and provide detailed information to support the Exception Request as indicated below.</p> <p>In addition, ATC suggests the following clarifying edit. Entities that have BES Element(s) considered as excluded under the BES definition and designations, do not have to seek exception for those Elements under the Exception Procedure.</p>
<p><b>Response:</b> In response to the suggestion to change the first sentence, the SDT would like to point out that the “Detailed Information to Support an Exception Request” is only one section of the Exception Form. For further clarity, please refer to the complete form contained as part of the proposed ERO Rules of Procedure Appendix 5C; also, see the RoP’s flow chart that outlines the process.</p> <p>The SDT would refer the commenter to the first line of page 1 which clearly states this fact. No change made.</p>		
<p>Farmington Electric Utility System</p>	<p>No</p>	<p>The general instructions presented are primarily components to substantiate an Exception Request. However, a cover sheet (template) should be created that includes overall identifying information of the Submitting Entity and the</p>

Organization	Yes or No	Question 1 Comment
		<p>and the Owner if the if they are not the same - the template should align with the draft Appendix 5C Section 4.5.1 of the NERC Rules of Procedure. An Exception Request can be submitted for Inclusion or Exclusion of the BES. The first sentence in the form, “Entities that have Element(s) designated as excluded, under the BES definition and designations, so not have to seek exception for those Element(s) under the Exception Procedure. This would not be true if a Submitting Entity is seeking an Inclusion Exception. FEUS recommends revising to include Inclusion Exception Requests.</p>
<p><b>Response:</b> The SDT acknowledges that the “Detailed Information to Support an Exception Request” is only one section of the Exception Form and in itself lacks required information; the complete form contains the information suggested by the commenter. The full Exception form is part of the proposed ERO Rules of Procedure Appendix 5C; also, see the RoP’s flow chart that outlines the process.</p>		
<p>Transmission Access Policy Study Group</p>		<p>Glossary terms should be capitalized throughout the document. Lowercase “facility,” especially, should not be used. The document should use “Element” instead.</p> <p>The term “interface points,” while common, may not have a sufficiently common understanding to be used in this context. “Boundaries of the Element(s) for which the exception is being requested” may express the SDT’s meaning more clearly.</p>
<p><b>Response:</b> The SDT agrees with the commenter and the form was edited to use the term Element instead of Facility where appropriate.</p> <p>In response to the comment about interface points, the SDT agrees with BPA’s suggestion that the interface point is the point requested by the entity seeking the exception were the Element or Elements interconnect(s) to Bulk Electric System Elements.</p>		
<p>Tri-State Generation and Transmission Assn., Inc. Energy Mangement</p>		<p>This question is actually asking two questions; Tri-State’s answers would be No &amp; Yes. There needs to be a better introduction to what and why the exception is being requested.</p>

Organization	Yes or No	Question 1 Comment
TSGT G&T		This question is actually asking two questions; Tri-State’s answers would be No & Yes. There needs to be a better introduction to what and why the exception is being requested.
<p><b>Response:</b> This is a question that relates to the proposed ERO Rules of Procedure Appendix 5C. This question was forwarded to the RoP team.</p>		
American Electric Power	Yes	<p>Though we have no objections to the proposed content, this is contingent on the number and type of elements eventually found included or excluded as a result of the BES definition itself which is still being drafted. Any changes in that definition could in turn cause us concern regarding these general instructions.</p> <p>There needs to some provision for cases where specific elements which are not specifically contained within the studies. It needs to be clear what additional analysis needs to be provided under those circumstances.</p> <p>We recommend that the owner of the asset be identified as part of the general instructions.</p> <p>In the case of wind resources, how is individual gross nameplate information to be reported?</p>
<p><b>Response:</b> In response to a provision for specific elements not contained in studies, the SDT encourages the submitting entity to provide any additional information or explanation in the comments section of the questions that it believes will assist in the review of its Exception Request. Additionally, the exception form has been clarified to bring home that point.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p> <p>The owner of the asset is identified in the instructions that are being proposed as part of the ERO Rules of Procedures changes.</p> <p>This revised definition does not change the way that wind resources are reported.</p>		

Organization	Yes or No	Question 1 Comment
<p>Snohomish County PUD                      Blachly-Lane Electric Cooperative                      Central Electric Cooperative (CEC)                      Clearwater Power Company (CPC)                      Consumer's Power Inc. (CPI)                      Douglas Electric Cooperative (DEC)                      Fall River Electric Cooperative (FALL)                      Lane Electric Cooperative (LEC)                      Lincoln Electric Cooperative (Lincoln)                      Northern Lights Inc. (NLI)                      Okanogan County Electric Cooperative (OCEC)                      Pacific Northwest Generating Cooperative (PNGC)                      Raft River Rural Electric Cooperative (RAFT)                      Umatilla Electric Cooperative                      West Oregon Electric Cooperative (WOEC)                      Coos-Curry Electric Cooperative                      City of Austin dba Austin Energy                      Kootenai Electric Cooperative</p>	<p>Yes</p>	<p>SNPD agrees generally that the General Instructions set forth the basic information that would be necessary to support an Exception Request. SNPD is concerned, however, that the statement “diagram(s) supplied should also show the Protection Systems at the interface points associated with the Elements for which the exception is being requested” may be subject to differing interpretations. SNPD envisions that at least four different kinds of documents would be responsive to the description: one-line diagrams with breakers and switches (status); identification of relays by their ANSI device numbers; details of the DC control logic for ANSI devices; and, operational scheme descriptions of the type used by system operators. Accordingly, we suggest that the language be refined to identify the specific kinds of diagrams necessary to identify protection systems at the interface with the Elements for which the Exception is sought, including any required details.</p> <p>SNPD suggests that a generic example of a completed form be provided to the industry to help ensure that Exception Requests are supported by consistent and complete information. Such a generic example could be addressed in the Phase 2 BES efforts.</p>

**Response:** The various diagrams suggested by SNPD could be viable as forms of evidence that an entity may want to submit if the

Organization	Yes or No	Question 1 Comment
<p>entity believes they provide evidence to support the exception of an Element. As far as developing generic examples, reference, or guidance documents, the SDT agrees with SNPD that this should be considered in Phase II of the project.</p>		
<p>Southern Company Generation</p>	<p>Yes</p>	<p>In the third bullet under the list of study attributes, it is very important to specifically list the "key performance indicators of BES reliability". This will assist in pointing the studies to focus on the issues relevant to determining the significance of the exception request.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be</p>		

Organization	Yes or No	Question 1 Comment
		<p>provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal. Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to</p>

Organization	Yes or No	Question 1 Comment
<p>consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>Also, see the answer to question #4.</p>		
Holland Board of Public Works	Yes	<p>The requirement to base flow studies on an “interconnection-wide base case” is likely to include many more lines and buses than necessary to model the impact of a facility that is not material to the BES. Holland BPW request the words “or regional reduction of such a case” be added after “interconnection-wide base case” to avoid unnecessary expense and detail if a more limited study set is adequate to demonstrate the lack of material impact of the facility(ies) in question.</p>
Michigan Public Power Agency	Yes	<p>The requirement to base flow studies on an “interconnection-wide base case” is likely to include many more lines and buses than necessary to model the impact of a facility that is not material to the BES. MPPA and its members request the words “or regional reduction of such a case” be added after “interconnection-wide base case” to avoid unnecessary expense and detail if a more limited study set is adequate to demonstrate the lack of material impact of the facility(ies) in question.</p>
<p><b>Response:</b> In response to the comment about a reduction base case, the SDT expects the entity seeking an exception to supply a Base Case that the Regional Entity will acknowledge as appropriate. The SDT points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, this is not something that hasn’t been handled before and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to move upward to the ERO panel for a final determination. No change made.</p>		
Bonneville Power Administration	Yes	<p>BPA suggests clarifying that the interface point is the point where the entity seeking the exception’s facility or facilities interconnect(s) to the Bulk Electric System facility.</p>

Organization	Yes or No	Question 1 Comment
		Page 1 states “Supporting statements for your position from other entities are encouraged.” BPA believes coordination with affected systems should be required under the exemption process.
<p><b>Response:</b> In response to the comment about interface points, the SDT agrees with BPA’s suggestion that the interface point is the point requested by the entity seeking the exception were the Element or Elements interconnect(s) to Bulk Electric System Elements.</p> <p>As for the comment about coordination, the SDT refers the commenter to Appendix 5C of the proposed NERC Rules of Procedure, Section 4.5.2. This section requires the submitting entity to submit a copy of the Exception Request Form Section II to each Planning Coordinator, Reliability Coordinator, Transmission Operator, Transmission Planner, and Balancing Authority that has (or will have upon inclusion of the Element(s) in the BES) the Elements covered by an Exception Request within its Scope of Responsibility.</p>		
Independent Electricity System Operator	Yes	
Central Lincoln	Yes	
National Grid	Yes	
Oncor Electric Delivery Company LLC	Yes	
Ameren	Yes	
Long Island Power Authority	Yes	
Consumers Energy	Yes	
NV Energy	Yes	
Central Hudson Gas & Electric	Yes	

Organization	Yes or No	Question 1 Comment
Corporation		
Exelon	Yes	
Transmission	Yes	
PacifiCorp	Yes	
NERC Staff Technical Review	Yes	
IRC Standards Review Committee	Yes	
City of Redding Electric Utility	Yes	
City of Redding	Yes	
Tacoma Power	Yes	Tacoma Power supports the instructions as written.
Springfield Utility Board	Yes	SUB agrees with the instructions, finding them to be clear and reasonable.
BGE	Yes	No comment.
Southwest Power Pool Standards Review Team	Yes	
SERC Planning Standards Subcommittee	Yes	
<p><b>Response:</b> Thank you for your support.</p>		

2. **Pages two and three of the Detailed Information to Support an Exception Request contain a checklist of items that deal with transmission facilities. Do you agree with the information being requested or is there information that you believe needs to be on page two or three that is missing? Please be as specific as possible with your comments.**

**Summary Consideration:** The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it had become obvious to the SDT that the simple answer that so many sought is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception application form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the Exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. The SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the application to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the Exception Request. Conversely, an argument could be raised that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information are not shown in the application process. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules. However, this is not something that has not been handled before and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of the Exception process. Having viewed the application details, the SDT believes that both sides can quickly arrive at

a resolution as to what information needs to be supplied for the submittal to move upward to the ERO panel for a final determination.

While commenters point to lack of direction being supplied to the ERO panel as to specific guidelines for them to follow in making their decision, the SDT re-iterates the problem with providing such hard and fast rules. There are too many variables to consider. Providing concrete guidelines is going to tie the hands of the ERO panel and inevitably result in poor decisions. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical expertise of the ERO panel, the visibility of the process, and the experience gained by having the hindsight resulting from reviewing multiple applications will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.

Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception application form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2, which states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."

The SDT has made several minor changes made to the specific items in the form in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.

Finally, the SDT would point to the SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.

The SDT affirms the requirement to provide the most recent consecutive two calendar year period minimum and maximum magnitude of the power flow out of the Element(s) for which an Exception is sought. The SDT believes that a single year's data is

insufficient to determine a pattern of flow on the Element(s). Moreover, many of the NERC Standards already require longer data retention periods; typically for a full audit period which is either three or six years. See NERC Compliance Process Bulletin #2009-005, Current In-Force Document Data Retention Requirements for Registered Entities, Version 1.0, at 1 (Jun.29, 2009). It should be noted that retaining three second data from an Energy Management System (EMS) or a Supervisory Control And Data Acquisition (SCADA) system is not sought in this instance.

The SDT declines to further define the “maximum magnitude of the power flow.” It is up to the submitting entity to determine how best to present the information supporting their request and any responses provided by the submitting entity can be further described or qualified under the comments section.

The SDT has determined that information on Flowgate impacts and whether Element(s) are included in an Interconnection Reliability Operating Limit (IROL) are necessary to the Regional Entity’s determination of whether an Element(s) is used to provide bulk power transfers within the Interconnections or whether the Element(s) is distribution. A number of interchange coordination Reliability Standards apply to these transfer paths and Flowgates. Accordingly, the SDT believes such facilities are necessary for the reliable operation of an interconnected electric transmission network and would not be excluded from the definition of the BES. Furthermore, the SDT understands that each Flowgate list may be added to or subtracted from based on prevailing system conditions, however, a core set of Flowgates will remain the same. It is up to the submitting entity to determine how best to present the information supporting their request and the nature of the Element(s) impact on a permanent flowgate can be further described or qualified under the comments section.

Due to comments received, the SDT made the following clarifying changes to the request form:

**Page 1** - List any attached supporting documents and any additional information that is included to supports the request:

**Q3.** Please provide the appropriate list for ~~your~~the operating area where the Element(s) is located:

**Q6.** Is ~~Are~~ the facility-Element(s) part of a Cranking Path ~~associated with a Blackstart Resource~~ identified in a Transmission Operator’s restoration plan?

**Q7.** If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the facility-Element(s)? and d Describe the conditions and the time duration when this ~~could~~ occurs?

Organization	Yes or No	Question 2 Comment
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Organization	Yes or No	Question 2 Comment
<p>Northeast Power Coordinating Council</p>	<p>No</p>	<p>For question 2 on page 2 For Transmission Facilities:</p> <ul style="list-style-type: none"> <li>o What standards will define the “impact”?</li> <li>o What is a material impact and a non-material impact?</li> <li>o What kinds and types of impacts are acceptable/unacceptable?</li> <li>o How are impacts determined?</li> </ul> <p>Question 6 on page 3 reads “Is the facility part of a Cranking Path associated with a Blackstart Resource?”, suggest removing the reference to “Cranking Path” because the Drafting Team does not require that the BES be contiguous, and black start resource Cranking Paths were deleted from Inclusion I3.</p> <p>Question 7 on page 3 asks, “Does power flow through this facility into the BES?” This can only apply to a Local Network with two or more connections to the BES. No power should normally flow through a Local Network (or Radial system) to another portion of the BES. There may be occasional, brief reverse power flows may be acceptable during short periods under abnormal operating conditions.</p> <p>Question 7 also requests “data for the most recent consecutive two calendar year period.” Why is two years worth of data necessary? One year of data would be sufficient.</p> <p>From Question 7, “what is the minimum and maximum magnitude of the power flow out of the facility ...” What is intended by the use of magnitude?</p> <p>Suggest that the Drafting Team adopt the FERC Seven Factor test for question 7.</p> <p>Suggest deleting the “% of the calendar year” check boxes in favor of a statement either that power does not flow through the Local Network, or alternatively, a blank space for reporting the net peak MWs and MWHs transferred annually through the facility, and the percentage of these transferred amounts to the peak and annual MWH demands served by the Local Network.</p> <p>Suggest requesting only one year (8,760 hours) of data covering four seasons,</p>

Organization	Yes or No	Question 2 Comment
		including Summer and Winter capability periods.
Consolidated Edison Co. of NY, Inc.	No	<p>Application Form Page 2For Transmission Facilities:Impacts:Flowgates: The Application form at 2 states, “How does the facility impact permanent Flowgates in the Eastern Interconnection ...”</p> <ul style="list-style-type: none"> <li>o What standards for “impact” does the BES SDT envision?</li> <li>o What is a material impact and a non-material impact?</li> <li>o What kinds and types of impacts are acceptable and/or unacceptable?</li> <li>o How are impacts determined, e.g., Power TFD method, short circuit analysis, A-10 method?</li> </ul> <p>Impact-Based Studies: Note that the FERC Seven Factor test is a time-tested method and FERC has identified it as an acceptable method for reliability purposes; for gauging the expected impact of an Element on the interconnected transmission grid. The NPCC A-10 method has been used extensively in the Northeastern U.S. and Canada, and is an impact-based approach. The power TDF (transfer distribution factor) method is also used by some to assess the impact of changing power flows on individual Elements within a system. FERC has studied using the ‘TIER’ method for classifying system Elements based on LBMP impacts. WECC uses a short circuit test.</p> <p>Page 3Cranking Path Issue: The Application form at 6 asks, “Is the facility part of a Cranking Path associated with a Blackstart Resource?”We understand that:(i) The drafting team does not require that the BES be contiguous, and (ii) Blackstart resource Cranking Paths were deleted from Inclusion I3. Recommendation: Delete the reference to “Cranking Paths” in this Application form.</p> <p>Power Flow Issue: The Application form at 7 asks, “Does power flow through this facility into the BES?” We assume that this can only apply to a Local Network with two or more connections to the BES. We believe that no power should normally flow through a Local Network (or Radial system) to another portion of the BES. Occasional, brief reverse power flows may be acceptable during short periods under abnormal operating conditions, e.g., a switch</p>

Organization	Yes or No	Question 2 Comment
		<p>normally open is briefly closed during a forced maintenance outage.</p> <p>The Application form at 7 requests the following: “data for the most recent consecutive two calendar year period.” o Please explain why the BES SDT felt that two years worth of data was necessary, as one year of data would appear sufficient? Our experience has been that one year (8,760 hours) of data covers four seasons, including Summer and Winter capability periods, and is therefore sufficient. Requiring an extra year is perhaps unnecessarily burdensome on filing Entities, whether asset owners or Regional Entities.</p> <p>The Application form at 7 asks, “[W]hat is the minimum and maximum magnitude of the power flow outflow of the facility ...” o Please explain why the BES SDT used the term “magnitude” when requesting power outflow data?</p> <p>Recommendations: 1) We strongly recommend that the BES SDT adopt the FERC Seven Factor test for these purposes. The FERC Seven Factor test states that, o “Power flows into local distribution systems, and rarely, if ever flows out,” and o “When power enters a local distribution system, it is not reconsigned or transported on to some other market.”</p> <p>2) We recommend deleting the “% of the calendar year” check boxes in favor of a statement either that power does not flow through the Local Network, or alternatively, a blank space for reporting the net peak MWs and MWH’s transferred annually, and the percentage of these transferred amounts to the peak and annual MWH demands served by with the Local Network.3) We recommend requesting only one year (8,760 hours) of data covering four seasons, including Summer and Winter capability periods.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on the Exception criteria. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that a simple answer is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and</p>		

Organization	Yes or No	Question 2 Comment
		<p>received very little in the form of substantive comments.</p> <p>Not indicating the explicit types of studies to be provided and how to interpret the information in the application process does not fail to provide a basis for the Regional Entity to determine what constitutes an acceptable submittal. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, this is not something that hasn't been handled before and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to move upward to the ERO panel for a final determination.</p> <p>As to the lack of direction being supplied to the ERO panel in the form of specific guidelines to follow, the SDT refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical expertise of the ERO panel, the visibility of the process, and the experience gained by having the hindsight resulting from reviewing multiple applications will result in an equitable, transparent, and consistent approach to the problem.</p> <p>Finally, there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>The SDT disagrees with eliminating the question pertaining to Cranking Path. It is important to realize a distinction between the BES definition and the Exception process. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. It is not correct to assume that simply because an evaluation criterion was removed from the bright-line definition it should also be eliminated from consideration in the Exception Process. The SDT believes that consideration of Cranking Paths is among the factors to be given consideration in the evaluation for an Exception Request application. Any further discussion of this issue is within the scope of the Phase II SAR. No change made.</p> <p>With respect to concerns about including power flowing through a local network in the Exception Request Form, these concerns fail to recognize the distinction between the BES definition and the Exception Process. As stated above, while the BES definition</p>

Organization	Yes or No	Question 2 Comment
		<p>established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. The SDT believes that power flow through an Element into the BES is among the factors to be given consideration in the evaluation of an Exception Request. In fact, the example identified by commenters identifies one situation that requires such consideration; where occasional, brief reverse power flows may be acceptable during short periods under abnormal operating conditions. Further discussion of this issue is within the scope of the Phase II SAR. No change made.</p> <p>The SDT affirms the requirement to provide the most recent consecutive two calendar year period minimum and maximum magnitude of the power flow out of the Element(s) for which an Exception is sought. The SDT believes that a single year’s data is insufficient to determine a pattern of flow on the Element(s). Moreover, many of the NERC Standards already require longer data retention periods; typically for a full audit period which is either three or six years. See NERC Compliance Process Bulletin #2009-005, Current In-Force Document Data Retention Requirements for Registered Entities, Version 1.0, at 1 (Jun.29, 2009). It should be noted that retaining three second data from an Energy Management System (EMS) or a Supervisory Control And Data Acquisition (SCADA) system is not sought in this instance. No change made.</p> <p>The SDT declines to further define the “maximum magnitude of the power flow.” It is up to the submitting entity to determine how best to present the information supporting their request and any responses provided by the submitting entity can be further described or qualified under the comments section. No change made.</p> <p>The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information, including Seven Factor Test related information, which supports their request. It is up to the Submitting entity to determine how best to present the information supporting their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions in the Exception Request Form.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p> <p>The SDT has deleted the checkboxes in Question 7. To replace the checkboxes, language has been added requesting the submitting entity to describe the conditions and the time duration when power flow through Element(s) into the BES. It is up to the submitting entity to determine how best to present the information supporting their request.</p> <p><b>Q7.</b> If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the <u>facility Element(s)? and d</u>Describe the conditions <u>and the time duration</u> when this <del>could</del> occurs?</p>

Organization	Yes or No	Question 2 Comment
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>Q1, Q5 and Q6 have a “Description/Comments” section. What type of information should be included under the Description for each of these questions? Providing more guidance here would help achieve the “standardization, clarity and continuity of process” that we seek.</p> <p>Regarding Q2: A permanent flowgate should not be part of the detailed information to support an exception. First, there is no definition for what constitutes a permanent flowgate. Second, flowgates are often created for a myriad of reasons that have nothing to do with them being necessary to operate the BES. While section c) in E3 attempts to limit the applicability to permanent flowgates, there is no definition for what constitutes a permanent flowgate particularly since no flowgate is truly permanent. The NERC Glossary of Terms definition of flowgate includes flowgates in the IDC. This is a problem because flowgates are included in the IDC for many reasons not just because reliability issues are identified. Flowgates could be included to simply study the impact of schedules on a particular interface as an example. It does not mean the interface is critical. As an example, it could be used to generate evidence that there are no transactional impacts to support exclusion from the BES. Furthermore, the list of flowgates in the IDC is dynamic. The master list of IDC flowgates is updated monthly and IDC users can add temporary flowgates at anytime. While the "permanent" adjective applied to flowgates probably limits the applicability from the “temporary” flowgates, it is not clear which of the monthly flowgates would be included from the IDC since they might be added one month and removed another. Flowgates are created for many reasons that have nothing to do with them being necessary to operate the BES. First, flowgates are created to manage congestion. The IDC is more of a congestion management tool than a reliability tool. FERC recognized this in Order 693, when they directed NERC to make clear in IRO-006 that the IDC should not be relied upon to relieve IROs that have been violated. Rather, other actions such as re-dispatch must be used in conjunction. Second, flowgates are used as a convenient point to calculate flows to sell transmission service. The</p>

Organization	Yes or No	Question 2 Comment
		<p>characteristics of the flowgate make it a good proxy for estimating how much contractual use has been sold not necessarily how much flow will actually occur. While some flowgates definitely are created for reliability issues such as IROLs, many simply are not.</p> <p>We are unclear about what “an appropriate list” in Q3 is supposed to be. Is it supposed to be a list of all IROLs or only those for which the answer is yes? Why is a list even necessary since the answer to the question answers Exclusion E3.c? If the answer is no, is this asking the submitter to prove the negative?</p>
<p><b>Response:</b> The SDT believes the guidance provided on Page 1 of the Exception Request Form is sufficient. A submitting entity may provide any additional information or explanation in the comments section of the questions that it believes will assist in the review of its Exception Request. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation and all responses and supporting information provided will receive consideration. It is up to the submitting entity to determine how best to present the information supporting their request in the comment area provided for each question. No change made.</p> <p>The SDT has determined that information on Flowgate impacts and whether Element(s) are included in an Interconnection Reliability Operating Limit (IROL) are necessary to the Regional Entity’s determination of whether an Element(s) is used to provide bulk power transfers within the Interconnections or whether the Element(s) is distribution. A number of interchange coordination Reliability Standards apply to these transfer paths and Flowgates. Accordingly, the SDT believes such facilities are necessary for the reliable operation of an interconnected electric transmission network and would not be excluded from the definition of the BES. Furthermore, the SDT understands that each Flowgate list may be added to or subtracted from based on prevailing system conditions, however, a core set of Flowgates will remain the same. It is up to the submitting entity to determine how best to present the information supporting their request and the nature of the Element(s) impact on a permanent flowgate can be further described or qualified under the comments section. No change made.</p> <p>The SDT has clarified that the submitting entity is to provide the appropriate list of IROLs for the operating area where the Element(s) is/are located.</p> <p><b>Q3.</b> Please provide the appropriate list for <del>you</del><u>the</u> operating area <u>where the Element(s) is located</u>:</p>		
Bonneville Power	No	Regarding #4 on page 2: BPA believes the impact to the over-all reliability of

Organization	Yes or No	Question 2 Comment
Administration		<p>the BES needs to consider more than just an outage of the facility requesting exclusion. One example is a contingency outage of a parallel facility that could cause an overload. Item 4 needs to include impacts of either the outage of the facility, or with the facility in service. BPA believes that the entity requesting an exception may not have information on impacts of the facility on parallel higher-voltage facilities because the NERC requirements for data sharing for these types of facilities does not necessarily include owners and operators of lower voltage systems. The entity requesting an exemption would likely need to coordinate with affected systems, and this coordination should be required in the exemption process so that affected systems are aware of the possible exclusion.</p>
<p><b>Response:</b> The SDT will continue to monitor the process over next 12 months and if it is determined additional information is needed, such as how outages of BES facilities impact the Element(s) for which an exception is sought, it will be addressed in Phase II. Nevertheless, submitting entities are free to include information in response to any question that best supports their request for an exception. No change made.</p> <p>Coordination of an exception request with affected systems is already addressed in the Exception Rules of Procedure, Appendix 5C Sections 4.1, 4.4, 4.5.1, and 4.5.2, requiring the submitting entity, if not the facility owner, to provide a copy of the request to the facility owner, all involved Regional Entities if it is a cross-border facility, and to the Planning Coordinator, Reliability Coordinator, Transmission Operator, Transmission Planner, and Balancing Authority that has (or will have upon inclusion in the BES) the Elements covered by an exception request within its scope of responsibility.</p>		
Pepco Holdings Inc	No	<p>1) Why is Item 5 (Question pertaining to whether the facility is used for off-site power to a nuclear plant) included, since this criteria is not part of the proposed bright-line BES definition.</p> <p>2) Similarly, why is Item 6 (Question pertaining to whether the facility is part of a Cranking Path associated with a Black Start Resource) included, since Black Start Cranking Paths were removed from the latest BES definition.</p> <p>Both Items 5 and 6 should be removed from the Exception Request Form.</p>

Organization	Yes or No	Question 2 Comment
<p><b>Response:</b> The SDT disagrees with eliminating Questions 5 and 6. It is important to realize a distinction between the BES definition and the Exception Procedure. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. It is not correct to assume that simply because an evaluation criterion was removed from the bright-line definition it should also be eliminated from consideration in the Exception Process. The SDT believes that Cranking Paths and off-site power supply to a nuclear power plants are among the factors to be given consideration in the evaluation for an Exception Request. Further discussion of this issue is within the scope of the Phase II SAR. No change made.</p>		
<p>Electricity Consumers Resource Council (ELCON)</p>	<p>No</p>	<p>A sub-question should be added to Question 1 asking: (1) Does the generation serve all or a part of retail customer Load, and (2) If so, the maximum net capacity of each unit injected to the BES during non-emergency conditions.</p>
<p><b>Response:</b> The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions. No change made.</p>		
<p>AECI and member G&amp;Ts</p>	<p>No</p>	<p>There is no basis in this draft Standard for including Item 6). Item 7) does appear appropriate within the Standard, but the intent of the four check-boxes is ambiguous.</p>
<p><b>Response:</b> The SDT disagrees with eliminating the question pertaining to Cranking Path. It is important to realize a distinction between the BES definition and the Exception Procedure. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Procedure requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Application Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. The SDT believes that the Cranking Path is among the factors to be given consideration in the evaluation for an Exception Request application. Further discussion of this issue is within the scope of the Phase II SAR. No change made.</p> <p>The SDT has deleted the checkboxes in Question 7. To replace the checkboxes, language has been added requesting the submitting entity to describe the conditions and the time duration when power flow through Element(s) into the BES. It is up to the submitting</p>		

Organization	Yes or No	Question 2 Comment
<p>entity to determine how best to present the information supporting their request.</p> <p><b>Q7.</b> If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the <del>facility Element(s)? and e</del> Describe the conditions <u>and the time duration</u> when this <del>could</del> occurs?</p>		
NERC Staff Technical Review	No	<p>In addition to describing how an outage of the facility under consideration affects the rest of the BES, the Submitting entity also should be required to provide an assessment of how outages of BES facilities affect the facility under consideration. This could be achieved with powerflow studies or distribution factor analysis.</p>
<p><b>Response:</b> The SDT will continue to monitor the process over next 12 months and if it is determined additional information is needed, such as how outages of BES facilities impact the Element(s) for which an Exception is sought, it will be addressed in Phase II. Nevertheless, the General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions. No change made.</p>		
IRC Standards Review Committee	No	<p>We agree with most parts on P.2 and P.3, but question the need for Q6, which asks: "Is the facility part of a Cranking Path associated with a Blackstart Resource?" I3 in the BES definition stipulates that Blackstart Resources identified in the Transmission Operator's restoration plan be included (which we disagree and commented in the BES Definition Comment Form). There is no inclusion of any transmission facilities that are part of the cranking path. We suggest this item (Q6) be removed.</p>
<p><b>Response:</b> The SDT disagrees with eliminating the question pertaining to Cranking Path. It is important to realize a distinction between the BES definition and the Exception Procedure. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Procedure requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. It is not correct to assume that simply because an evaluation criterion was removed from the bright-line definition it should also be eliminated from consideration in the Exception Procedure. The SDT believes</p>		

Organization	Yes or No	Question 2 Comment
<p>that Cranking Path is among the factors to be given consideration in the evaluation for an Exception Request application. Further discussion of this issue is within the scope of the Phase II SAR. No change made.</p>		
PacifiCorp	No	<p>Question 6 implies that if the facility is part of a designated blackstart cranking path then an exception request would most likely be denied. To the extent that was the intent, such an assumption would only be reasonable if the blackstart cranking path is the only path available. However, PacifiCorp suggests modifying the current Question 6 to reflect a situation in which multiple cranking paths are available, as follows:”6A. Is the facility part of a Cranking Path associated with a Blackstart Resource? 6B. If yes, does the Blackstart Resource have other viable Cranking Paths?”</p>
<p><b>Response:</b> Several commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed ERO Rules of Procedure, Section 3.2 that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT has adopted clarifying language to differentiate between multiple Cranking Paths by requiring the Cranking Path “identified in a Transmission Operator’s restoration plan.”</p> <p><b>Q6. Is/Are the <u>facility Element(s)</u> part of a Cranking Path <u>associated with a Blackstart Resource identified in a Transmission Operator’s restoration plan</u>?</b></p>		
Snohomish County PUD	No	<p>SNPD agrees that the checklist of items on pages two and three lists most of the information that would be necessary to determine if an Exceptions Request is justified. We suggest three modifications to the proposed language to ensure consistency with Section 215 of the Federal Power Act, with the BES Definition, and to provide an entity seeking an Exception with the opportunity to submit all relevant information: (1) SNPD suggests that a new question should be added concerning the function of the facility, which would read: “Does the facility function as a local distribution facility rather than a Transmission facility? If yes, please provide a detailed explanation of your answer.” Section 215(a)(1) of the</p>

Organization	Yes or No	Question 2 Comment
		<p>FPA makes clear that “facilities used in the local distribution of electric energy” are excluded from the BES, 16 U.S.C. Â§ 824o(a)(1), and the most recent draft of the BES definition incorporates the same language. SNPD believes a question to address the function of the Element or system subject to an Exception Request is necessary to determine whether the Element or system is “used” in local distribution and thereby to ensure that this statutory limit on the BES is observed in the Exceptions process. Further, we believe a variety of information may be relevant to determining whether a particular facility functions as local distribution rather than as part of the BES. For example, if power is not scheduled across the facility or if capacity on the system is not posted on the relevant OASIS, it is likely to function as local distribution, not transmission. Similarly, if power enters the system and is delivered to load within the system rather than moving to load located on another system, its function is local distribution rather than transmission. SNPD proposes the language above as an open-ended question so that the entity submitting the Exceptions Request can provide this and any other information it deems relevant to facility function.</p> <p>(2) SNPD suggests modifying question 6 to “Is the facility part a designated Cranking Path associated with a Blackstart Resource identified in a Transmission Operator’s restoration plan.” This language reflects the most recent revision of the BES Definition, which removes the reference to “Cranking Paths,” and also helps distinguish between generators which have Blackstart capability and those generators that are designated as a Blackstart Resource in the Transmission Operator’s restoration plan. It is only the latter that are included in the BES under the current draft of the definition.</p> <p>(3) A general “catch-all” question should be added that will prompt the entity submitting an Exception Request to submit any information it believes is relevant to the Exception that is not captured in the other questions. We suggest the following language: "Is there additional information not covered in the questions above that supports the Exception Request? If yes, please</p>

Organization	Yes or No	Question 2 Comment
		<p>provide the information and explain why it is relevant to the Exception Request."While SNPD believes the questions set forth in the draft capture the information that generally would be necessary to determine whether an Exception Request should be granted, it is foreseeable that there may be unusual circumstances where the information called for either does not capture the full picture or where studies other than the specific types called for in the draft form support the Exception. An entity seeking an Exception should have the opportunity to present any information it believes is relevant.</p>
<p><b>Response:</b> The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports their request. It is up to the submitting entity to determine how best to present the information supporting their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p> <p>The SDT has adopted clarifying language to differentiate between multiple Cranking Paths by requiring the Cranking Path “identified in a Transmission Operator’s restoration plan.”</p> <p><b>Q6.</b> Is/<u>Are</u> the <u>facility Element(s)</u> part of a Cranking Path <del>associated with a Blackstart Resource</del> <u>identified in a Transmission Operator’s restoration plan?</u></p>		
Duke Energy	No	<p>Modify wording on #3 as follows: “Please provide the appropriate list for the operating area where the facility is located.”</p> <p>Modify the wording on #6 as follows: “Is the facility part of a Cranking Path identified in an entity’s restoration plan for a Blackstart Resource as required by EOP-005-2?”</p>
<p><b>Response:</b> The SDT has accepted the recommended wording change to Question 3.</p> <p><b>Q3.</b> Please provide the appropriate list for <del>you</del><u>the</u> operating area <u>where the Element(s) is located:</u></p> <p>The SDT has adopted clarifying language to differentiate between multiple cranking paths by requiring the cranking path “identified</p>		

Organization	Yes or No	Question 2 Comment
<p>in a Transmission Operator’s restoration plan.”</p> <p><b>Q6. Is/Are the <u>facility-Element(s)</u> part of a Cranking Path <del>associated with a Blackstart Resource</del> <u>identified in a Transmission Operator’s restoration plan</u>?</b></p>		
<p>ReliabilityFirst</p>	<p>No</p>	<p>All generating units, to some degree, affect the transmission elements that make-up the BES. What role will this effect have on the determination? If the systems are planned properly and the day-ahead analysis is done for maintenance work, the outage of any one element is moot. What is the phrase “impact the over-all reliability” getting at? These studies and analysis will need to look at multiple outages and groups of elements being taken out and excluded. Will this be on a first come, first out process?</p> <p>As for the Nuclear Plant Interface Requirement (NPIR) question, ReliabilityFirst Staff believes these facilities should always be included as part of the BES and taken out of the Detailed Information to Support an Exception Request.</p> <p>For question 6 ReliabilityFirst Staff believes the Cranking Path should be included in the BES definition. . ReliabilityFirst Staff feels that without including the Cranking Paths, the reliability of the system could be jeopardized if a restoration is required and the Cranking Paths are unavailable due to non-adherence to Reliability Standards.</p> <p>Omit question 7, E3 (LN) of the definition already talks to power flow and even if there is a small percentage of flow, it makes that entity a user of the BES, which should be included.</p>
<p><b>Response:</b> The SDT refers the commenter to the phrase consistent ‘with TPL methodologies’ which the SDT believes will cover the item in question. The SDT reminds the commenter that the evaluation in question is not for removing the Element from service but simply from inclusion or exclusion in the BES. Therefore, there should be no problem with evaluating multiple requests in the same area and no first in, first out scenario.</p> <p>The questions on nuclear interface facilities and Cranking Paths will be retained. They are just one piece of information in the process</p>		

Organization	Yes or No	Question 2 Comment
<p>and the SDT considers them as important considerations. No change made.</p> <p>Question 7 will be retained. It is important to realize a distinction between the BES definition and the Exception Procedure. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Procedure requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. The SDT believes that power flow through this Element(s) into the BES is among the factors to be given consideration in the evaluation for an Exception Request application.</p>		
Hydro-Quebec TransEnergie	No	
Manitoba Hydro	No	
<p><b>Response:</b> Without additional information, the SDT is unable to respond.</p>		
Consumers Energy	No	<p>We believe that item 6, should read "Is the facility part of a Primary Cranking Path associated with a Blackstart Resource?" Currently, the word "Primary" is not included.</p>
<p><b>Response:</b> The SDT has adopted clarifying language to differentiate between multiple cranking paths by requiring the cranking path "identified in a Transmission Operator's restoration plan."</p> <p><b>Q6.</b> <u>Is/Are the facility-Element(s) part of a Cranking Path-associated with a Blackstart Resource identified in a Transmission Operator's restoration plan?</u></p>		
Orange and Rockland Utilities, Inc.	No	<p>Please clarify "facility" and include "N-1" for power-flow studying.</p>
<p><b>Response:</b> In order to maintain consistency with the nomenclature used in the Exception Process Document, draft Appendix 5C of the NERC Rules of Procedure, the SDT has replaced "facilities" with "Element(s)", where appropriate.</p> <p>The SDT has pointed to the TPL methodology in the document and that should address your comment. No change made.</p>		

Organization	Yes or No	Question 2 Comment
ISO New England Inc	No	<p>- Question 1o The use of the words “connected to” is unclear. Some may read this as generation “directly” connected to while others could interpret it more generically.</p> <p>o A generation cut-off should be included in the requirement to list all indiv</p>
<p><b>Response:</b> The SDT acknowledges and appreciates the comments but has determined no additional clarity is needed to Question 1. It is up to the submitting entity to determine how best to present the information supporting their request and any responses can be further described or qualified under the comments section to Question 1. No change made.</p> <p>The SDT does not believe a generation threshold is appropriate for listing all connected units. The SAR for Phase II of this project calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. No change made.</p>		
PSEg Services Corp	No	<p>Questions #4 requires an analysis of the “most severe impact” associated an outage of the Element proposed for exception. a. Both the newly Board approved TPL-001-2 standard and the existing TPL-004-1 require that severe contingencies be evaluated, but there are no performance requirements for them. If the team intended the “most-severe impact” analysis to only evaluate TPL outages that incorporate performance requirements, it should make that clear. b. The most-severe-outage impact question does not ask key relevant information such as: i. What is the probability that the “most severe impact “will occur? ii. Could the impact be readily mitigated and service restored? This point is critical because the impact of an outage lasting several minutes before restoration versus several hours before restoration should affect the analysis.</p> <p>What does question #7 (“Does power flow through this facility into the BES?”) with check boxes for various % of a calendar year that power flows into the BES) imply with respect to a transmission facility’s exception request? Also, is the % of a calendar year data intended to be forecasted data or historic data? It would seem that forecasted data would need to be supplied that is consistent</p>

Organization	Yes or No	Question 2 Comment
		<p>with the TPL models.</p> <p>Finally, why are historic flows requested - they have no relevance except for perhaps explaining historic and forecasted differences?</p>
<p><b>Response:</b> The document cites that the TPL methodology should be followed and that should address your concern. An entity does not have to duplicate TPL studies. No change made.</p> <p>The SDT has replaced the checkboxes and language has been added requesting the submitting entity to describe the conditions and the time duration when power flow through Element(s) into the BES. It is up to the submitting entity to determine how best to present the information supporting their request.</p> <p><b>Q7.</b> If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the <del>facility-Element(s)? and dD</del> describe the conditions <u>and the time duration</u> when this <del>could</del> occurs?</p> <p>Historic flows are requested because they are an indication of power flow patterns. It is up to the submitting entity to determine how best to present the information supporting their request and any responses can be further described or qualified under the comments section.</p>		
City of St. George	No	<p>The questions for transmission facilities seem to be appropriate; however, how the answers are to be used by the region or NERC is unclear. Will a given response to a question make exclusion impossible? If so this needs to be known upfront and clearly documented.</p> <p>For example question 4, on page 2 is open for interpretation and debate as to what the impact to the over-all reliability of the BES is. The definition of “impact” is really the key to the whole definition effort. Load flow, voltage, frequency change limits may all be pieces to the puzzle. Are these criteria to be met in normal, N-1, N-2, etc. system configurations?</p>
<p><b>Response:</b> Several commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception application form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an</p>		

Organization	Yes or No	Question 2 Comment
<p>Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The document cites that an entity should follow the TPL methodology.</p>		
<p>Blachly-Lane Electric Cooperative</p> <p>Central Electric Cooperative (CEC)</p> <p>Clearwater Power Company (CPC)</p> <p>Consumer's Power Inc. (CPI)</p> <p>Douglas Electric Cooperative (DEC)</p> <p>Fall River Electric Cooperative (FALL)</p> <p>Lane Electric Cooperative (LEC)</p> <p>Lincoln Electric Cooperative (Lincoln)</p> <p>Northern Lights Inc. (NLI)</p> <p>Okanogan County Electric Cooperative (OCEC)</p> <p>Pacific Northwest Generating Cooperative (PNGC)</p> <p>Raft River Rural Electric</p>	<p>No</p>	<p>BLEC agrees that the checklist of items on pages two and three lists most of the information that would be necessary to determine if an Exceptions Request is justified. We suggest two modifications to the proposed language to ensure consistency with the BES Definition and to provide an entity seeking an Exception with the opportunity to submit all relevant information:</p> <p>(1) We suggest modifying question 6 to “Is the facility part of a designated Cranking Path associated with a Blackstart Resource identified in a Transmission Operator’s restoration plan.” This language reflects the most recent revision of the BES Definition and also helps distinguish between generators which have Blackstart capability and those generators that are designated as a Blackstart Resource in the Transmission Operator’s restoration plan. It is only the latter that are included in the BES under the current draft of the definition.</p> <p>(2) A general “catch-all” question should be added that will prompt the entity submitting an Exception Request to submit any information it believes is relevant to the Exception that is not captured in the other questions. We suggest the following language: Is there additional information not covered in the questions above that supports the Exception Request? If yes, please provide the information and explain why it is relevant to the Exception Request. While we believes the questions set forth in the draft capture the information that generally would be necessary to determine whether an Exception Request should be granted, it is foreseeable that there may be unusual circumstances where the information called for either does not capture the full picture or where studies other than the specific types called for in the draft form support the Exception. An entity seeking an Exception should have the opportunity to present any information it believes is relevant.</p>

Organization	Yes or No	Question 2 Comment
Cooperative (RAFT) Umatilla Electric Cooperative West Oregon Electric Cooperative (WOEC) Coos-Curry Electric Cooperative City of Austin dba Austin Energy Kootenai Electric Cooperative		
<p><b>Response:</b> The SDT has clarified the language of question 6.</p> <p><b>Q6.</b> Is/<u>Are</u> the <u>facility-Element(s)</u> part of a Cranking Path <del>associated with a Blackstart Resource</del> <u>identified in a Transmission Operator’s restoration plan</u>?</p> <p>The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports their request. It is up to the submitting entity to determine how best to present the information supporting their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions on the Exception Request Form.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request</u>:</p>		
Central Lincoln	Yes	We note that if Q7 is yes, an entity is asked to provide meter or SCADA data. Evidently the team assumes the facility in question is existing. We propose that study data could be provided instead for facilities that are in the planning stage.
<p><b>Response:</b> The SDT recommends that each submitting entity work with its Regional Entity to resolve issues with information availability or access and, in the event such information is not available, whether suitable replacement data is acceptable. The SDT further recommends that where information is unavailable, the submitting entity state such in the comment area and provide the reason for this unavailability. This will signal the Regional Entity that an issue concerning information availability will need to be</p>		

Organization	Yes or No	Question 2 Comment
resolved as part of the review process. No change made.		
National Grid	No	<p>We agree with the information requested on pages 2 and 3, however we would like more clarification regarding Item 7. When answering what % of the calendar year power flows through the facility into BES, should this be calculated on an hourly basis?</p> <p>We would also like clarification for Item 7 regarding the request for SCADA data from the last 2 years to determine the minimum and maximum magnitude of the power flow out of the facility. What data should be used in situations with new facilities or in situations or where the system configuration (topology) has changed in such a way that the power flows in the area have changed, so the last 2 years of SCADA data is no longer relevant</p>
<p><b>Response:</b> The SDT has deleted the checkboxes in Question 7. To replace the checkboxes, language has been added requesting the submitting entity to describe the conditions and the time duration when power flow through Element(s) into the BES. It is up to the submitting entity to determine how best to present the information supporting their request.</p> <p><b>Q7.</b> If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the <del>facility-Element(s)? and eD</del> describe the conditions <u>and the time duration</u> when this <del>could</del> occurs?</p> <p>The SDT recommends that each submitting entity work with its Regional Entity to resolve issues with information availability or access and, in the event such information is not available, whether suitable replacement data is acceptable. The SDT further recommends that where information is unavailable, the submitting entity state such in the comment area and provide the reason for this unavailability. This will signal the Regional Entity that an issue concerning information availability will need to be resolved as part of the review process.</p>		
Ameren	No	<p>From our perspective, the first question should be “Is the facility connected at 100 kV or above?” The questions should be reordered. Of the questions listed, question #3 should be #1, and questions #1 should be the last question in this section.</p>

Organization	Yes or No	Question 2 Comment
		Regarding the word “permanent” as it is used to describe Flowgates, it is suggested that the word “limiting” or “constrained” be used instead.
<p><b>Response:</b> The SDT does not believe the order of the questions is significant since no single response or piece of supporting information will be solely dispositive in an Exception Request evaluation and all responses and supporting information provided will receive consideration. No change made.</p> <p>The SDT believes that the continued qualifier of “permanent” associated with the term “Flowgate” addresses the intent of the definition. No change made.</p>		
ATC LLC	No	ATC proposes the following changes to Item #7:7a. Are Firm Power Transfers scheduled to flow out of, or through, this facility into the BES in the operating horizon? [for BES designations applicable to the operating horizon] Note: The consideration for power flowing into the BES should be based on normal operating conditions or base case (n-0 contingency analysis), not on historical real-time telemetry. 7b. Are Firm Power Transfers reserved to flow out of, or through, this facility into the BES in the planning horizon? [for BES designations applicable to the planning horizon)
<p><b>Response:</b> The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports the request. It is up to the submitting entity to determine how best to present the information supporting their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions on the Exception Request Form.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p>		
Farmington Electric Utility System	No	<p>The form should be titled “For Transmission Elements” rather than “Facilities” to align with the BES definition and Appendix 5C of the NERC Rules of Procedure.</p> <p>The form should align with section 4.5.1 and 4.5.2 of Appendix 5C. It should include a listing of the Element(s) and the status based on the application of the</p>

Organization	Yes or No	Question 2 Comment
		<p>BES Definition.</p> <p>Question 6 relates to a ‘facility’ that is part of a Cranking Path. The latest revision of the BES Definition removed the designated blackstart Cranking Paths from the Inclusion of the BES in I3. Having a question regarding the Cranking Path in the Exception Request makes it appear Cranking Paths are still automatically included in the BES.</p> <p>Question 7; what is an alternate method if a Requesting Entity does not have SCADA data for the most recent two consecutive calendar years.</p>
<p><b>Response:</b> In order to maintain consistency with the nomenclature used in the Exception Process Document, draft Appendix 5C of the NERC Rules of Procedure, the SDT has replaced “facilities” with “Element(s)”, where appropriate.</p> <p>A checkbox for indicating the current BES status and a space for listing elements for which an exception is sought is included in Sections I and II, respectively, of the Exception Request Form provided by the Rules of Procedure Team in their posting.</p> <p>The SDT disagrees with eliminating the question pertaining to Cranking Path. It is important to realize a distinction between the BES definition and the Exception process. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. It is not correct to assume that simply because an evaluation criterion was removed from the bright-line definition it should also be eliminated from consideration in the Exception process. The SDT believes that cranking paths is among the factors to be given consideration in the evaluation for an Exception Request application. Any further discussion of this issue is within the scope of the Phase II SAR. No change made.</p> <p>The SDT further disagrees that including Question 6 in the Exception Request Form, relating to Element(s) that are a part of a Cranking Path, makes it appear that Cranking Paths are automatically included in the BES. The BES definition and the Exception Request Procedure are separate processes.</p> <p>The SDT recommends that each submitting entity work with its Regional Entity to resolve issues with information availability or access and, in the event such information is not available, whether suitable replacement data is acceptable. The SDT further recommends that where information is unavailable, the submitting entity state such in the comment area and provide the reason for this unavailability. This will signal the Regional Entity that an issue concerning information availability will need to be resolved as part</p>		

Organization	Yes or No	Question 2 Comment
of the review process. No change made.		
Metropolitan Water District of Southern California	No	<p>General Comments: Metropolitan Water District of Southern California (“MWDSC”) believes that additional work is necessary to explain how this Detailed Information to Support an Exception Request will be used in evaluating whether a transmission facility will be an exception to the BES.</p> <p>In addition, MWDSC agrees WECC that the proposed Technical Principles for Demonstrating BES Exceptions Request is lack of clarity. It does not provide detail information as to what entities must provide to support their requests, nor does it provide any criteria for consistency among regions in their assessment of requests.</p> <p>Lastly, the current proposal leaves it to each region to develop its own methodology and criteria for evaluating the technical studies. MWDSC believes that drafting team should establish a common method and criteria to apply continent-wide in achieving uniformity and consistency among regions in their assessment of exception requests.</p> <p>Comments to Checklist #4: MWDSC recommends the following changes to emphasize facility impact on the interconnection of the BES:”How does an outage of the facility impact the over-all reliability of to the interconnection of the BES?”</p> <p>Comments to Checklist #7: What percentage of power flow through entity’s facility into the BES will be considered as an exception to the BES?</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p>		

Organization	Yes or No	Question 2 Comment
		<p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled</p>

Organization	Yes or No	Question 2 Comment
		<p>separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>The SDT believes no further clarification is needed in Question 4. The General Instruction area on page one has been modified to clarify that a submitting entity may provide documents and any additional information that supports their request. It is up to the submitting entity to determine how best to present the information supporting their request. If the submitting entity wishes to provide this additional information it may do so by listing this information in the area provided under General Instructions on the Exception Request Form.</p> <p><b>Page one:</b> List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p> <p>The Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Form. There are no set thresholds, the percentage of power flow through and entity’s facility into the BES will be but one factor</p>

Organization	Yes or No	Question 2 Comment
among others considered when evaluating a BES Exception Request.		
Transmission Access Policy Study Group		<p>Question 7 asks, “[d]oes power flow through this facility into the BES?” As in the rest of the document, the reference should be to an “Element(s),” rather than to a “facility.” In addition, we suggest that the meaning of power flowing “through” the Element(s) be clarified, consistent with clarification of the same point in Exclusion E3 of the BES Definition.</p> <p>In TAPS’ comments on the BES Definition, also submitted today, TAPS suggests that the first sentence of Exclusion E3 be revised to state: “Power flows only into the LN, that is, at each individual connection at 100 kV or higher, the pre-contingency flow of power is from outside the LN into the LN for all hours of the previous 2 years.” We propose that Question 7 in the Detailed Information to Support an Exception Requests be similarly revised: “Does power flow from this facility into the BES, i.e., at any individual connection at 100kV or higher, is the pre-contingency flow of power from the LN to the BES for any hour of the previous 2 years?”</p>
<p><b>Response:</b> In order to maintain consistency with the nomenclature used in the Exception Process Document, draft Appendix 5C of the NERC Rules of Procedure, the SDT has replaced “facilities” with “Element(s)” where appropriate.</p> <p>The SDT disagrees with the use of parallel language for exclusions in the BES Definition and Exception Request Form. It is important to realize a distinction between the BES definition and the Exception process. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Process requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Application Form.</p>		
Tri-State Generation and Transmission Assn., Inc. Energy Mangement		<p>Again Yes/No is conflicting in the question. The requested information in#2 is too vague and may be subjective. If the information in#7 is requested in the planning stage the data would not be available.</p> <p>What objective criteria would be used to determine the state of the exception request?</p>

Organization	Yes or No	Question 2 Comment
TSGT G&T		<p>Again Yes/No is conflicting in the question. The requested information in#2 is too vague and may be subjective.</p> <p>If the information in#7 is requested in the planning stage the data would not be available.</p> <p>What objective criteria would be used to determine the state of the exception request?</p>
<p><b>Response:</b> The SDT disagrees that the information requested in Question 2 is too vague and subjective but understands the concerns raised by the commenters in not receiving hard and fast guidance on the Exception criteria. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in</p>		

Organization	Yes or No	Question 2 Comment
		<p>rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of</p>

Organization	Yes or No	Question 2 Comment
		<p>experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>As to the availability of needed information to support an exception request, the SDT recommends that each submitting entity work with its Regional Entity to resolve issues with information availability or access, and in the event such information is not available, whether suitable replacement data is acceptable. The SDT further recommends that where information is unavailable, the submitting entity state such in the comment area and provide the reason for this unavailability. This will signal the Regional Entity that an issue concerning information availability will need to be resolved as part of the review process.</p> <p>Finally, there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p>
WECC Staff	Yes	<p>The requested information in the checklist is appropriate. However; the exceptions process as drafted, with no objective criteria defining how to assess the submittals, leaves it to each Regional Entity to develop their own criteria to evaluate the responses to the checklist included in the submittals, leading to inconsistency between Regional Entities.</p> <p>In addition, WECC recommends clarifying Question 7. On its face it is unclear what defines power flowing through a facility in the BES. It should be clear whether a qualitative or quantitative response is required.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p>		

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		<p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled</p>

Organization	Yes or No	Question 2 Comment
		<p>separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>The SDT has deleted the checkboxes under Question 7. To replace the checkboxes, language has been added requesting the submitting entity to describe the conditions and the time duration when power flow through Element(s) into the BES. If the answer is yes to the question “Does power flow through this Element(s) into the BES,” the sub-question seeks a quantitative amount. However, it is up to the submitting entity to determine how best to present the information supporting their request and any responses can be further described or qualified under the comments section.</p> <p><b>Q7.</b> If yes, then using metered or SCADA data for the most recent consecutive two calendar year period, what is the minimum and maximum magnitude of the power flow out of the <del>facility</del> <u>Element(s)? and describe the conditions and the time duration</u> when this <del>could</del> <u>occurs</u>?</p>

Organization	Yes or No	Question 2 Comment
Transmission	Yes	<p>“Impact” and “degree of impact” in question 2 should be framed with the criteria expected.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn’t been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel’s findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren’t shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn’t been handled before by either party and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the request details, the SDT believes that both sides</p>		

Organization	Yes or No	Question 2 Comment
		<p>can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes</p>

Organization	Yes or No	Question 2 Comment
will result in a favorable outcome.		
American Electric Power	Yes	We recommend capitalizing “facility”.
<p><b>Response:</b> In order to maintain consistency with the nomenclature used in the Exception Process Document, draft Appendix 5C of the NERC Rules of Procedure, the SDT has replaced “facilities” with “Element(s)”, where appropriate.</p>		
Long Island Power Authority	Yes	On page 3 why reference if a facility is part of a Cranking Path after the SDT has deleted Cranking Paths from the Inclusion list as part of the BES definition.
<p><b>Response:</b> It is important to realize a distinction between the BES definition and the Exception Procedure. While the BES definition established bright-line criteria for the determination between BES and non-BES Element(s), the Exception Procedure requires an evaluation of all the responses and supporting materials provided as part of the Exception Request Application Form. No single response or piece of supporting information will be solely dispositive in an Exception Request evaluation. It is not correct to assume that simply because an evaluation criterion was removed from the bright-line definition it should also be eliminated from consideration in the Exception process. The SDT believes that Cranking Path is among the factors to be given consideration in the evaluation for an Exception Request application. Further discussion of this issue is within the scope of the Phase II SAR. No change made.</p>		
City of Redding Electric Utility	Yes	
City of Redding	Yes	
Georgia System Operations Corporation	Yes	
Oncor Electric Delivery Company LLC	Yes	
Independent Electricity System Operator	Yes	

Organization	Yes or No	Question 2 Comment
NV Energy	Yes	
Central Hudson Gas & Electric Corporation	Yes	
Exelon	Yes	
Hydro One Networks Inc.	Yes	We believe that the SDT’s proposed approach for exception criteria is reasonable; recognizing that one method/criteria can not be applicable to everyone and every situation within the ERO foot print. See our comment in Q1.
Holland Board of Public Works	Yes	
Southern Company Generation	Yes	We agree with the information being requested.
Dominion	Yes	
Southwest Power Pool Standards Review Team	Yes	
SERC Planning Standards Subcommittee	Yes	
Tacoma Power	Yes	Tacoma Power supports the information requested on page 2 and 3.
Springfield Utility Board	Yes	SUB agrees with the instructions, finding them to be clear and reasonable.
BGE	Yes	No comment.
Michigan Public Power Agency	Yes	

Organization	Yes or No	Question 2 Comment
<b>Response:</b> Thank you for your support.		

3. **Page four of the ‘Detailed Information to Support an Exception Request’ contains a checklist of items that deal with generation facilities. Do you agree with the information being requested or is there information that you believe needs to be on page four that is missing? Please be as specific as possible with your comments.**

**Summary Consideration:** Several respondents suggested better clarity on whether responses should be market or reliability related. The SDT made slight modifications to the “Detailed Information to Support an Exception Request” form to request responses that are specifically reliability related.

Based on the comments received and past history for such situations, the SDT believes that entities will be able to obtain the requisite information necessary to submit a request. However, should an entity have difficulty, they will need to obtain the assistance of their Regional Entity to secure the data. If the entity still can’t obtain the needed data, then the SDT fully expects that entity’s Regional Entity to work with them to come up with a plan that will allow that entity to fill out the request form in a manner that will be acceptable to the Regional Entity so that processing of the request can continue.

The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn’t been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel’s findings become part of the exception request record submitted to

NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.

Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.

Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states "No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved."

The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.

Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the

complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.

**Page 1** - List any attached supporting documents and any additional information that is included to supports the request:

**Generation - Q1.** What is the MW value of the host Balancing Authority’s most severe single Contingency and what is the ~~generator’s, or generator facility’s~~ generation resource’s, percent of this value?

**Generation - Q2.** Is the ~~generator or generator facility~~ generation resource used to provide reliability-related Ancillary Services?

**Generation - Q3.** Is the ~~generator~~ generation resource designated as a must run unit for reliability?

Organization	Yes or No	Question 3 Comment
Northeast Power Coordinating Council	No	<p>This Application generally applies to traditionally fueled generating facilities. Application form and justifications would be required for non-traditional resources such as solar and wind?</p> <p>Question 2 on page 4 asks, “Is the generator or generator facility used to provide Ancillary Services?” If some of these Generator check list items are market-related and not reliability-related, they should not be present. If the Ancillary Services are reliability-related, please explain their relation to BES reliability.</p> <p>Suggest inserting the word “reliability” before the words “must run” in question 3.</p> <p>Question 5 on page 4 asks, “Does the generator use the BES to deliver its actual or scheduled output, or a portion of its actual or scheduled output, to Load?” This could mean the generator may serve local loads through non-BES facilities. In order to serve these local loads the generator would need to be connected to a Radial system, a Local Network or to local distribution facilities. Is this what is intended? Were there any other possibilities envisioned by the BES SDT?</p>
<p><b>Response:</b> The SDT believes the form can be used for any type of generation resource as there are no restrictions on type in the</p>		

Organization	Yes or No	Question 3 Comment
<p>questions. No change made.</p> <p>The form has been modified to request only reliability related functions be included.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability--related</u> Ancillary Services?</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p> <p>If the entity serves the indicated Load through a radial system, etc., it should supply that information as part of its supporting information. No change made.</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>No</p>	<p>Q5 has a “Description/Comments” section. Further clarification on what type of information to include under the Description would help “standardize” the supporting information and “will provide more clarity and continuity to the process.”</p> <p>The definition of ancillary services varies and can be quite broad. It can include reactive power and voltage support for example. All generators provide some reactive power and voltage support. Thus, ancillary services should be further defined or one could construe it to limit any generator from being excepted.</p>
<p><b>Response:</b> Entities applying for an exception can include any information they deem appropriate in the general and specific sections of the form. It would be difficult to establish specific criteria that would be applicable to all systems.</p> <p>Questions regarding ancillary services have been further clarified.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability--related</u> Ancillary Services?</p>		
<p>Farmington Electric Utility System</p>	<p>No</p>	<p>Question 1, the SDT team should consider if the Submitting entity or Owner is part of a Reserve Sharing Group. The host BA’s most single severe Contingency vs the obligation of reserves required as part of a Reserve Sharing Group may be substantial.</p> <p>The SDT team should clarify if it is a single generator or if it is the aggregate at a facility.</p>

Organization	Yes or No	Question 3 Comment
<p><b>Response:</b> An entity can supply that information as part of its supporting information in its request. No change made.</p> <p>The assumption is that the request is being made as a result of the application of the definition which is for single units or aggregate as appropriate.</p>		
<p>Dominion</p>	<p>No</p>	<p>The SDT language specifying services acceptable for inclusion in an exclusion request references ancillary services identified under a Transmission Service Provider’s OATT. However, there is great variation in the services that have actually been implemented and posted across North America under those OATTs. There is no consistent description or terminology to characterize those services. In short, Transmission Providers have been permitted to individualize OATT services to fit regional market structures and vernacular. For example, PJM’s OATT includes a schedule for Blackstart Service. The FERC pro-forma tariff does not. ISO-NE’s tariff includes the following ancillary services (which are performed by the ISO and TSP):</p> <ul style="list-style-type: none"> <li>o Scheduling, System Control and Dispatch Service</li> <li>o Energy Imbalance Service</li> <li>o Generator Imbalance Service</li> </ul> <p>Therefore, Dominion suggests that the SDT provide a specific list of ancillary services that would be eligible for exclusion, rather than rely on OATT references. Examples might include: reactive, voltage control or regulation services, frequency response and blackstart services.</p> <p>Dominion is also aware that the phrase “ ‘must run” is used in some RTO/ISO market systems to indicate intent to self-schedule the generator. Dominion suggests that question 3 be revised to read “Is the generator designated as a “must run” unit by either the Balancing Authority, Resource Planner or Reliability Coordinator?”</p>
<p><b>Response:</b> The form has been modified to request only reliability related functions are included.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability--related</u> Ancillary Services?</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p>		
<p>Southern Company</p>	<p>No</p>	<p>We do not agree completely with the information being requested. For checklist item #2, please specify what is included in "providing Ancillary Services" for a</p>

Organization	Yes or No	Question 3 Comment
Generation		<p>generator.</p> <p>For #4, can the question include a measure of evaluating the "most severe system impact"? Can the specific study that is required to be evaluated be outlined?</p>
<p><b>Response:</b> Questions regarding ancillary services have been further clarified.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <del>reliability--related</del> Ancillary Services?                      The SDT refers the commenter to the statement that TPL methodologies should be followed in formulating the supporting information for the request.</p>		
AECI and member G&Ts	No	<p>Most of these questions appear relevant to the LN concept paper, but irrelevant to this standard's requirements. The last conditional of Item 5) must always be answered Yes, unless the local-network is islanded.</p>
<p><b>Response:</b> The SDT does not see a need for a one-to-one correspondence between the definition items and the information requested. The form contains questions that will supply information the review panel will need to evaluate the request.</p>		
NERC Staff Technical Review	No	<p>For units designated as must run, the Submitting entity should be required to describe the reasons for which the unit has been so designated. We believe the general requirement to provide an appropriate reference is too vague, and should be appended with “. . . including a description of why the unit has been designated as must run and if applicable, the contingencies that would result in violation of the NERC Reliability Standards if the unit was not must run.”</p>
<p><b>Response:</b> The form has been modified to request only reliability related functions are included. Information such as shown in the comment can be entered as needed by the requesting entity. In general, an entity should supply any and all information that it feels is needed to support its request.</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p>		

Organization	Yes or No	Question 3 Comment
Duke Energy	No	Modify wording on #3 as follows: "Please provide the appropriate reference for the operating area where the facility is located."
<b>Response:</b> The SDT does not believe that the suggested wording provides any additional clarity. No change made.		
NV Energy	No	<p>In question #7 of the form, it would be useful to the analysis for technical exception to include not only the minimum and maximum power flow out of the candidate facility, but also a description or demonstration of the "typical" magnitude or the "average" of such flow. An entity may provide this sort of information anyhow, but a prompt for this type of information could be useful and prevent having to solicit more information during the review.</p> <p>Should be included in Question 2.</p>
New York State Dept. of Public Service	No	<p>Question 6 should be dropped. Facilities in a cranking path for a blackstart resource should not be a consideration.</p> <p>Question 7 is circular. If a facility is used to flow power into the BES, by definition it is outside the BES. Needs clarification as to the information the question is seeking.</p> <p>Should be question 2.</p>
<b>Response:</b> Please see the response to Q2.		
Consolidated Edison Co. of NY, Inc.	No	<p>For Generation Facilities: This Application form would appear to generally apply to traditional generating facilities.</p> <ul style="list-style-type: none"> <li>o What Application form and justifications would be required for non-traditional resources, e.g., solar and wind?</li> <li>o The Application form at 2 asks, "Is the generator or generator facility used to provide Ancillary Services?" If some of these Generator check list items are market-related and not reliability-related, then they should not be present.</li> <li>o If the Ancillary Services are reliability-related, please explain their relation to BES</li> </ul>

Organization	Yes or No	Question 3 Comment
		<p>reliability.</p> <p>Recommendation: Insert the word “reliability” before the words “must run” in question 3.</p> <p>The Application form at 5 asks, “Does the generator use the BES to deliver its actual or scheduled output, or a portion of its actual or scheduled output, to Load?” We assume this mean the generator may serve local loads through non-BES facilities. In order to serve these local loads the generator would need to be connected to a Radial system, a Local Network or to local distribution facilities. o Is this meaning above implied and intended by this question? o Were there any other possibilities envisioned by the BES SDT?</p>
<p><b>Response:</b> The SDT believes the form can be used for any type of generation resource as there are no restrictions on type in the questions.</p> <p>The form has been modified to request only reliability related functions be included.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability-related</u> Ancillary Services?</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p> <p>Entities applying for an exception can include any information they deem appropriate in the general and specific sections of the form.</p> <p>If the entity serves the indicated Load through a radial system, etc., it should supply that information as part of its supporting information. No change made.</p>		
American Electric Power	No	<p>It is unclear how the process will work with the interaction among the various NERC Functions. For instance, an exception request from generation might require collaboration among other functional entities, i.e. GOP, TOP, and RC.</p> <p>The question “How does an outage of the generator impact the over-all reliability of the BES” may be subjective and dependent on contingencies at any given time. It would be dependent on what state the BES would be in the area the generator is located. More detail would be needed in describing the study required to have</p>

Organization	Yes or No	Question 3 Comment
		consistent results.
<p><b>Response:</b> Please refer to the Rules of Procedure for clarity on how the process will provide consistency.</p> <p>As every generator will have different impact it is up to the entity to complete the studies and to respond appropriately in the written section of the question.</p>		
ReliabilityFirst	No	<p>If the systems are planned properly and the day-ahead analysis is done for maintenance work, the outage of any one unit and even with the most serve outage happening, the system should be capable of withstanding. These studies and analysis will need to look at multiple outages and groups of units being taken out and excluded before any could be exempt. What is the phrase “impact the over-all reliability” getting at?</p> <p>These studies and analysis will need to look at multiple outages and groups of elements being taken out and excluded. Will this be on a first come, first out process?</p> <p>As for the Ancillary Services question, ReliabilityFirst Staff believes that if a unit provides this service, it should be included in the BES.</p> <p>The same applies for the “must run units” in question 3.</p> <p>Omit question 5, E3 (LN) of the definition already talks to power flow and even if there is a small percentage of unit’s output flowing onto the BES, it makes that entity a user of the BES, which should be included.</p>
<p><b>Response:</b> The SDT refers the commenter to the phrase consistent ‘with TPL methodologies’ which the SDT believes will cover the item in question.</p> <p>The SDT reminds the commenter the evaluation in question is not for removing the Element from service but simply from inclusion or exclusion in the BES. Therefore, there should be no problem with evaluating multiple requests in the same area and no first in, first out scenario.</p> <p>Ancillary services or must run status is only one piece of information in a total review of the impact of the Element on the BES. The</p>		

Organization	Yes or No	Question 3 Comment
<p>SDT does not believe that simply because a generator provides ancillary services or that it is must run that it should be automatically included.</p> <p>There is more to the BES than just the local networks. No change made.</p>		
Hydro-Quebec TransEnergie	No	
Manitoba Hydro	No	
<p><b>Response:</b> Without any specific comments, the SDT is unable to respond.</p>		
ISO New England Inc	No	<p>- Question 1o The question would be better worded as “How many MW are lost following the host Balancing Authority’s most severe single Contingency...”o The question becomes difficult to answer when the most severe single Contingency can change on a</p>
<p><b>Response:</b> A slight revision has been made to Question 1 which should provide more clarity in this regard.</p> <p><b>Q1.</b> What is the MW value of the host Balancing Authority’s most severe single Contingency and what is the <del>generator’s, or generator facility’s, generation resource’s,</del> percent of this value?</p>		
PSEg Services Corp	No	<p>With regards to question #2 (“Is the generator or generating facility used to provide Ancillary Services”), the answer for most synchronous generators is probably “yes” unless they are in a bid-based market that selects specific generators for Reactive Power delivery. Since most generators (with the exception of those with nuclear prime movers) provide Reactive Power to meet a Transmission Operator-specified voltage, they would provide that Ancillary Service. Other generators (again, with the exception of generators with nuclear prime movers) may be eligible to provide other Ancillary Services such as Spinning Reserve, but may have rarely done so. However, they still may be “used do provide” Spinning Reserve at any time. How would those generators respond to question #2?</p> <p>Questions #4 requires an analysis of the “most severe impact” associated an outage</p>

Organization	Yes or No	Question 3 Comment
		<p>of the Element proposed for exception. a. Both the newly Board approved TPL-001-2 standard and the existing TPL-004-1 require that severe contingencies be evaluated, but there are no performance requirements for them. For consistency, performance requirements for the most-severe-impact analysis needed to be defined by the team. If the team intended the “most-severe impact” analysis to only evaluate TPL outages that incorporate performance requirements, it should make that clear.b. The most-severe-outage impact question does not ask key relevant information such as: i. What is the probability that the “most severe impact “will occur?ii. Could the impact be readily mitigated and service restored? This point is critical because the impact of an outage lasting several minutes before restoration versus several hours before restoration should affect the analysis.</p> <p>What does the answer to the question #5 in the Generator Facilities section (“Does the generator use the BES to deliver its actual or scheduled output, or a portion of its actual or scheduled output, to Load?”) imply with respect to a generator’s exclusion? Also, the phrase “deliver its actual or scheduled output ...to load” needs explanation. The use of “actual output” and “scheduled output” may have several contexts. a. For example, in a market, a generator’s actual output may suddenly go to zero due a forced outage, but the generator has financial obligations that accrue for delivering its scheduled output, which is in fact provided by other sources since the generator is unavailable. Is the question asking about the use of BPS facilities by resources that may be substituted for delivery of a generator’s scheduled output when it differs from its actual output?b. Now assume that a generator’s actual output equals its scheduled output and that several generators are forced out of service in another Balancing Authority, resulting in a frequency decline. Generators within the interconnection with active governors and available spinning capacity will automatically increase their output above their scheduled output, resulting in Inadvertent Interchange. Is the question related to the BES facilities used to deliver such Inadvertent Interchange?c. Again assume that a generator’s actual output equals its scheduled output. Is the question related to the actual BES facilities that may be used to deliver the generator’s power to Load? That would require an</p>

Organization	Yes or No	Question 3 Comment
		<p>analysis of generator and load shift factors to determine what actual facilities carry the power generated from a generator to a specific load for a given set of assumptions on the system topology. In a market, this analysis would not be possible for generators that do not self-schedule for delivery to specific loads.</p>
<p><b>Response:</b> The form has been modified to request only reliability related functions are included.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability-related</u> Ancillary Services?</p> <p>The SDT reminds the commenter the requirement is only to follow the TPL methodologies which have been spelled out in TPL-001-2. An entity can supply any and all information that it thinks will support its request.</p> <p>Entities applying for an exception can include any information they deem appropriate in the general and specific sections of the form. It is simply just one piece of information that is considered as useful for the review panel in making its ultimate decision. Any clarifying points an entity wants to make in its request can be supplied as the entity thinks appropriate.</p>		
City of St. George	No	<p>The questions for generation facilities seem to be appropriate; however, how the answers are to be used by the region or NERC is unclear. Will a given response to a question make exclusion impossible? If so this needs to be known upfront and clearly documented. For example question 4, on page 4 is open for interpretation and debate as to what the impact to the over-all reliability of the BES is. The definition of “impact” is really the key to the whole definition effort. Load flow, voltage, frequency change limits may all be pieces to the puzzle.</p> <p>Are these criteria to be met in normal, N-1, N-2, etc. system configurations?</p>
<p><b>Response:</b> Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT refers the commenter to the statement that TPL methodologies should be followed in formulating the supporting</p>		

Organization	Yes or No	Question 3 Comment
information for the request.		
Ameren	No	It is suggested that question #2 be deleted and replaced with “Is the generator designated as a black-start unit in an entity’s restoration plan?”
<p><b>Response:</b> The SDT assumes the commenter is actually referring to the sixth question for transmission. Please see the detailed response to Q2.</p>		
Georgia System Operations Corporation	No	Item 2 asks about “the generator or generator Facility,” but 3, 4 and 5 only refer to the generator. There is no immediately apparent reason for them to be different. The language in Item 2 seems preferable.
<p><b>Response:</b> The SDT has reviewed all of the terminology for consistency and made clarifying changes as necessary. For example:</p> <p><b>Q1.</b> What is the MW value of the host Balancing Authority’s most severe single Contingency and what is the <del>generator’s, or generator facility’s, generation resource’s,</del> percent of this value?</p>		
IRC Standards Review Committee		We do not agree with the detailed information requirements for generators. In a deregulated environment, generators are free to bid into the market or offer their availability, to dispatched based on bid price and resource needs, or overall generation dispatch plans. A generator may be on line but not dispatched, or not on line at all due to maintenance outage or a decision to not start. Its status and generation level have little to do in determining whether or not it needs to be included as a BES facility. Rather, it is the generator’s active contribution to the BES performance, namely, its protective relay setting and coordination with those of related facilities and its ability to control voltage, respond to contingencies, ride through frequency and voltage excursion, provide accurate model with verification, etc., are critical to BES reliability performance. There are currently no standards or requirements that mandate a generator to be on line or to attain a specific level of output, and we do not see such a need at all in the future. Whether or not the unit is designed as a MUST RUN will depend on whether the generator is (a) on line and bid into the market or be included in the dispatch plan, and (b) the prevailing system

Organization	Yes or No	Question 3 Comment
		<p>conditions such as flow pattern, potential constraints, etc. A generator may be designated as a MUST RUN one day but not the others. Similar argument applies to a generator bidding in the ancillary service markets, or be dispatched to provide reserve or AGC control capability. In our view, generators’ physical characteristics and their response to changes on the BES are important considerations for them to be included in the BES. These characteristics affect the assessment and actual performance of the BES in the following key areas:</p> <ul style="list-style-type: none"> <li>o Voltage and frequency ride through capability</li> <li>o Voltage control (AVR, etc.)</li> <li>o Underfrequency trip setting</li> <li>o Protection relay setting coordination</li> <li>o Data submission for modeling; verification of capability and model</li> </ul> <p>We therefore suggest that the entire P.4 be removed as the information it asks for has nothing to do with a generator’s physical characteristics or material impact on BES reliability. Having a threshold by MVA suffices to determine if a generator needs to be included as a BES facility, whose characteristics, expected performance and data provision are important to achieve target BES performance and hence should be governed by reliability standards.</p>
<p><b>Response:</b> The form has been modified to request only reliability related functions are included.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability--related</u> Ancillary Services?</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p>		
<p>Tri-State Generation and Transmission Assn., Inc. Energy Mangement</p>		<p>Again Yes/No is conflicting in the question. Information requested in#4 is subjective and too vague.</p>
<p>TSGT G&amp;T</p>		<p>Again Yes/No is conflicting in the question. Information requested in #4 is subjective and too vague.</p>
<p><b>Response:</b> The SDT has attempted to build in maximum flexibility within the form while still providing the review panel information that will be needed in evaluating a request. No change made.</p>		

Organization	Yes or No	Question 3 Comment
Hydro One Networks Inc.	Yes	See comments in Q1.
<b>Response:</b> Please see response to Q1.		
Long Island Power Authority	Yes	Need to define the term "must run unit"
PacifiCorp	Yes	PacifiCorp suggests modifying Question 3 as follows: "Is the generator designated as a must run unit by the Balancing Authority?"
<b>Response:</b> The form has been modified to request only reliability related functions are included.		
<b>Q3.</b> Is the <del>generator</del> <u>generator generation resource</u> designated as a must run unit <u>for reliability</u> ?		
Electricity Consumers Resource Council (ELCON)	Yes	Our "Yes" response is conditioned on the comments to Questions 1 and 2 above.
<b>Response:</b> Please see responses to Q1 and Q2.		
Bonneville Power Administration	Yes	Regarding #1 on page 4: BPA Believes seasonality may need to be considered when comparing the generator with the most severe single contingency.
<b>Response:</b> Seasonality issues can be explained in the written response areas of the application form or additional documentation can be provided as needed. No change made.		
WECC Staff	Yes	The requested information in the checklist is appropriate. However; the exceptions process as drafted, with no objective criteria defining how to assess the submittals, leaves it to each region to develop their own criteria to evaluate the responses to the checklist included in the submittals, leading to inconsistency between Regional Entities.
<b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many		

Organization	Yes or No	Question 3 Comment
		<p>hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions</p>

Organization	Yes or No	Question 3 Comment
		<p>being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>
<p>Kootenai Electric Cooperative Snohomish County PUD Blachly-Lane Electric</p>	<p>Yes</p>	<p>KEC agrees that the items listed on page 4 of the Detailed Information to Support an Exception Request capture the information that generally would be necessary to make a reasoned determination concerning the BES status of a generation facility. KEC suggests three refinements to the questions: (1) Question 2 should be modified</p>

Organization	Yes or No	Question 3 Comment
<p>Cooperative</p> <p>Central Electric Cooperative (CEC)</p> <p>Clearwater Power Company (CPC)</p> <p>Consumer's Power Inc. (CPI)</p> <p>Douglas Electric Cooperative (DEC)</p> <p>Fall River Electric Cooperative (FALL)</p> <p>Lane Electric Cooperative (LEC)</p> <p>Lincoln Electric Cooperative (Lincoln)</p> <p>Northern Lights Inc. (NLI)</p> <p>Okanogan County Electric Cooperative (OCEC)</p> <p>Pacific Northwest Generating Cooperative (PNGC)</p> <p>Raft River Rural Electric Cooperative (RAFT)</p> <p>Umatilla Electric Cooperative</p> <p>West Oregon Electric Cooperative (WOEC)</p> <p>Coos-Curry Electric</p>		<p>by adding “necessary for the operation of the interconnected bulk transmission system” to the end of the question, so that it reads: “Is the generator or the generator facility used to provide Ancillary Services necessary for the operation of the interconnected bulk transmission system?” The italicized language is necessary to distinguish between a generator that provides, for example, reactive power or regulating reserves that support operation of the interconnected bulk grid, and, for example, a behind-the-meter generator that provides back-up generation to a specific industrial facility. The former may be necessary for the reliable operation of the interconnected bulk transmission system, but the latter is not.</p> <p>(2) The current draft of the BES Definition contains Exclusions for radials and for Local Networks. To be consistent with these aspects of the revised BES definition, KEC suggests modifying question 5 by adding “radial, or Local Network” to the question, so that it would read: “Does the generator use the BES, a radial system, or a Local Network to deliver its actual or scheduled output, or a portion of its actual or scheduled output, to Load?”</p> <p>(3) For reasons similar to those explained in our response to Question 2, a general “catch-all” question should be added that will prompt an entity submitting an Exception Request for a generator to submit any information it believes is relevant to the Exception that is not captured in the previous questions. We suggest the following language: Is there additional information not covered in questions 1 through 5 that supports the Exception Request? If yes, please provide the information and explain why it is relevant to the Exception Request. This will allow an entity seeking an Exception for a generator to identify any unusual circumstances or non-standard information that might support its Exception Request. An entity seeking such an Exception should have the opportunity to present any information it believes is relevant.</p>

Organization	Yes or No	Question 3 Comment
Cooperative City of Austin dba Austin Energy		
<p><b>Response:</b> (1) Questions regarding ancillary services have been further clarified.</p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <u>reliability--related</u> Ancillary Services?</p> <p>(2) If the entity serves the indicated Load through a radial system, etc., it should supply that information as part of its supporting information. No change made.</p> <p>(3) This type of question is covered by the clarified line item on page 1 of the form: List any attached supporting documents <u>and any additional information that is included to supports the request:</u></p>		
Central Lincoln	Yes	
Oncor Electric Delivery Company LLC	Yes	
Independent Electricity System Operator	Yes	
Consumers Energy	Yes	
Central Hudson Gas & Electric Corporation	Yes	
Exelon	Yes	
Holland Board of Public Works	Yes	
Transmission	Yes	

Organization	Yes or No	Question 3 Comment
Pepco Holdings Inc	Yes	
ATC LLC	Yes	
Southwest Power Pool Standards Review Team	Yes	
SERC Planning Standards Subcommittee	Yes	
City of Redding Electric Utility	Yes	
City of Redding	Yes	
Tacoma Power	Yes	Tacoma Power supports the information requested on page 4.
BGE	Yes	No comment.
Michigan Public Power Agency	Yes	
<p><b>Response: Thank you for your support. The SDT did make some clarifying changes due to comments received.</b></p> <p><b>Q2.</b> Is the <del>generator or generator facility</del> <u>generation resource</u> used to provide <del>reliability--related</del> Ancillary Services?</p> <p><b>Q3.</b> Is the <del>generator</del> <u>generation resource</u> designated as a must run unit <u>for reliability</u>?</p>		

4. Do you have concerns about an entity’s ability to obtain the data they would need to file the ‘Detailed Information to Support an Exception Request’? If so, please be specific with your concerns so that the SDT can fully understand the problem.

**Summary Consideration:** Based on the comments received, the SDT believes that entities will be able to obtain the requisite information necessary to submit a request. However, should an entity have difficulty, they will need to obtain the assistance of their Regional Entity to secure the data. If the entity still can’t obtain the needed data, then the SDT fully expects that entity’s Regional Entity to work with them to come up with a plan that will allow that entity to fill out the request form in a manner that will be acceptable to the Regional Entity so that processing of the request can continue. The SDT recognizes that there will be costs associated with the request. The SDT feels that an entity may have to conduct a cost and benefit analysis in order to determine the value of pursuing a request.

No significant changes were made to the request form as a result of comments received to this question. There were suggestions to use some terms more consistently, and this suggestion was adopted. The SDT had used, “facility” and “element” to mean the same things, and has now adopted the word, “Element” throughout the revised document. Similarly the team changed the word, “application” to “request” for greater clarity.

Organization	Yes or No	Question 4 Comment
AECI and member G&Ts	No	
Ameren	No	
ATC LLC	No	
BGE	No	No comment.
Central Hudson Gas & Electric Corporation	No	
Central Lincoln	No	

Organization	Yes or No	Question 4 Comment
City of Redding	No	
Hydro One Networks Inc.	No	
Hydro-Quebec TransEnergie	No	
IRC Standards Review Committee	No	
ISO New England Inc	No	All concerns were captured in comments provided to the previous questions.
Long Island Power Authority	No	
National Grid	No	
NERC Staff Technical Review	No	
NV Energy	No	The information appears to be readily available to entities seeking exceptions.
Oncor Electric Delivery Company LLC	No	
PacifiCorp	No	PacifiCorp is speaking from a perspective where the Company is registered for multiple functions (i.e., TO, GO, TOP, GOP, BA, TPL, etc.) and the requested information is currently available from Company resources.
SERC Planning Standards Subcommittee	No	
Springfield Utility Board	No	

Organization	Yes or No	Question 4 Comment
Tacoma Power	No	Tacoma Power supports the expectation that entities will be able to supply the information requested.
<b>Response:</b> Thank you for your support.		
American Electric Power	No	As stated in the response to question #3, the question “How does an outage of the generator impact the over-all reliability of the BES” may be subjective and dependent on contingencies at any given time. It would be dependent on what state the BES would be in the area the generator is located. More detail would be needed in describing the study required to have consistent results.
<b>Response:</b> See response to Q3.		
Georgia System Operations Corporation	No	<p>Throughout the document, because it will be part of a larger Exception Request Form, it should, when possible, use terms consistent with the rest of that form (e.g., “Request” rather than “application”).</p> <p>Similarly, defined terms (even if only defined in the context of the Request Form in which these Principles will be used) such as “Exception,” “Request,” “Element” or “Facility” should be capitalized; if the use of lower case is intended to convey a different meaning than what is defined, another term should be used to avoid confusion.</p> <p>The Definition and Request Form generally use the term “Element,” so it is unclear why this document should so consistently use “facility.” For consistency, “Element(s)” or possibly “Element(s) or Facility” should be used.</p>
<b>Response:</b> The SDT has made changes to the Request Form based upon your comments, changing the word, “facility” to “Element” and “application” to “request” for consistency throughout the document.		
Independent Electricity System Operator	No	We anticipate that entities will be granted access to the required historical operations records and modeling data after signing of non-disclosure agreements with the

Organization	Yes or No	Question 4 Comment
		providers of the information.
<p><b>Response:</b> The SDT concurs that it may be necessary for entities to execute such agreements.</p>		
Northeast Power Coordinating Council	No	According to the Applicability section, the TPL Reliability Standards are only applicable to the Planning Coordinator (PC) and the Transmission Planner (TP). Was it the BES SDT’s assumption that Applicants would have the PC or TP run studies for them, or that all Applicants would gain access to those models and run the models themselves? (Ref. TPL-002-1b, Applicability: Planning Authority, and Transmission Planner.)
Pepco Holdings Inc	No	Not all TOs have the capability to perform the power flow and stability analysis on their own, necessary to meet the exception request. It may be burdensome for the TO to hire a consultant or to have their affiliated TPL perform the rigorous study/analysis as contained in the TPL standards. Additional details should be provided as to what part of the TPL standards apply. Should the Affiliated TPL be required to perform TOs studies for exception requests? If so should that be stated in a related standard as a requirement?
Southern Company Generation	Yes	An IPP with no Transmission Planning department may find it very difficult to perform an interconnection wide base case as required in the general instructions.
Bonneville Power Administration	Yes	BPA believes the studies discussed in pages 2-4 would likely need to be completed and the required information supplied by the Transmission Planner/Operator of the Balancing Authority Area since many of the assumptions regarding performance of the BES to delivery under a variety of operating conditions is known only to the TP and TOP of the system.
Consolidated Edison Co. of NY, Inc.	Yes	According to the Applicability section, the TPL Reliability Standards are only applicable to the Planning Coordinator (PC) and the Transmission Planner (TP). Was it the BES SDT’s assumption that Applicants would have the PC or TP run studies for them, or that all Applicants would somehow gain access to those models and run the models

Organization	Yes or No	Question 4 Comment
		<p>themselves? (Ref. TPL-002-1, Applicability: Planning Coordinator, and Transmission Planner.)</p>
<p><b>Response:</b> The Request Form includes language indicating that studies need to be consistent with the methodologies described in the TPL standards, not that the studies need to be the actual Planning Coordinator or Transmission Planner studies. The SDT feels that it is up to the Registered Entity to work out the details for studies needed for a request.</p>		
<p>Orange and Rockland Utilities, Inc.</p>	<p>No</p>	<p>However, please clarify “facility” and include “N-1” for power-flow studying.</p>
<p><b>Response:</b> The SDT has modified the document to consistently use the term, “Element” rather than facility throughout the document. The SDT believes that solely relying upon a single case study, i.e., N-1; would be inappropriate for the purposes of making a decision under this definition. Entities will need to consider the use of the Elements in a variety of cases to determine whether or not the Elements would be BES or not.</p>		
<p>WECC Staff</p>	<p>Yes</p>	<p>Entities would have a difficult time deciding what data to obtain. Getting the data for their own specific facilities should be relatively simple for the majority of entities. However, it is possible smaller entities may have a higher burden putting together the appropriate information for inclusion in a study case that they currently may not do. In addition, because the instructions state that a case will be “suitably complete and detailed,” WECC believes there is insufficient guidance as to what amount and degree of detail in the data is sufficient for the submittal process. Without thresholds it is difficult to determine whether the entities will have the ability to obtain necessary data to file for an exception. At this time, WECC views the instructions as insufficient for these reasons.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenter in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenter that it directly solicited assistance in this matter in the first posting of the criteria and received</p>		

Organization	Yes or No	Question 4 Comment
		<p>very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the application to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the application process. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1, where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the</p>

Organization	Yes or No	Question 4 Comment
		<p>bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple applications will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>
<p>Blachly-Lane Electric Cooperative</p> <p>Central Electric Cooperative (CEC)</p> <p>City of Austin dba Austin Energy</p> <p>Clearwater Power Company</p>	<p>Yes</p>	<p>The Standards Drafting Team should consider whether it is necessary to require entities other than the entity filing the Exception Request to provide relevant information, either to the entity filing the Exception Request or to the Registered Entity receiving the Exceptions Request. For example, in order to answer Question 1 on page 4, regarding the impact of the generator under the most severe single contingency, it may be necessary for the relevant Balancing Authority to provide its Most Severe Single Contingency (“MSSC”) to the registered entity seeking an Exception. Similarly, the relevant Transmission Operator or Balancing Authority may</p>

Organization	Yes or No	Question 4 Comment
(CPC) Consumer's Power Inc. (CPI) Coos-Curry Electric Cooperative Douglas Electric Cooperative (DEC) Fall River Electric Cooperative (FALL) Kootenai Electric Cooperative Lane Electric Cooperative (LEC) Lincoln Electric Cooperative (Lincoln) Northern Lights Inc. (NLI) Okanogan County Electric Cooperative (OCEC) Pacific Northwest Generating Cooperative (PNGC) Raft River Rural Electric Cooperative (RAFT) Snohomish County PUD Umatilla Electric Cooperative West Oregon Electric Cooperative (WOEC)		have information that is necessary to determine whether the generator has been designated as reliability-must-run or if it provides ancillary services supporting reliable operation of the interconnected transmission grid.

Organization	Yes or No	Question 4 Comment
<p><b>Response:</b> Based on the comments received, the SDT believes that entities will be able to obtain the requisite information necessary to submit a request. However, should an entity have difficulty, it will need to obtain the assistance of its Regional Entity to secure the data. If the entity still can't obtain the needed data, then the SDT fully expects that entity's Regional Entity to work with them to come up with a plan that will allow that entity to fill out the request form in a manner that will be acceptable to the Regional Entity so that processing of the request can continue.</p>		
Exelon	Yes	<p>This may be a burden on small entities and generators because they would need to use contractors to run studies in order to obtain the required data. Smaller entities and generators may not have the expertise, the software or the necessary personnel to perform studies.</p>
<p><b>Response:</b> The SDT recognizes that there will be costs associated with the request. The SDT feels that an entity may have to conduct a cost and benefit analysis in order to determine the value of pursuing a request.</p>		
PSEg Services Corp	Yes	<p>It would depend upon the clarifications to the points raised above.</p>
<p><b>Response:</b> The SDT suggests that you review the responses to the points raised above and if concerns still exist, please submit those concerns to the SDT as we proceed to the second phase of this project.</p>		
<p>Holland Board of Public Works Michigan Public Power Agency</p>	Yes	<p>On Page 4 Question 1, information on the host Balancing Authority's most severe single contingency may not be publically available and therefore difficult or impossible for a smaller entity to obtain. Even if the data is available, it may not be meaningful in a larger Balancing Authority area such as within MISO where the most severe contingency may be geographically and electrically remote. A more readily available and meaningful measure would be a comparison of the generator's capability as a percent of the peak load for the local Balancing Authority or sub-Balancing Authority, as applicable.</p>
<p><b>Response:</b> The SDT believes that an entity can use any data or information available to it in order to make its request, especially if other information is not available. Note that the SDT modified the form to clarify that entities may submit additional information</p>		

Organization	Yes or No	Question 4 Comment
(beyond the information listed on the form as “required”) to support their request for an exception.		
Duke Energy	Yes	What is the process for obtaining data from a 3rd party that is either unregistered or unwilling to supply the data?
<b>Response:</b> The SDT is not aware of any instance where an unregistered entity would have vital information relevant to a request. For an organization unwilling to share, the SDT expects that entities may need to execute confidentiality or other agreements in order to obtain the use of the necessary information and data.		
ACES Power Marketing Standards Collaborators	Yes	Some generation owners may not be able to obtain their BA’s most severe single Contingency. Many generator owners will not have access to the data necessary to demonstrate the reliability impact to the BES. This is particularly true for transmission dependent utilities.
City of St. George	Yes	The access to the required data would be potentially be a concern especially for smaller entities. Small entities will typically have to outsource the required studies to consultants and obtaining the data may be difficult for the consultants. The entities most likely to obtain exemptions (smaller & lower impact entities) are the ones that probably will have the most difficulty in obtaining the data. Generally larger utilities “upstream” from the smaller ones are hesitant to give information to other entities. Depending on the study requirements and criteria for application, this could be a very costly process.
Dominion	Yes	It has been Dominion’s experience that CEII or Code/Standards of Conduct rules may restrict generation entities (GO/GOP) from obtaining some of the information necessary to perform the analysis needed to file the “Detailed Information to Support an Exception Request”. Dominion is also aware that, in some cases, generation entities do not have the technical expertise (transmission planning, power flow and or stability analysis background) to perform such analysis.
Electricity Consumers	Yes	It may be necessary that the exception request form explicitly address this potential

Organization	Yes or No	Question 4 Comment
Resource Council (ELCON)		problem by allowing the entity seeking an exception to state that for reasons beyond its control it failed to acquire the necessary data, base case or supporting document to enable completion of the filing.
ReliabilityFirst	Yes	In some cases, models and even knowledge of the system configurations, operating protocols and procedures may not be well known by all the entities. System adjustments, load levels, topologies, maintenance and outage schedules, which happen daily, will or may be unknown to many entities, including the Regional Entities who may submit a request to include facilities. For cross regional boundaries, the problem becomes even larger. That coupled with generation unit owners/operators not permitted to know transmission information (i.e. Questions 4 and 5); this will put them at a huge disadvantage to participate in the exception request process.
Southwest Power Pool Standards Review Team	Yes	SCADA line flow data might be hard to capture for the last two years. Specifically the line flows may not be available.
Tri-State Generation and Transmission Assn., Inc. Energy Management	Yes	It may be hard for a GO to get the information requested in #1 or #4.
TSGT G&T	Yes	It may be hard for a GO to get the information requested in #1 or #4.
<p><b>Response:</b> Based on the comments received, the SDT believes that entities will be able to obtain the requisite information necessary to submit a request. However, should an entity have difficulty, it will need to obtain the assistance of its Regional Entity to secure the data. If the entity still can't obtain the needed data, then the SDT fully expects that entity's Regional Entity to work with them to come up with a plan that will allow that entity to fill out the request form in a manner that will be acceptable to the Regional Entity so that processing of the request can continue. The SDT expects that entities may need to execute confidentiality type or other agreements in order to obtain the use of the necessary information and data.</p>		
Farmington Electric Utility System	Yes	See response to question 2

Organization	Yes or No	Question 4 Comment
<b>Response:</b> Please see response to Q2.		
Consumers Energy	Yes	
City of Redding Electric Utility	Yes	
<b>Response:</b> Without any specific comment, the SDT is unable to respond.		

5. **Are there other specific characteristics that you feel would be important for presenting a case and which are generic enough that they belong in the request? If so, please identify them here and provide suggested language that could be added to the document.**

**Summary Consideration:** Based on the responses to this question, the SDT offers the following for summary consideration.

Regarding the FERC seven factor test, an entity requesting an exception can always submit data related to that test for the Regional Entity and ERO to evaluate.

In response to the suggestions for additional inclusion in the technical criteria document, there are no restrictions on what data can be submitted in an exception request. An entity requesting an exception can always submit data it believes will be beneficial to its exception request for the Regional Entity and ERO to evaluate.

Finally, if an entity that is submitting an exception request cannot gain access to certain information that is listed in the technical criteria document, it should work with its Regional Entity to come up with substitute data that is acceptable. The submitting entity should state in its exception request submittal that it is unable to access certain data from other parties and explain the reasons why that is the case.

Organization	Yes or No	Question 5 Comment
Northeast Power Coordinating Council	Yes	<p>There is no guidance provided as to how the information asked for in this form will be evaluated, and what the decision making process will entail. As such, a reference document should be developed and provide some guidance how to evaluate applications.</p> <p>Suggest that the BES SDT adopt the FERC Seven Factor test.</p>

**Response:** The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are

Organization	Yes or No	Question 5 Comment
		<p>always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience</p>

Organization	Yes or No	Question 5 Comment
<p>gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.” The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>Regarding the FERC seven factor test, an entity requesting an exception can always submit data related to that test for the Regional Entity and ERO to evaluate.</p>		
Hydro One Networks Inc.	Yes	<p>The general approach, information, data, and assessments proposed seem to be reasonable. However, guidance is not provided as to how this information may be evaluated in the decision making process. As such, a reference document should be developed and provide guidance how applications will be assessed. For example”1) Does the element(s)?</p> <ul style="list-style-type: none"> <li>o Would have qualified under one of the exclusions or inclusions but have marginally different threshold as prescribed in the definition;</li> <li>o transfer bulk power within (intra) or between (inter) two Balancing Authority Areas;</li> <li>o monitor facilities included in an Interconnection Reliability Operating Limit (IROL);</li> <li>o are not considered necessary for the operation of interconnected transmission</li> </ul>

Organization	Yes or No	Question 5 Comment
		<p>system under normal conditions, contingency or prolonged outage conditions.2) Are System Element(s) located in close electrical proximity to Load? o Electrical proximity may be a measurement of system impedance between load centers within the system seeking exception. o Other physical characteristics.3) Are System Elements treated as primarily radial in character? o Smaller deviation from the exclusion E1. o This can be demonstrated by the way the connections to the BES are operated (e.g., the local area is not operated as part of the BES with disconnection procedures when events occur in the local area to separate it.) o This can also be demonstrated by the way resources in the local area are treated in operations, for example, they are not included in a regional dispatch or secured by an ISO/RTO. o Power flows into the system, but rarely flows out. i. This can be demonstrated through transactional records or load flow analysis where it is shown that flow out does not occur or occurs only under a very limited set of conditions and for a limited quantity of energy. a. The limited set of conditions must clearly state the conditions where power flows out, for example, only under specified contingency events. b. Transactional records provided must be for the same time specified in the Exception Rules of Procedure for performing periodic exception self-certifications (presently two years). c. Power entering the system is not recognized or regularly transported on to some other system. (This can be demonstrated by operational procedures that restrict use of delivered power to that system, e.g., the absence of a wheeling agreement or an agreement that generally restricts wheeling under normal) d. The System Element(s) have a very small Distribution Factor on any other BES Element(s). o System Elements are not necessary for the operation of interconnected transmission under normal, contingency or prolonged outage conditions.</p>
WECC Staff	Yes	<p>In order to make a determination of BES status of an element, there should be a listing of effects of the outage on certain facilities, frequencies, voltages, transmission elements, or other information that should be included in the submittal by the entity. Without further specification of requirements for presenting a case it is likely that the Regional Entity will receive inconsistent submittals of data. Leaving open the question of what constitutes a sufficient presentation of a case would likely lead to a wide</p>

Organization	Yes or No	Question 5 Comment
		spectrum of submittals with respect to the amount of data and level of detail in the data.
<p><b>Response:</b> The technical criteria document currently includes a request for information related to an outage of an element on the BES.</p> <p>The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and</p>		

Organization	Yes or No	Question 5 Comment
		<p>there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.” The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>

Organization	Yes or No	Question 5 Comment
City of Redding Electric Utility	Yes	
Georgia System Operations Corporation	Yes	
Bonneville Power Administration	Yes	
<p><b>Response:</b> Without specific comments, the SDT is unable to respond.</p>		
IRC Standards Review Committee	Yes	<p>One acid test to determine if a facility needs to be included or can be excluded from a BES facility is to simulate an uncleared fault at that facility. If the simulation shows a stable BES performance, then it suggests that even if the fault is not cleared due to whatever reason, the facility has no adverse impact that can lead to instability, cascading or collapse of the BES.</p>
<p><b>Response:</b> There are no restrictions on what data can be submitted in an exception request. Regarding an uncleared fault test, an entity requesting an exception can always submit data related to that test for the RE and NERC to evaluate.</p>		
<p>Snohomish County PUD Blachly-Lane Electric Cooperative Central Electric Cooperative (CEC) Clearwater Power Company (CPC) Consumer's Power Inc. (CPI) Douglas Electric Cooperative (DEC)</p>	Yes	<p>As discussed in our responses to Questions 1 through 3, SNPD believes that certain additional questions are necessary to elicit all information that may be relevant to an Exceptions Request. As discussed in our answer to Question 4, we are also concerned that it may be necessary to obtain information that is in the hands of the relevant Balancing Authority, Transmission Provider, or other entity, and not in the hands of the entity submitting an Exceptions Request, to develop a complete record upon which a reasoned decision concerning an Exceptions Request can be based.</p>

Organization	Yes or No	Question 5 Comment
Fall River Electric Cooperative (FALL) Lane Electric Cooperative (LEC) Lincoln Electric Cooperative (Lincoln) Northern Lights Inc. (NLI) Okanogan County Electric Cooperative (OCEC) Pacific Northwest Generating Cooperative (PNGC) Raft River Rural Electric Cooperative (RAFT) Umatilla Electric Cooperative West Oregon Electric Cooperative (WOEC) Coos-Curry Electric Cooperative City of Austin dba Austin Energy Kootenai Electric Cooperative		
<b>Response:</b> Please see the detailed responses to Q1 – Q4.		
Consolidated Edison Co. of NY, Inc.	Yes	We strongly recommend that the BES SDT adopt the FERC Seven Factor test for local distribution.

Organization	Yes or No	Question 5 Comment
<p><b>Response:</b> There are no restrictions on what data can be submitted in an exception request. Regarding the FERC seven factor test, an entity requesting an exception can always submit data related to that test for the Regional Entity and ERO to evaluate.</p>		
<p>American Electric Power</p>	<p>No</p>	<p>As stated in the response to question #3, it is unclear how the process will work with the interaction among the various NERC Functions. For instance, an exception request from generation might require collaboration among other functional entities, i.e. GOP, TOP, and RC.</p> <p>The existence of a must run unit means that unit has a material impact on any configuration of the BES and as such would need a serious waiver to not be considered a BES facility. As such, a must run unit would not receive an exception. As a result, should question #3 be removed?</p> <p>Criteria for applying for an exception should be outlined before filling out the form.</p>
<p><b>Response:</b> If an entity that is submitting an exception request cannot gain access to certain information that is listed in the technical criteria document, it should work with its Regional Entity to come up with substitute data that is acceptable. The submitting entity should state in its exception request submittal that it is unable to access certain data from other parties and explain the reasons why that is the case.</p> <p>As stated in the proposed ERO Rules of Procedure, ““No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”.</p> <p>Please see the proposed ERO Rules of Procedure for details on filling out a form.</p>		
<p>Farmington Electric Utility System</p>	<p>Yes</p>	<p>The SDT should consider additional limits on Generation. For example, if a generation prime mover (turbine) has a maximum output of 35 MW but is coupled to a generator with a rating in excess of 75 MVA. The generator output is limited by the turbine - thus the rating of the turbine should be a taken into consideration rather than the generator rating.</p>
<p>Hydro-Quebec TransEnergie</p>	<p>Yes</p>	<p>The general characteristics of the Interconnection (such as frequency or voltage variation), as they may guide the decision for exclusion of specific elements.</p>

Organization	Yes or No	Question 5 Comment
<p><b>Response:</b> Regarding the suggestions for inclusion in the technical criteria document, there are no restrictions on what data can be submitted in an exception request. An entity requesting an exception can always submit data it believes will be beneficial to its exception request for the RE and NERC to evaluate. No change made.</p>		
<p>Indeck Energy Services</p>	<p>Yes</p>	<p>As acknowledged in the response to Question 12 comments on the previous BES definition, the BES definition is expansive compared to the definition of the BPS in the FPA Section 215. The inclusion of the limited Exclusions is an attempt to remedy the situation. However, the Exclusions need to include a fifth one that if, based on studies or other assessments, it can be shown that any transmission or generator element otherwise identified as part of the BES is not important to the reliability of the BPS, then that element should be excluded from the mandatory standards program. There has never been a study to show that elements, such as a 20 MW wind farm, 60 MW merchant generator (which operates infrequently in the depressed market) in a large BA (eg NYISO) or a radial transmission line connecting a small generator are important to the reliability of the BPS. They are covered by the mandatory standards program through the registration criteria. The BES Definition is the opportunity to permit an entity to demonstrate that an element is unimportant to reliability of the BPS. The SDT has identified a small subset of elements that it is willing to exclude. By their very nature, these exclusions dim the bright line that is the stated goal of this project. However, the SDT’s foresight seems limited in its selections. Analytical studies are used to evaluate contingencies that could lead to the Big Three (cascading outages, instability or voltage collapse). Such a study showing that a transmission or generation element is bounded by the N-1 or N-2 contingency would exclude it from the BES definition. For example, in a BA with a NERC definition Reportable Disturbance of approximately 400 MW (eg NYISO), a 20 MW wind farm, 60 MW merchant generator or numerous other smaller facilities would be bounded by larger contingencies. It would take more than six 60 MW merchant generators with close location and common mode failure to even be a Reportable Disturbance, much less become the N-1 contingency for the Big Three. Exclusion E5 should be “E5 - Any facility that can be demonstrated to the Regional Entity by analytical study or other</p>

Organization	Yes or No	Question 5 Comment
		assessment to be unimportant to the reliability of the BPS (with periodic reports by the Regional Entity to NERC of any such assessments).”
<p><b>Response:</b> The SDT acknowledges and appreciates the comments and recommendations associated with modifications to the technical aspects (i.e., the bright-line and component thresholds) of the BES definition. However, the SDT has responsibilities associated with being responsive to the directives established in Orders No. 743 &amp; 743-A, particularly in regards to the filing deadline of January 25, 2012, and this has not afforded the SDT with sufficient time for the development of strong technical justifications that would warrant a change from the current values that exist through the application of the definition today. These and similar issues have prompted the SDT to separate the project into phases which will enable the SDT to address the concerns of industry stakeholders and regulatory authorities. Therefore, the SDT will consider all recommendations for modifications to the technical aspects of the definition for inclusion in Phase 2 of Project 2010-17 Definition of the Bulk Electric System. This will allow the SDT, in conjunction with the NERC Technical Standing Committees, to develop analyses which will properly assess the threshold values and provide compelling justification for modifications to the existing values.</p>		
City of Redding	No	
ATC LLC	No	
Ameren	No	
Central Lincoln	No	
National Grid	No	
Oncor Electric Delivery Company LLC	No	
Independent Electricity System Operator	No	
City of St. George	No	

Organization	Yes or No	Question 5 Comment
PSEg Services Corp	No	
ReliabilityFirst	No	
Long Island Power Authority	No	
Consumers Energy	No	
Orange and Rockland Utilities, Inc.	No	
ISO New England Inc	No	All concerns were captured in comments provided to the previous questions.
Duke Energy	No	
NV Energy	No	
Central Hudson Gas & Electric Corporation	No	
Exelon	No	
Transmission	No	
PacifiCorp	No	
NERC Staff Technical Review	No	
Dominion	No	
TSGT G&T	No	

Organization	Yes or No	Question 5 Comment
Pepco Holdings Inc	No	
Southern Company Generation	No	
Tri-State Generation and Transmission Assn., Inc. Energy Mangement	No	
SERC Planning Standards Subcommittee	No	
ACES Power Marketing Standards Collaborators	No	
Southwest Power Pool Standards Review Team	No	
Tacoma Power	No	Tacoma Power does not know of any characteristics to add at this time.
BGE	No	No comment.
Michigan Public Power Agency	No	
<b>Response:</b> Thank you for your support.		

6. Are you aware of any conflicts between the proposed approach and any regulatory function, rule order, tariff, rate schedule, legislative requirement or agreement, or jurisdictional issue? If so, please identify them here and provide suggested language changes that may clarify the issue.

**Summary Consideration:** The majority of commenters responded that they were not aware of any conflicts. However, some comments were supplied indicating concerns.

Three commenters expressed the need to address the function of an Element or system that is subject to an exception request to determine whether it is a “facilit[y] used in the local distribution of electric energy” and therefore excluded from the BES under Section 215(a)(1) of the Federal Power Act. Those commenters have been directed to question 2 for detailed responses on this issue.

Two commenters submitted concerns that the ERO does not have the authority to apply the BES definition in Canada. The SDT is attempting to craft a BES definition that can be applied within the ERO footprint. It is neither within the scope of the SDT nor is it appropriate for the SDT to provide a Canadian regulatory resolution within the definition. As such, the SDT agrees that the ERO will have to address these types of non-jurisdictional situations with relevant Regions through the exception procedure.

Two commenters expressed a concern that information necessary to perform an analysis may be restricted either by federal-/state Codes/Standards of Conduct and/or CEII prohibitions. Based on the comments received, the SDT believes that entities will be able to obtain the requisite information necessary to submit a request. However, should an entity have difficulty, it will need to obtain the assistance of its Regional Entity to secure the data. If the entity still can’t obtain the needed data, then the SDT fully expects that entity’s Regional Entity to work with them to come up with a plan that will allow that entity to fill out the request form in a manner that will be acceptable to the Regional Entity so that processing of the request can continue.

One comment stated that organized markets have a “must run” generator concept that has nothing to do with reliability. Thus, Q3 for generation facilities might be confused with market tariff provisions. To resolve this concern, the SDT has clarified Q3 for generation resources as follows:

3. Is the ~~generator~~ generation resource designated as a must run unit for reliability?

Organization	Yes or No	Question 6 Comment
Northeast Power Coordinating	No	

Organization	Yes or No	Question 6 Comment
Council		
SERC Planning Standards Subcommittee	No	
Southwest Power Pool Standards Review Team	No	
WECC Staff	No	
Bonneville Power Administration	No	
TSGT G&T	No	
Pepco Holdings Inc	No	
Southern Company Generation	No	
Tri-State Generation and Transmission Assn., Inc. Energy Mangement	No	
NERC Staff Technical Review	No	
Transmission	No	
PacifiCorp	No	
Hydro One Networks Inc.	No	We believe, and support that RoP exception procedures are adequately dealing with

Organization	Yes or No	Question 6 Comment
		this issue.
Exelon	No	
Duke Energy	No	
NV Energy	No	
Central Hudson Gas & Electric Corporation	No	
American Electric Power	No	AEP is not aware of any conflicts between the proposed approach and any regulatory function, rule order, tariff, rate schedule, legislative requirement or agreement, or jurisdictional issue.
Consumers Energy	No	
Orange and Rockland Utilities, Inc.	No	
ISO New England Inc	No	
PSEg Services Corp	No	
City of St. George	No	
Blachly-Lane Electric Cooperative	No	
Central Electric Cooperative (CEC)	No	

Organization	Yes or No	Question 6 Comment
Clearwater Power Company (CPC)	No	
Consumer's Power Inc. (CPI)	No	
Douglas Electric Cooperative (DEC)	No	
Fall River Electric Cooperative (FALL)	No	
Lane Electric Cooperative (LEC)	No	
Independent Electricity System Operator	No	
Lincoln Electric Cooperative (Lincoln)	No	
Northern Lights Inc. (NLI)	No	
Okanogan County Electric Cooperative (OCEC)	No	
Pacific Northwest Generating Cooperative (PNGC)	No	
Raft River Rural Electric Cooperative (RAFT)	No	

Organization	Yes or No	Question 6 Comment
Umatilla Electric Cooperative	No	
West Oregon Electric Cooperative (WOEC)	No	
Central Lincoln	No	
National Grid	No	
Oncor Electric Delivery Company LLC	No	
Coos-Curry Electric Cooperative	No	
Ameren	No	
Georgia System Operations Corporation	Yes	
ATC LLC	No	
Farmington Electric Utility System	No	
City of Redding	No	
Tacoma Power	No	Tacoma Power is not aware of any conflicts at this time.
Springfield Utility Board	No	

Organization	Yes or No	Question 6 Comment
BGE	No	No comment.
Michigan Public Power Agency	No	
Long Island Power Authority		Not aware of any
<b>Response:</b> Thank you for your response.		
Indeck Energy Services	Yes	<p>As acknowledged in the response to Question 12 comments on the previous BES definition, the BES definition is expansive compared to the definition of the BPS in the FPA Section 215. The inclusion of the limited Exclusions is an attempt to remedy the situation. However, the Exclusions need to include a fifth one that if, based on studies or other assessments, it can be shown that any transmission or generator element otherwise identified as part of the BES is not important to the reliability of the BPS, then that element should be excluded from the mandatory standards program. There has never been a study to show that elements, such as a 20 MW wind farm, 60 MW merchant generator (which operates infrequently in the depressed market) in a large BA (eg NYISO) or a radial transmission line connecting a small generator are important to the reliability of the BPS. They are covered by the mandatory standards program through the registration criteria. The BES Definition is the opportunity to permit an entity to demonstrate that an element is unimportant to reliability of the BPS. The SDT has identified a small subset of elements that it is willing to exclude. By their very nature, these exclusions dim the bright line that is the stated goal of this project. However, the SDT’s foresight seems limited in its selections. Analytical studies are used to evaluate contingencies that could lead to the Big Three (cascading outages, instability or voltage collapse). Such a study showing that a transmission or generation element is bounded by the N-1 or N-2 contingency would exclude it from the BES definition. For example, in a BA with a NERC definition Reportable Disturbance of approximately 400 MW (eg NYISO), a 20 MW wind farm, 60 MW merchant generator or numerous other smaller facilities would be bounded by larger contingencies. It would take more than six 60 MW merchant generators with close</p>

Organization	Yes or No	Question 6 Comment
		location and common mode failure to even be a Reportable Disturbance, much less become the N-1 contingency for the Big Three. Exclusion E5 should be “E5 - Any facility that can be demonstrated to the Regional Entity by analytical study or other assessment to be unimportant to the reliability of the BPS (with periodic reports by the Regional Entity to NERC of any such assessments).”
<p><b>Response:</b> The SDT has already incorporated a note at the bottom of the definition stating that exceptions can be pursued through the exception process. The SDT feels that this note is sufficient to address the concerns raised herein. In addition, the SDT reminds the commenter that all threshold values will be examined in Phase II of this project. No change made.</p>		
City of Redding Electric Utility	Yes	
<p><b>Response:</b> Without a specific comment, the SDT is unable to respond.</p>		
Hydro-Quebec TransEnergie	Yes	<p>For HQT's system, the proposed BES definition combined with the exception procedure are presently incompatible or at least inconsistent with the regulatory framework applicable in Quebec. The proposed changes have not address this concern, neither the SDT's responses to our previous comments last May (Q.9).We reiterate that the definition and the exception procedure shall be determined by Quebec's regulator, the Régie de l'énergie du Québec, (Quebec Energy Board) which has the responsibility to ensure that electric power transmission in Quebec is carried out according to the reliability standards it adopts. Per se, it would be necessary that E1 and E3 grant exclusions with much higher level of generation. It would also be necessary to allow for several levels of application for the Reliability Standards, in accordance with the Régie de l'énergie du Québec approach: the Bulk Power System (BPS) as determined using an impact-based methodology, the Main Transmission System (MTS), and other parts of Regional System. Standards related to the protection system (PRC-004-1 and PRC-005-1) and those related to the design of the transmission system (TPL 001-0 to TPL-004-0) shall be applicable to the first level, but all other reliability standards shall be applied to the second level, the MTS. The MTS definition is somewhat different than the Bulk Electric System</p>

Organization	Yes or No	Question 6 Comment
		definition, and it includes elements that impact the reliability of the grid, supply-demand balance and interchanges. We argue that it would be necessary for NERC to address the regulatory issues outside of the present context of the SDT and ROP team.
Manitoba Hydro	Yes	Canadian Entities are not under FERC jurisdiction, so the revised BES Definition may not apply. A number of Canadian Entities have the BES defined within their provincial legislation. This may introduce differences and even contradictions between elements that are included in the BES according to provincial legislation and the NERC definition.
<p><b>Response:</b> The SDT is attempting to craft a BES definition that can be applied within the ERO footprint. It is neither within the scope of the SDT nor is it appropriate for the SDT to provide a Canadian regulatory resolution within the definition. As such, the SDT agrees that the ERO will have to address these types of non-jurisdictional situations with relevant Regions through the exception procedure.</p>		
Kootenai Electric Cooperative	Yes	As discussed in more detail in our response to Question 2, KEC believes it is necessary to address the function of an Element or system that is subject to an Exceptions Request to determine whether it is a “facilit[y] used in the local distribution of electric energy” and therefore excluded from the BES under Section 215(a)(1) of the Federal Power Act.
City of Austin dba Austin Energy	Yes	As discussed in more detail in our response to Question 2, AE believes it is necessary to address the function of an Element or system subject to an Exceptions Request to determine whether it is a “facilit[y] used in the local distribution of electric energy” and, therefore, excluded from the BES under Section 215(a)(1) of the Federal Power Act.
Snohomish County PUD	Yes	As discussed in more detail in our response to Question 2, SNPD believes it is necessary to address the function of an Element or system that is subject to an Exceptions Request to determine whether it is a “facilit[y] used in the local distribution of electric energy” and therefore excluded from the BES under Section 215(a)(1) of the Federal Power Act.

Organization	Yes or No	Question 6 Comment
<p><b>Response:</b> Please see response to Q2.</p>		
ReliabilityFirst	Yes	<p>Since the inception of the Open Access Transmission Tariff, transmission models and even knowledge of the systems, operating protocols and procedures may not be well known or known at all by all the entities. System adjustments, load levels, topologies, maintenance and outage schedules (i.e. market sensitive information), which happens daily is not permitted to be known by the generation side of the industry. An unknown at this point and without a common set of criteria to be used by the Regional Entities and NERC Staff and Panels, it will be difficult to make consistent determinations across the ERO Enterprise.</p>
Dominion	Yes	<p>Much of the information necessary to perform the analysis required is restricted either by federal and/or state Codes/Standards of Conduct and/or CEI prohibitions.</p>
<p><b>Response:</b> Please see response to Q4.</p>		
ACES Power Marketing Standards Collaborators	Yes	<p>Some organized markets have a must run concept that has nothing to do with reliability. Thus, Q3 for generation facilities might be confused with these tariff provisions.</p>
<p><b>Response:</b> To resolve this concern, the SDT has clarified question 3 for generation resources to read:  <b>3. Is the <del>generator-generation resource</del> designated as a must run unit <u>for reliability</u>?</b></p>		

7. **Are there any other concerns with the proposed approach for demonstrating BES Exceptions that haven't been covered in previous questions and comments (bearing in mind that the definition itself and the proposed Rules of Procedure changes are posted separately for comments)? Please be as specific as possible with your comments.**

**Summary Consideration:** Based on the responses to this question, the SDT offers the following for summary consideration.

The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.

There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception application form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the application to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the application process. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there

is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO panel for adjudication.

In addition, the SDT would point to the SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.

NERC and the industry cannot wait until Phase 2 for the development of the exception process as it is an Order No. 743 directive that must be addressed by the FERC established deadline of January 25, 2012.

If an entity that is submitting an exception request cannot gain access to certain information that is listed in the technical criteria document, it should work with its Regional Entity to come up with substitute data that is acceptable. In addition, the submitting entity should state in its exception request submittal that it is unable to access certain data from other parties and explain the reasons why that is the case.

Organization	Yes or No	Question 7 Comment
LG&E and KU Energy	Yes	LG&E and KU Energy request clarification as to how the two year data requirement would apply to a new facility for which the owner/operator requests an exemption.
<b>Response:</b> The SDT recommends that a submitting entity work with its Regional Entity to determine how best to handle this type of a situation.		
Tacoma Power	Yes	Tacoma Power has a concern that the form may be too general in nature. The task before NERC and the industry is to promote consistency in the application of the BES definition. The form will require the regions to develop individual criteria for assessing an exception request and making a recommendation on the request. We recommend in Phase 2 that the SDT develop specific evaluation criteria for the regions to apply to

Organization	Yes or No	Question 7 Comment
		an exception request. Thank you for consideration of our comments.
<p>City of Redding City of Redding Electric Utility</p>	<p>Yes</p>	<p>Redding acknowledges there is an immediate need for a method where an entity can present evidence that their facilities are “not necessary for the Reliable Operation of the interconnected bulk power transmission system” as stated in the NERC Rules of Procedure Section 3.0. “BASIS FOR APPROVAL OF AN EXCEPTION.” Without a process to present the evidence then the RE and the ERO are under no mandate to review facilities in light of any criteria besides the BES definition as NERC clearly pointed out in the City of Holland case where Holland was forced to register by the RE (RFC). However, Redding is very concerned that under the proposed Exception process the final evaluation of an element or facility is left to the sole judgment of NERC. The concern is there is no method, criteria, measurement, or standard that NERC will use for the evaluation. It is also a concern that NERC has a predetermined definition of Distribution Facilities and will not evaluate networked Distribution Facilities fairly. NERC has already stated their predetermined position as to what they determine to be distribution and not distribution facilities in their “MOTION TO INTERVENE AND COMMENTS OF THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION” filed in the case of the City of Holland, Michigan (Docket No. RC11-5-000). On page 10 and 11 of this motion, under the section labeled “A. Holland’s 138 kV lines are transmission rather than local distribution facilities” NERC states “Distribution facilities generally are characterized as elements that are designed and can carry electric energy (Watts/MW) in one direction only at any given time from a single source point (distribution substation) to final load centers.” NERC has clearly stated that only radial facilities are considered distribution facilities and were unwilling to consider that network facilities over 100Kv could be classified as Distribution Facilities in this case. Holland’s claim of NERC over-reaching their authority appears to have credibility. In conclusion, Redding supports the proposed exception process as it stands on the grounds that it allows an entity the right to a process which NERC is currently not obligated to allow, it requires that NERC judge the facilities on the merit of “necessary for the Reliable Operation of the interconnected bulk power transmission system”, and it allows an appeals process that must judge if NERC evaluated facilities on the standard set forth. However,</p>

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		Redding’s vote is conditional on the completion of phase 2 where the term “necessary for the Reliable Operation of the interconnected bulk power transmission system” needs to be defined.
Independent Electricity System Operator	Yes	We believe that the SDT proposed approach for exception criteria is reasonable recognizing that one method/criteria cannot be applicable to everyone and every situation within the ERO foot print. However, we believe that there is huge gap and lack of any transparency on how the exception application will be evaluated and processed. We strongly suggest that SDT develop a reference or a guidance document as part of the RoP that should provide some guidance to Registered Entities, Regional Entities and the ERO on how an exception application should be processed. The absence of such guidance will pose a challenge for each entity including the ERO, and may result in discrepancies amongst Regional Entities. The process may be perceived by registered entities as being non-transparency.
City of St. George	Yes	Clear, concise criteria with consistent repeatable results are a must for a successful outcome of the project effort. The included questions are appropriate questions but the use of those questions and the ultimate outcome is unclear with the current version. The background information indicates that continent wide criteria are not feasible. It is understood that this is a very difficult task and will be difficult to achieve (especially in the time allotted). However, if the decisions are left up to a “panel” to decide the results will be inconsistent and will vary region by region, as well as differ over time. The process involved will be very time consuming (i.e. expensive) and will be difficult to control especially during the initial timeframe. History has demonstrated that review and approval processes that pass from the entity to the regions, then to NERC and then on to FERC backup very easily due to limited staff and resources. The drafting team may want to consider moving this topic to Phase 2 of the project. However, Phase 2 needs to have fairly quick time frame in order to provide the needed direction to the industry in a timely manner.

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PSEg Services Corp	Yes	An applicant should be able to clearly tell whether or not an exception request will likely be granted before it is submitted. It is nearly impossible to divine the whether a request will be granted from a set of data questions. The team is urged to state the exclusion criteria explicitly; data questions required to evaluate a request should directly reference each criterion. See Order 743, paragraph 115: “NERC should develop an exemption process that includes clear, objective, transparent, and uniformly applicable criteria for exemption of facilities that are not necessary for operating the grid.”
ISO New England Inc	Yes	Given all of these decisional inputs requested by the Exception Application there needs to be some guidance or clarification here regarding the criteria that will be used to render a yes or no decision other than simply filling out the Application and allowing the Rules of Procedure process to take place. The Application process for Exceptions (inclusions or exclusions) appears to be subjective and lacks the decisional technical criteria for the applicant to be confident of the outcome.
Manitoba Hydro	Yes	Manitoba Hydro strongly disagrees with the proposed ‘Detailed Information to Support an Exception Request’ document and associated exception process for the following reasons: -It is not clear what elements or situations beyond what is covered in the core definition and associated inclusions and exclusions that the drafting team is hoping to capture through the exception process. Further, it is unclear what the benefit to reliability would be by allowing an impact based exception process given that entities will be extremely unlikely to use the exception process to include elements in the BES. -The exception process will be extremely resource intensive, particularly in the absence of any Industry approved threshold criteria. The costs to properly administer and monitor the process to ensure that impact based modeling is done accurately and that it captures the frequent changes on a dynamic system will occupy a wealth of Industry, NERC and Regional Entity time to the detriment of reliability.-It is not reasonable for industry to approve the exception process without knowing what thresholds are required to demonstrate an element as being part of the

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		<p>BES or not. We are concerned that BES determinations would be subjective and would vary from case to case with the particular staff examining the request. BES elements should be established and agreed upon by Industry, not set by a NERC panel. We understand that the drafting team has made this change in the interests of time, but the impact of the BES definition is too broad for this project to be rushed. -The 2010-17 project goals to increase the clarity of the BES definition and establish a ‘bright-line’ are compromised by the exception process. Changes and alterations to the BES definition should be approved by Industry through the Standards Under Development Process. An interpretation request or SAR should be developed by an entity if they feel that the core definition and associated exceptions and inclusions should be modified. We ask that NERC requests that FERC re-examines the directive to develop an exception process given that the BES definition, which already includes a list of exceptions, is sufficient to standalone without an associated exception process.</p>
ReliabilityFirst	Yes	<p>FERC Order 743-A, paragraph 1, discusses that NERC should “...establish an exemption process and criteria for excluding facilities that are not necessary for operating the interconnected transmission network”. It also directed in paragraph 4 that “Order No. 743 also directed the ERO to develop an exemption process that includes clear, objective, transparent and uniformly applicable criteria for exempting facilities that are not necessary for operating the interconnected transmission grid.” The SDT proposed a set of questions titled “Detailed Information to Support an Exception Request” to assist in the exemption process but in our mind is not “exception criteria” as stated in the FERC Orders. ReliabilityFirst Staff believes that NERC should develop criteria for which facilities or Elements could be exempted from the core definition; an example being Local Networks as outlined in the current draft of the definition. ReliabilityFirst Staff believes the Local Network exclusion is not “bright line” and could be removed from the core definition and used as criteria for exclusion in the exemption process. Item b of the LN (E3) exclusion would need evidence to support the historical and future power flows. Historical data and future power flow study results would be needed to support this exception. Additionally, another example for exemption criterion for inclusion to the BES could be any 69 kV network facilities that</p>

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		provide a parallel path to the BES. Evidence such as one-line diagrams along with power flow studies would need to be provided through the exemption process for these types of facilities to be included in the BES. ReliabilityFirst Staff believes that any BES facilities should not be candidates for exemption based upon the arbitrary determination of a panel that considers the aspects stated in the document “Detailed Information to Support an Exception Request”. Without uniform criteria as stated in the FERC Orders, it will be difficult for the panels to make consistent determinations across the ERO Enterprise.
Hydro One Networks Inc.	Yes	As mentioned above, we strongly suggest and encourage that SDT to develop a reference or a guidance document that will provide guidance to Registered Entities, Regional Entities and the ERO on how an exception application should/would be processed.
Arizona Public Service Company	Yes	In accordance with WECC’s position paper issued on October 5, 2011, AZPS agrees with WECC in that the proposed Technical Principles for Demonstrating BES Exceptions Request does not provide the necessary clarity as to what applying entities must provide to support their request, nor does it provide any criteria for consistency among regions in their assessment of requests.
SRP	Yes	SRP agrees with WECC Staff comments.
WECC Staff	Yes	WECC is very concerned that there are no specific qualifications or requirements, either for the entities or for the Regional Entity, with respect to: o the determination of which studies need to be conducted; o the format of the study data that should be submitted; or o the key performance measures that should be evaluated. This vagueness will lead to inconsistency in studies run, data submitted, and measures of data evaluation. If this inconsistency occurs, it will result in a potentially subjective and discordant process on multiple levels for both the submitting entities and the Regional Entities. It may result in submitting entity having to run multiple studies in order to determine what will be acceptable proof, which is overly burdensome on both the

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		<p>submitting entity requesting the exception and the Regional Entity reviewing the request. It also makes the consistency that FERC has requested difficult to assess and achieve. If the goal of the exceptions process is to result in consistent determinations across the regions, then WECC recommends that to the extent possible, the process be objective, clear, and include detailed instructions. The development of such an objective and detailed process is a difficult task and will require additional time. WECC believes it is better to not have an exceptions process in the interim period than to have an inefficient and overly burdensome process in place. To allow adequate time to complete the task of developing a detailed and consistent process WECC recommends that the Detailed Information to Support BES Exceptions Request be included in Phase II of the BES definition project.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to</p>		

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		<p>reject or disapprove an exception request. This panel’s findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren’t shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn’t been handled before by either party and there is a great deal of professional experience involved on both the submitter’s and the Regional Entity’s side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.” The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p>

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<p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>In addition, NERC and the industry cannot wait until Phase 2 for the development of the exception process as it is an Order No. 743 directive that must be addressed by the FERC established deadline of January 25, 2012.</p>		
<p>Dominion</p>	<p>Yes</p>	<p>The Detailed Information to Support an Exception Request form has 2 sections; one for transmission facilities and another for generation facilities. Yet, the Project 2010-17 Definition of Bulk Electric System document uses other terms such as real and reactive power resources, dispersed power producing resources, static or dynamic devices, blackstart resources, radial systems, local networks (LN), and reactive power devices. Dominion suggests that the Detailed Information to Support an Exception Request form be revised to conform to the Project 2010-17 Definition of Bulk Electric System document through either use of some sort of ‘selection’ (checkbox, drop down, write in) or revision of transmission facilities and generation facilities to be more inclusive.</p>
<p><b>Response:</b> The SDT is only determining the content of the technical criteria document. NERC will be responsible for addressing the format and user features of the final technical criteria document.</p>		
<p>TSGT G&amp;T Tri-State Generation and Transmission Assn., Inc. Energy Mangement</p>	<p>Yes</p>	<p>TSGT believes that the proposed “Technical Principles for Demonstrating BES Exceptions Request” does not clearly define the basis for decisions to exclude or include, which will lead to inconsistent application by the Regions. We believe that the checklist items for transmission and generation facilities are appropriate questions that must be answered in considering all requests. However, without objective criteria defining how to assess the materials submitted, the current methodology leaves it to</p>

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		<p>each region to develop their own methodology and criteria for evaluating the submittals. We believe the lack of clarity regarding what studies must be submitted and what must be demonstrated by the studies submitted will be overly burdensome on the submitting entity and the Region, as multiple studies may be required for the two to agree that there is sufficient justification for an exemption request. We believe that additional work is necessary to develop clear, objective methods and criteria for identifying which facilities may be excluded from or should be included in the Bulk Electric System. Clear, objective methods and criteria will enable the submitter of requests to understand what is necessary for submitting an exception request and will provide for consistency among the regions in their initial assessment and recommendations to the ERO.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to</p>		

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<p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>		
<p>NERC Staff Technical Review</p>	<p>Yes</p>	<p>At a minimum, we believe there are some facilities which should not be excluded from the BES under any circumstances and a list of such facilities should be documented, including facilities such as (1) Elements that are relied on in the determination of an Interconnection Reliability Operating Limit (IROL); (2) Blackstart resources and the designated blackstart Cranking Paths identified in the Transmission Operator’s restoration plan regardless of voltage, (3) Elements subject to Nuclear Plant Interface Requirements (NPIRs) as agreed to by a Nuclear Plant Generator Operator and a Transmission Entity defined in NUC-001, (4) Elements identified as required to comply with a NERC Reliability Standard by application of criteria defined within the standard (e.g., the test defined in PRC-023 to identify sub-200 kV Elements to which the standard is applicable), and (5) a generating unit that is designated as a must run unit to assure reliability of the BES.</p> <p>Also, to make the process of reviewing exception applications consistent and transparent some high level guidance should be developed as to how the information provided will be assessed by the Regional Entities and NERC. In addition to supporting the objectives of consistency and transparency, this also would provide benefit to entities submitting an exception application by allowing them to understand how the Required Information will be evaluated.</p>
<p><b>Response:</b> The SDT notes that all BES definition exception requests are considered unique and will be handled on a case-by-case basis. In addition, there is no prohibition on what facilities can be included in an exception request. To say that an Element(s) can be automatically excluded or included on a continent-wide basis is contrary to the SDT’s intent. While most of the items noted do reside on the exception request form, the SDT reminds the commenter that the proposed ERO Rules of Procedure state that “No single piece</p>		

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		<p>of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p> <p>The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception request form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO Panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the request to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request. On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the request process. The SDT again points to the variations that will abound in the requests as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the request details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be</p>

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		<p>supplied for the submittal to travel upward to the ERO Panel for adjudication.</p> <p>Now, the commenters could point to lack of direction being supplied to the ERO Panel as to specific guidelines for them to follow in making their decision. The SDT re-iterates the problem with providing such hard and fast rules. There are just too many variables to take into account. Providing concrete guidelines is going to tie the hands of the ERO Panel and inevitably result in bad decisions being made. The SDT also refers the commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.1 where the basic premise on evaluating an exception request must be based on whether the Elements are necessary for the reliable operation of the interconnected transmission system. Further, reliable operation is defined in the Rules of Procedure as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cyber security incident, or unanticipated failure of system elements. The SDT firmly believes that the technical prowess of the ERO Panel, the visibility of the process, and the experience gained by having this same panel review multiple requests will result in an equitable, transparent, and consistent approach to the problem. The SDT would also point out that there are options for a submitting entity to pursue that are outlined in the proposed ERO Rules of Procedure changes if they feel that an improper decision has been made on their submittal.</p> <p>Some commenters have asked whether a single ‘yes’ or ‘no’ response to an item on the exception request form will mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.” The SDT would like to point out several changes made to the specific items in the form that were made in response to industry comments. The SDT believes that these clarifications will make the process tighter and easier to follow and improve the quality of the submittals.</p> <p>Finally, the SDT would point to the draft SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p>

Organization	Yes or No	Question 7 Comment
Michigan Public Power Agency	Yes	<p>The following revisions should be made to the procedures: 1. The Technical Review Panel (TRP) provided for in Section 5.3 should not include any staff from the host Regional Entity.</p> <p>2. The Regional Entity should be required to include an attestation of a qualified individual or individuals to support the factual and technical bases for the decision. This is necessary for purposes of establishing a record in the event of an appeal. If a dispute is appealed, there must be someone at the Regional Entity level that serves as the witness supporting the Regional Entity decision. Currently, there is no accountability for the arguments and suppositions put forth by the Regional Entity; no individuals that stand behind the technical bases proffered in the Regional Entity’s written decision. Requiring a qualified individual to attest to the facts and technical arguments relied upon in arriving at the decision will ensure that someone at the Regional Entity level is prepared to take responsibility for reviewing a decision before it is issued, to stand behind the assertions and conclusions reached by the Regional Entity, and whom the Submitting Party may cross examine at hearing.</p> <p>3. A party seeking an exception should have the right to request a hearing and should not be limited to a paper process.</p> <p>4. The procedures should not permit the TRP or the Regional Entity to make a decision based upon information that is outside of the record placed before it. That is, the TRP and the Regional Entity may not, on their own, conduct an investigation or seek information independently from what has been presented to it. If the TRP or the Regional Entity requires additional information, it must be requested and provided transparently, and the Submitting Party must have an opportunity to comment upon or challenge that information before the TRP or the Regional Entity relies upon it in any way. This is not currently happening at the Regional Entity and NERC level - decisions have been made based upon documents and information that are not part of the record; the information is not shared with the Submitting Party (the party challenging registration) prior to (or after) a decision is made.</p>

Organization	Yes or No	Question 7 Comment
		<p>5. Section 5.2.2. should be revised as follows: “Upon Acceptance of the Exception Request, the Regional Entity and Submitting Party (and Owner, if different) shall confer to establish milestones in order to complete the substantive review of the Exception Request within six months after Acceptance of the Exception Request or within an alternative time period under Section 5.0. The Regional Entity and the Submitting Party (and Owner, if different) shall also discuss whether and to what extent a reduced compliance burden is appropriate during the review period. At the conclusion of the review period, the Regional Entity shall issue a notice (in accordance with Sections 5.2.3) stating its Recommendation that the Exception Request be approved or disapproved.”</p>
Holland Board of Public Works	Yes	<p>The following revisions should be made to the procedures:</p> <ol style="list-style-type: none"> <li>1. The Technical Review Panel (TRP) provided for in Section 5.3 should not include any staff from the host Regional Entity.</li> <li>2. The Regional Entity should be required to include an attestation of a qualified individual or individuals to support the factual and technical bases for the decision. This is necessary for purposes of establishing a record in the event of an appeal. If a dispute is appealed, there must be someone at the Regional Entity level that serves as the witness supporting the Regional Entity decision. Currently, there is no accountability for the arguments and suppositions put forth by the Regional Entity; no individuals that stand behind the technical bases proffered in the Regional Entity’s written decision. Requiring a qualified individual to attest to the facts and technical arguments relied upon in arriving at the decision will ensure that someone at the Regional Entity level is prepared to take responsibility for reviewing a decision before it is issued, to stand behind the assertions and conclusions reached by the Regional Entity, and whom the Submitting Party may cross examine at hearing.</li> <li>3. A party seeking an exception should have the right to request a hearing and should not be limited to a paper process.</li> <li>4. The procedures should not permit the TRP or the Regional Entity to make a decision</li> </ol>

Organization	Yes or No	Question 7 Comment
		<p>based upon information that is outside of the record placed before it. That is, the TRP and the Regional Entity may not, on their own, conduct an investigation or seek information independently from what has been presented to it. If the TRP or the Regional Entity requires additional information, it must be requested and provided transparently, and the Submitting Party must have an opportunity to comment upon or challenge that information before the TRP or the Regional Entity relies upon it in any way. This is not currently happening at the Regional Entity and NERC level - decisions have been made based upon documents and information that are not part of the record; the information is not shared with the Submitting Party (the party challenging registration) prior to (or after) a decision is made.</p> <p>5. Section 5.2.2. should be revised as follows: “Upon Acceptance of the Exception Request, the Regional Entity and Submitting Party (and Owner, if different) shall confer to establish milestones in order to complete the substantive review of the Exception Request within six months after Acceptance of the Exception Request or within an alternative time period under Section 5.0. The Regional Entity and the Submitting Party (and Owner, if different) shall also discuss whether and to what extent a reduced compliance burden is appropriate during the review period. At the conclusion of the review period, the Regional Entity shall issue a notice (in accordance with Sections 5.2.3) stating its Recommendation that the Exception Request be approved or disapproved.”</p>
<p><b>Response:</b> Your comments are not focused on the technical criteria document and they have been forwarded to the BES ROP team for consideration in their separate process.</p>		
Central Hudson Gas & Electric Corporation	Yes	<p>The ‘Technical Principles for Demonstrating BES Exceptions’ process was intended to establish technical exception ‘criteria’ which would be used by the industry to understand what facilities would qualify for inclusions and exclusions from the BES. What has been produced, however, is essentially a listing of ‘electrical system indicators’, identified on the form, which may be material to making a decision regarding, ‘is it BES or not’. The thresholds (or acceptable values) for the indicators,</p>

Organization	Yes or No	Question 7 Comment
		<p>however, have not been determined. It is understood that in Phase II of the BES Definition development process, the SDT will attempt to address these issues but until that work has been completed, the industry will remain enmeshed in confusion and inefficient application of resources and funding. Without these criteria, it is very difficult to believe that this process can be transparent and consistent. Re: Question 4. (For Transmission Facilities)For the purposes of responding to this question, what constitutes the BES? It would seem that you must exclude the elements you are seeking exceptions for or else the exception request is rendered essentially worthless.</p>
<p><b>Response:</b> The SDT understands the concerns raised by the commenters in not receiving hard and fast guidance on this issue. The SDT would like nothing better than to be able to provide a simple continent-wide resolution to this matter. However, after many hours of discussion and an initial attempt at doing so, it has become obvious to the SDT that the simple answer that so many desire is not achievable. If the SDT could have come up with the simple answer, it would have been supplied within the bright-line. The SDT would also like to point out to the commenters that it directly solicited assistance in this matter in the first posting of the criteria and received very little in the form of substantive comments.</p> <p>There are so many individual variables that will apply to specific cases that there is no way to cover everything up front. There are always going to be extenuating circumstances that will influence decisions on individual cases. One could take this statement to say that the regional discretion hasn't been removed from the process as dictated in the Order. However, the SDT disagrees with this position. The exception application form has to be taken in concert with the changes to the ERO Rules of Procedure and looked at as a single package. When one looks at the rules being formulated for the exception process, it becomes clear that the role of the Regional Entity has been drastically reduced in the proposed revision. The role of the Regional Entity is now one of reviewing the submittal for completion and making a recommendation to the ERO panel, not to make the final determination. The Regional Entity plays no role in actually approving or rejecting the submittal. It simply acts as an intermediary. One can counter that this places the Regional Entity in a position to effectively block a submittal by being arbitrary as to what information needs to be supplied. In addition, the SDT believes that the visibility of the process would belie such an action by the Regional Entity and also believes that one has to have faith in the integrity of the Regional Entity in such a process. Moreover, Appendix 5C of the proposed NERC Rules of Procedure, Sections 5.1.5, 5.3, and 5.2.4, provide an added level of protection requiring an independent Technical Review Panel assessment where a Regional Entity decides to reject or disapprove an exception request. This panel's findings become part of the exception request record submitted to NERC. Appendix 5C of the proposed NERC Rules of Procedure, Section 7.0, provides NERC the option to remand the application to the Regional Entity with the mandate to process the exception if it finds the Regional Entity erred in rejecting or disapproving the exception request.</p>		

Organization	Yes or No	Question 7 Comment
		<p>On the other side of this equation, one could make an argument that the Regional Entity has no basis for what constitutes an acceptable submittal. Commenters point out that the explicit types of studies to be provided and how to interpret the information aren't shown in the application process. The SDT again points to the variations that will abound in the applications as negating any hard and fast rules in this regard. However, one is not dealing with amateurs here. This is not something that hasn't been handled before by either party and there is a great deal of professional experience involved on both the submitter's and the Regional Entity's side of this equation. Having viewed the application details, the SDT believes that both sides can quickly arrive at a resolution as to what information needs to be supplied for the submittal to travel upward to the ERO panel for adjudication.</p> <p>Finally, the SDT would point to the SAR for Phase II of this project that calls for a review of the process after 12 months of experience. The SDT believes that this time period will allow industry to see if the process is working correctly and to suggest changes to the process based on actual real-world experience and not just on suppositions of what may occur in the future. Given the complexity of the technical aspects of this problem and the filing deadline that the SDT is working under for Phase I of this project, the SDT believes that it has developed a fair and equitable method of approaching this difficult problem. The SDT asks the commenter to consider all of these facts in making your decision and casting your ballot and hopes that these changes will result in a favorable outcome.</p> <p>The SDT acknowledges and appreciates the comments and recommendations associated with modifications to the technical aspects (i.e., the bright-line and component thresholds) of the BES definition. However, the SDT has responsibilities associated with being responsive to the directives established in Orders No. 743 &amp; 743-A, particularly in regards to the filing deadline of January 25, 2012, and this has not afforded the SDT with sufficient time for the development of strong technical justifications that would warrant a change from the current values that exist through the application of the definition today. These and similar issues have prompted the SDT to separate the project into phases which will enable the SDT to address the concerns of industry stakeholders and regulatory authorities. Therefore, the SDT will consider all recommendations for modifications to the technical aspects of the definition for inclusion in Phase 2 of Project 2010-17 Definition of the Bulk Electric System. This will allow the SDT, in conjunction with the NERC Technical Standing Committees, to develop analyses which will properly assess the threshold values and provide compelling justification for modifications to the existing values.</p>
National Grid	Yes	We are assuming that "yes" answers on this checklist are not intended to result in automatic rejection of the application. We think the procedure would benefit from a general statement noting that all answers taken together will be considered to make clear that no single answer will necessarily be dispositive of the outcome.
<p><b>Response:</b> Some commenters have asked whether a single 'yes' or 'no' response to an item on the exception application form will</p>		

Organization	Yes or No	Question 7 Comment
<p>mandate a negative response to the request. To that item, the SDT refers commenters to Appendix 5C of the proposed NERC Rules of Procedure, Section 3.2 of the proposed Rules of Procedure that states “No single piece of evidence provided as part of an Exception Request or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.”</p>		
<p>Indeck Energy Services</p>	<p>Yes</p>	<p>As acknowledged in the response to Question 12 comments on the previous BES definition, the BES definition is expansive compared to the definition of the BPS in the FPA Section 215. The inclusion of the limited Exclusions is an attempt to remedy the situation. However, the Exclusions need to include a fifth one that if, based on studies or other assessments, it can be shown that any transmission or generator element otherwise identified as part of the BES is not important to the reliability of the BPS, then that element should be excluded from the mandatory standards program. There has never been a study to show that elements, such as a 20 MW wind farm, 60 MW merchant generator (which operates infrequently in the depressed market) in a large BA (eg NYISO) or a radial transmission line connecting a small generator are important to the reliability of the BPS. They are covered by the mandatory standards program through the registration criteria. The BES Definition is the opportunity to permit an entity to demonstrate that an element is unimportant to reliability of the BPS. The SDT has identified a small subset of elements that it is willing to exclude. By their very nature, these exclusions dim the bright line that is the stated goal of this project. However, the SDT’s foresight seems limited in its selections. Analytical studies are used to evaluate contingencies that could lead to the Big Three (cascading outages, instability or voltage collapse). Such a study showing that a transmission or generation element is bounded by the N-1 or N-2 contingency would exclude it from the BES definition. For example, in a BA with a NERC definition Reportable Disturbance of approximately 400 MW (eg NYISO), a 20 MW wind farm, 60 MW merchant generator or numerous other smaller facilities would be bounded by larger contingencies. It would take more than six 60 MW merchant generators with close location and common mode failure to even be a Reportable Disturbance, much less become the N-1 contingency for the Big Three. Exclusion E5 should be “E5 - Any facility that can be demonstrated to the Regional Entity by analytical study or other</p>

Organization	Yes or No	Question 7 Comment
		assessment to be unimportant to the reliability of the BPS (with periodic reports by the Regional Entity to NERC of any such assessments).”
<p><b>Response:</b> The SDT acknowledges and appreciates the comments and recommendations associated with modifications to the technical aspects (i.e., the bright-line and component thresholds) of the BES definition. However, the SDT has responsibilities associated with being responsive to the directives established in Orders No. 743 &amp; 743-A, particularly in regards to the filing deadline of January 25, 2012, and this has not afforded the SDT with sufficient time for the development of strong technical justifications that would warrant a change from the current values that exist through the application of the definition today. These and similar issues have prompted the SDT to separate the project into phases which will enable the SDT to address the concerns of industry stakeholders and regulatory authorities. Therefore, the SDT will consider all recommendations for modifications to the technical aspects of the definition for inclusion in Phase 2 of Project 2010-17 Definition of the Bulk Electric System. This will allow the SDT, in conjunction with the NERC Technical Standing Committees, to develop analyses which will properly assess the threshold values and provide compelling justification for modifications to the existing values.</p>		
American Electric Power	No	AEP agrees with the overall approach demonstrated by the exception request form; however, its appropriateness will be largely dependent on the process eventually used for its implementation. AEP would like guidance on how moth-balled generation should be treated. Perhaps this could be added to the exception form as well.
<p><b>Response:</b> The SDT is not able to respond to specific requests related to potential future exception requests. Please use the BES definition and the exception request form, after its approval by the NERC Board of Trustees and FERC, for such a request. Also, please consider working with your Regional Entity to determine how moth-balled facilities should be treated.</p>		
Snohomish County PUD Blachly-Lane Electric Cooperative Central Electric Cooperative (CEC) Clearwater Power Company	No	As a general matter, SNPD believes the SDT has provided a reasonable check list that will work in most cases to elicit necessary information from the entity submitting an Exception Request. With the added language suggested in our answers to the previous questions, we believe the proposed form will serve its intended purpose of ensuring that decisions regarding Exception Requests are based upon consistent information and are consistent with the requirements of the Federal Power Act and the BES Definition as developed by the Standards Drafting Team. SNPD also supports the Standards Drafting Team’s determination to abandon its initial approach to

Organization	Yes or No	Question 7 Comment
(CPC) Consumer's Power Inc. (CPI) Douglas Electric Cooperative (DEC) Fall River Electric Cooperative (FALL) Lane Electric Cooperative (LEC) Lincoln Electric Cooperative (Lincoln) Northern Lights Inc. (NLI) Okanogan County Electric Cooperative (OCEC) Pacific Northwest Generating Cooperative (PNGC) Raft River Rural Electric Cooperative (RAFT) Umatilla Electric Cooperative West Oregon Electric Cooperative (WOEC) Coos-Curry Electric Cooperative City of Austin dba Austin Energy		technical criteria, which would have required adherence to specific numerical thresholds. SNPD agrees that this approach was not workable on a nationwide basis, and that the approach embodied in the current draft of the Technical Principles, which would require specific kinds of information on a generic basis but would leave engineering judgment about the significance of that information to the relevant RE, is more workable and provides appropriate deference to the experience and judgment of the REs.

Organization	Yes or No	Question 7 Comment
Kootenai Electric Cooperative		
BGE	No	No comment.
Farmington Electric Utility System	No	
ATC LLC	No	
Ameren	No	
Georgia System Operations Corporation	No	
Oncor Electric Delivery Company LLC	No	
Central Lincoln	No	
Long Island Power Authority	No	
Consumers Energy	No	
Orange and Rockland Utilities, Inc.	No	
Duke Energy	No	
NV Energy	No	
Exelon	No	

Organization	Yes or No	Question 7 Comment
Transmission	No	
PacifiCorp	No	
Pepco Holdings Inc	No	
Southern Company Generation	No	
Bonneville Power Administration	No	
Southwest Power Pool Standards Review Team	No	
ACES Power Marketing Standards Collaborators	No	
Northeast Power Coordinating Council	No	
SERC Planning Standards Subcommittee	No	
<p><b>Response:</b> Thank you for your support.</p>		

END OF REPORT