

**Compliance Questionnaire and**

**Reliability Standard Audit Worksheet**

**MOD-021-1 - Documentation of the Accounting Methodology for the Effects of Demand-Side Management in Demand and Energy Forecasts**

**Registered Entity:** *(Must be completed by the Compliance Enforcement Authority)*

**NCR Number:** *(Must be completed by the Compliance Enforcement Authority)*

**Applicable Function(s): LSE, TP, RP**

**Auditors:**

**Disclaimer**

 NERC developed this Reliability Standard Audit Worksheet (RSAW) language in order to facilitate NERC’s and the Regional Entities’ assessment of a registered entity’s compliance with this Reliability Standard. The NERC RSAW language is written to specific versions of each NERC Reliability Standard. Entities using this RSAW should choose the version of the RSAW applicable to the Reliability Standard being assessed. While the information included in this RSAW provides some of the methodology that NERC has elected to use to assess compliance with the requirements of the Reliability Standard, this document should not be treated as a substitute for the Reliability Standard or viewed as additional Reliability Standard requirements. In all cases, the Regional Entity should rely on the language contained in the Reliability Standard itself, and not on the language contained in this RSAW, to determine compliance with the Reliability Standard. NERC’s Reliability Standards can be found on NERC’s website at <http://www.nerc.com/page.php?cid=2|20>. Additionally, NERC Reliability Standards are updated frequently, and this RSAW may not necessarily be updated with the same frequency. Therefore, it is imperative that entities treat this RSAW as a reference document only, and not as a substitute or replacement for the Reliability Standard. It is the responsibility of the registered entity to verify its compliance with the latest approved version of the Reliability Standards, by the applicable governmental authority, relevant to its registration status.

The NERC RSAW language contained within this document provides a non‑exclusive list, for informational purposes only, of examples of the types of evidence a registered entity may produce or may be asked to produce to demonstrate compliance with the Reliability Standard. A registered entity’s adherence to the examples contained within this RSAW does not necessarily constitute compliance with the applicable Reliability Standard, and NERC and the Regional Entity using this RSAW reserves the right to request additional evidence from the registered entity that is not included in this RSAW. Additionally, this RSAW includes excerpts from FERC Orders and other regulatory references. The FERC Order cites are provided for ease of reference only, and this document does not necessarily include all applicable Order provisions. In the event of a discrepancy between FERC Orders, and the language included in this document, FERC Orders shall prevail.

# Subject Matter Experts

Identify your company’s subject matter expert(s) responsible for this Reliability Standard. Include the person's title, organization and the requirement(s) for which they are responsible. Insert additional lines if necessary.

**Response: *(Registered Entity Response Required)***

|  |  |  |  |
| --- | --- | --- | --- |
| **SME Name** | **Title** | **Organization** | **Requirement** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

# Reliability Standard Language

**MOD-021-1 - Documentation of the Accounting Methodology for the Effects of Demand-Side Management in Demand and Energy Forecasts**

**Purpose:**

To ensure that assessments and validation of past events and databases can be performed, reporting of actual Demand data is needed. Forecast demand data is needed to perform future system assessments to identify the need for system reinforcement for continued reliability. In addition, to assist in proper real-time operating, load information related to Demand-Side Management (DSM) programs is needed.

**Applicability:**

Load Serving Entity

Transmission Planner

Resource Planner

**NERC BOT Approval Date:**

**FERC Approval Date:**

**Reliability Standard Enforcement Date in the United States:**

**Requirements**:

**R1.** The Load-Serving Entity, Transmission Planner and Resource Planner’s forecasts shall each clearly document how the Demand and energy effects of DSM programs (such as conservation, time-of-use rates, interruptible Demands, and Direct Control Load Management) are addressed.

**Describe, in narrative form, how you meet compliance with this requirement: *(Registered Entity Response Required)***

# R1 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

|  |  |
| --- | --- |
|  |   **Provide the following:** **Document Title and/or File Name, Page & Section, Date & Version** |
| **Title** | **Date** | **Version** |
|  |  |  |
|  |  |  |
|  |  |  |
| *Audit Team: Additional Evidence Reviewed:* |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to MOD-021-1 R1**

 \_\_\_ Verify the LSE, TP and RP’s forecasts each clearly document how the Demand and energy effects of DSM programs (such as conservation, time-of-use rates, interruptible Demands, and Direct Control Load Management) are addressed.

**Detailed notes:**

**R2.**  The Load-Serving Entity, Transmission Planner and Resource Planner shall each include information detailing how Demand-Side Management measures are addressed in the forecasts of its Peak Demand and annual Net Energy for Load in the data reporting procedures of Standard MOD-016-0\_R1.

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

# R2 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

|  |  |
| --- | --- |
|  |   **Provide the following:** **Document Title and/or File Name, Page & Section, Date & Version** |
| **Title** | **Date** | **Version** |
|  |  |  |
|  |  |  |
|  |  |  |
| *Audit Team: Additional Evidence Reviewed:* |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to MOD-021-1 R2**

 \_\_\_ Verify the LSE, TP and RP each include information detailing how Demand-Side Management measures are addressed in the forecasts of its Peak Demand and annual Net Energy for Load in the data reporting procedures of Standard MOD-016-0 R1.

**Detailed notes:**

**R3.** The Load-Serving Entity, Transmission Planner and Resource Planner shall each make documentation on the treatment of its DSM programs available to NERC on request (within 30 calendar days).

**Describe, in narrative form, how you meet compliance with this requirement:**

***(Registered Entity Response Required)***

**Question:** Did you receive a request to provide documentation on the treatment of your DSM programs from NERC during the audit period. If yes, provide evidence of responding within 30 calendar days.

***(Registered Entity Response Required)***

# R3 Supporting Evidence and Documentation

**Response: *(Registered Entity Response Required)***

|  |  |
| --- | --- |
|  |   **Provide the following:** **Document Title and/or File Name, Page & Section, Date & Version** |
| **Title** | **Date** | **Version** |
|  |  |  |
|  |  |  |
|  |  |  |
| *Audit Team: Additional Evidence Reviewed:* |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

***This section must be completed by the Compliance Enforcement Authority.***

**Compliance Assessment Approach Specific to MOD-021-1 R3**

 \_\_\_ Verify the LSE, TP and RP each made documentation on the treatment of its DSM programs available to NERC, if requested (within 30 calendar days ).

**Detailed notes:**

# Supplemental Information

**Other ‑** The list of questions above is not all inclusive of evidence required to show compliance with the Reliability Standard. Provide additional information here**, as necessary that** demonstrates compliance with this Reliability Standard.

  **Entity** **Response: *(Registered Entity Response)***

# Compliance Findings Summary (to be filled out by auditor)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Req.** | **NF** | **PV** | **OEA** | **NA** | **Statement** |
| **1** |  |  |  |  |  |
| **2** |  |  |  |  |  |
| **3** |  |  |  |  |  |

**Excerpts from FERC Orders -- For Reference Purposes Only**

**Updated Through October 11, 2011**

**MOD-021-1**

**Order 693**

1296. The Commission approves MOD-021-0 as mandatory and enforceable. In addition, the Commission directs the ERO to develop a modification to MOD-021-0 through the Reliability Standards development process as discussed below.

1297. As an initial matter, we disagree that MOD-021-0 cannot be implemented because it is based on MOD-016-0, and through it on various unapproved standards, which creates an implementation problem. As previously stated, we direct the ERO to provide a Work Plan and compliance filing regarding collection of information specified under related standards that are deferred, and believe there should be no difficulty complying with this Reliability Standard. We reiterate that ongoing collection of data is necessary to maintain system reliability, and approval of MOD-21-0 will help to achieve this goal. Therefore, we direct the ERO to use its authority pursuant to § 39.2(d) of our regulations to require users, owners and operators to provide to the Regional Entity the information required by this Reliability Standard.

1298. We agree with FirstEnergy and SMA that standardization of principles on reporting and validating DSM program information will provide consistent and uniform evaluation of demand response to facilitate system operator confidence in relying on such resources, which will further increase accuracy of transmission system reliability assessment and consequently enhance overall reliability. We direct the ERO to modify this Reliability Standard to allow resource planners to analyze the causes of differences between actual and forecasted demands, and to identify any corrective actions that should be taken to improve forecasted demand responses for future forecasts. Therefore, we adopt the NOPR proposal and direct the ERO to modify MOD-021-0 by adding a requirement for standardization of principles on reporting and validating DSM program information.

1299. With respect to FirstEnergy’s suggestion to combine MOD-019-0, MOD-020-0 and MOD-021-0, we understand that the ERO intends to consolidate Reliability Standards and encourage FirstEnergy to make its suggestion in the Reliability Standards development process.

1300. The Commission directs the ERO to modify the title and purpose statement to remove the word “controllable.” We note that no commenter disagrees.

1301. The Commission approves Reliability Standard MOD-021-0 as mandatory and enforceable. We direct the ERO to develop a modification to MOD-021-0 through the Reliability Standards development process to (1) add a Requirement standardizing principles on reporting and validation of DSM program information; (2) allow resource planners to analyze the causes of differences between actual and forecasted demands, and to identify any corrective actions that should be taken to improve forecasted demand responses for future forecasts and (3) modify the title and purpose statement to remove the word “controllable.”

**North American Electric Reliability Corporation, 134 FERC ¶ 61,015 (January 10, 2011)**

1. On September 9, 2010, the North American Electric Reliability Corporation (NERC), the Commission-certified electric reliability organization, filed a petition seeking approval of modifications to six Reliability Standards made pursuant to outstanding directives from the Commission's Order No. 693. n1 Specifically, pursuant to section 215(d)(2) of the Federal Power Act, NERC requests approval of modifications contained in Reliability Standards BAL-002-1, EOP-002-3, FAC-002-1, MOD-021-2, PRC-004-2, and VAR-001-2. NERC also explains that two additional Order No. 693 directives related to these Reliability Standards have been resolved without further modification.

2. NERC states that the proposed modifications to the Reliability Standards are the result of NERC's efforts to address the outstanding directives from Order No. 693, beginning with the identification of changes expected to be less controversial. According to NERC, the modifications to the six Reliability Standards address Commission directives set forth in Order No. 693. n2 According to NERC, the six proposed Reliability Standards achieved sufficient quorum and approval in the NERC stakeholder process to move forward for consideration by the NERC Board of Trustees, which approved the six modified Reliability Standards on August 5, 2010.

n2 According to NERC, the modifications address the Commission's directives set forth in paragraphs 321, 582, 693, 1300, 1469 (second directive only), 1858 and 1879 of Order No. 693. NERC further states that the directive to modify Reliability Standard EOP-002 as stated in paragraph 577 has been addressed through revisions to IRO-006-4.

4. The Commission finds that the proposed modifications to the Reliability Standards are just, reasonable, not unduly discriminatory or preferential, and in the public interest, and approves them as mandatory and effective on the respective dates as requested by NERC. The Commission further finds that NERC has satisfied the Commission's outstanding directives listed in footnote 2 of this order.

**Revision History**

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date** | **Reviewers** | **Revision Description** |
| 1 | September 2011 | QRSAW WG | Original Document |
| 1 | October 11, 2011 | NERC Legal | Updated Excerpts from FERC Orders from August 2010 through and including October 11, 2011. |
|  |  |  |  |
|  |  |  |  |