

# Implementation Plan

## Project 2024-03 Revisions to EOP-012-2 Reliability Standard EOP-012-3

### Applicable Standard(s)

- EOP-012-3 Extreme Cold Weather Preparedness and Operations

### Requested Retirement(s)

- EOP-012-2 Extreme Cold Weather Preparedness and Operations

### Applicable Entities

- Generator Owner (GO)
- Generator Operator (GOP)

### Background

The purpose of Project 2024-03 is to address the directives identified by FERC in its June 27, 2024, order approving Reliability Standard EOP-012-2 and directing further modifications. *N. Am. Elec. Reliability Corp.*, 187 FERC ¶ 61,204 (2024) (June 2024 Order), available here. In that order, FERC found that further improvements are needed to address ambiguous language and other reliability gaps/implementation issues in the standard and related definitions to fully address issues first raised in the Commission's February 2023 Order approving EOP-012-1. *See N. Am. Elec. Reliability Corp.*, 182 FERC ¶ 61,094, PP 3-11 (2023) (February 2023 Order); *reh'g denied*, 183 FERC ¶ 62,034, *order on reh'g*, 183 FERC ¶ 61,222 (2023). In the June 2024 Order, FERC directed that NERC submit the modifications within nine months of the date of the order, or by March 27, 2025.

Proposed EOP-012-3 Requirement R1 is an existing EOP-012-2 requirement that consolidated and clarified requirements for each ~~Generator Owner~~GO to calculate the Extreme Cold Weather Temperature for its generating unit location(s) and identify generating unit cold weather data, and to review these calculations and data every five years. Proposed EOP-012-3 Requirement R4 and R5 continue the current requirements under EOP-012-2 (with minimal clarifications in Requirement R4), that all ~~Generator Owners~~GOs develop cold weather preparedness plans and that all ~~Generator Owners or Generator Operators~~GOs or GOPs (as appropriate) conduct annual training on those plans. Proposed EOP-012-3 clarifies which generating unit(s) are subject to the winter operations capability requirements of the standard (Requirements R2 and R3). Proposed EOP-012-3 Requirement R6 provides clarification regarding responses to a Generator Cold Weather Reliability Event that may require Corrective Action Plans (CAPs). Proposed EOP-012-3 Requirement R7 specifies timelines for the completion of ~~Corrective Action Plans~~CAPs, consistent with the February 2023 Order and FERC directives in its June 2024 Order. The drafting team crafted language to meet

the concern of ~~Generator Owners~~GOs regarding timelines for units under consideration or development. The language reflects FERC’s concern regarding applicability of ~~Corrective Action Plans~~CAPs to the correct ~~Generator Owner~~GO. Proposed EOP-012-3 Requirement R9 requires ~~Generator Owners~~GOs to review constraint declarations at least every 36 calendar months, or as needed, when a change of status occurs and ensures operating limitations caused by the constraints are clearly identified. The revised *Glossary* term for Generator Cold Weather Constraint, and new Attachment 1 both clarify the circumstances under which ~~Generator Owners~~GOs may declare Generator Cold Weather Constraints.

For additional information on the FERC Order directives addressed in proposed Reliability Standard EOP-012-3, see the Consideration of Directives, available on the Project 2024-03 project page.

## General Considerations

This implementation plan reflects past consideration that entities need time to develop, implement, and maintain cold weather plans; identify Generator Cold Weather Critical Components, and identify freeze protection measures. The implementation plan also considers the FERC directives regarding the need for an accelerated effective date of directed changes and abbreviated implementation periods for generator winterization measures. FERC has repeatedly expressed an urgency in completing cold weather Reliability Standards and having them implemented in a timely manner to address the risks cold weather events present to the reliability of the Bulk-Power System. FERC noted the five core directives to NERC in the June 2024 Order are not new issues, but rather targeted modifications necessary to fully address issues identified in FERC’s prior February 2023 Order. See June 2024 Order at P 30.

The drafting team determined that later phased-in compliance dates were not necessary for the revised requirements in EOP-012-3, as the practical impact of implementing the proposed changes, in light of the regulatory history described above, is not expected to be significant:

- For revised Requirement R2, units further into design or construction have separate requirements from those units in the early phases of design: the units further along in the design/construction phase are allowed to develop, implement, and complete ~~Corrective Action Plans~~CAPs to meet the more rigorous requirements for new generating units, whereas units in the early stages of design are expected to meet the more rigorous requirements unless a Generator Cold Weather Constraint applies. Additional time is not needed to implement this change.
- For revised Requirement R6, relating to Generator Cold Weather Reliability Events, the language reflects the FERC directives regarding ~~Corrective Action Plans,~~ ~~Corrective Action Plan~~CAPs, CAP extensions, and consideration of the applicability of corrective actions across a fleet for Generation Owners that had a generating unit(s) that experienced a Generator Cold Weather Reliability Event. Additional time to implement these changes is not needed, given the conditions in which a ~~Corrective Action~~CAP Plan may be needed for a Generator Cold Weather Reliability Event.

- For revised Requirement R7, the drafting team clarified the applicability of ~~Corrective Action Plan~~**CAP** requirements and provided ~~Corrective Action Plan~~**CAP** extension request language similar to that found in Reliability Standard TPL-007-4 to address the June 2024 Order. Additional guidance is provided below.

In consideration of these factors, and to ensure entities have sufficient notice of their revised obligations under Reliability Standard EOP-012-3, the proposed implementation plan provides that the standard shall become effective on the later of October 1, 2025, which is the date Reliability Standard EOP-012-2 will be fully enforceable in the United States, or three months following regulatory approval.

Additional guidance is provided to aid in the orderly implementation of the standard as entities transition from compliance with Reliability Standard EOP-012-2 to Reliability Standard EOP-012-3.

## **Effective Date**

The effective dates for the proposed Reliability Standards are provided below. Where the drafting team identified or recognized the need for a longer implementation period for compliance with a particular section of a proposed Reliability Standard (i.e., an entire Requirement or a portion thereof), the additional time for compliance with that section is specified below. The phased-in compliance date for those particular sections represents the date that entities must be compliant with that particular section of the Reliability Standard, even where the Reliability Standard goes into effect at an earlier date.

### **EOP-012-3 and Definitions**

Where approval by an applicable governmental authority is required, the standard and associated definitions shall become effective on the later of: (1) October 1, 2025; or (2) the first day of the first calendar quarter that is three (3) months after the effective date of the applicable governmental authority's order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is three (3) months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

## **Additional Implementation Information and Phased-In Compliance Date**

This section provides additional information of Reliability Standard EOP-012-3 in the United States. In non-U.S. jurisdictions that have not adopted prior versions of the standard or have established different dates for Requirement R2 or R3, entities shall implement the standard with dates appropriate to their jurisdiction, or as directed by the Applicable Governmental Authority.

### **EOP-012-3 Requirement R1**

In the United States, entities were required to become compliant with Requirement R1 by the effective date of EOP-012-2 (October 1, 2024) in accordance with that implementation plan. Entities shall perform their first periodic review under Reliability Standard EOP-012-3 Requirement R1 by no more than 60 months after the effective date of **EOP-012-2**.<sup>1</sup>

### **EOP-012-3 Requirement R2 – New Generating Units entering commercial operation on/after October 1, 2027**

Entities shall become compliant with Requirement R2 no later than the commercial operations date for the applicable unit, **except as provided below**. Any Generator Cold Weather Constraint shall be submitted in accordance with the timeline provided in Requirement R8.

For generating units for which the GO first contractually committed<sup>2</sup> to design criteria relevant to this Requirement before June 29, 2023, and which enter commercial operation between October 1, 2027 and March 31, 2028, the GO shall comply with Requirement R2 relating to implementing required capability by no later than April 1, 2028. If declaring a Generator Cold Weather Constraint, the Generator Cold Weather Constraint shall be submitted in accordance with the timeline provided in Requirement R8.

### **EOP-012-3 Requirement R3 – Existing and New Generating Units entering commercial operation before October 1, 2027**

Entities beginning commercial operation after the effective date of EOP-012-3 shall become compliant with Requirement R3 no later than the commercial operations date for the applicable unit.

### **EOP-012-3 Requirement R8**

Entities shall review all Generator Cold Weather Constraints previously declared under Reliability Standard EOP-012-2 for compliance with Reliability Standard EOP-012-3 Attachment 1 by the effective date. Each entity shall submit any previously declared Generator Cold Weather Constraints to the Compliance Enforcement Authority (CEA) no later than 45 days following the effective date of Reliability Standard EOP-012-3. Newly declared Generator Cold Weather Constraints shall be submitted in accordance with the timelines specified in Requirement R8.

### **EOP-012-3 Requirement R9**

If applicable, entities shall review each Generator Cold Weather Constraint in accordance with Requirement R9 no later than 36 calendar months following validation by the **Compliance Enforcement Authority** CEA.

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<sup>1</sup> In jurisdictions where EOP-012-2 has not become effective, entities shall perform their first periodic review under Reliability Standard EOP-012-3 Requirement R1 by no later than five calendar years following the initial calculation of the Extreme Cold Weather Temperature, or as directed by the applicable governmental authority in the jurisdiction.

<sup>2</sup> Such commitments would be demonstrated by signed contracts creating a binding legal agreement with respect to the design criteria for the unit.

## **Retirement Date of EOP-012-2**

Reliability Standard EOP-012-2 shall be retired immediately prior to the effective date of Reliability Standard EOP-012-3 in the particular jurisdiction in which the revised standard is becoming effective.