

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

Please use the electronic comment form located at the link below to submit comments on the current draft of the ATC VRF Analysis and Recommendations Report. Comments must be submitted by **January 28, 2009**. If you have questions please contact **Andy Rodriquez** at [Andy.Rodriquez@nerc.net](mailto:Andy.Rodriquez@nerc.net) or by telephone at 609-452-8060.

<http://www.nerc.com/filez/standards/MOD-V0-Revision.html>

Individual Commenter Information (Complete this page for comments from one organization or individual.)		
Name:		
Organization:		
Telephone:		
E-mail:		
NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input type="checkbox"/>	2 — RTOs and ISOs
<input checked="" type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/> NPCC	<input type="checkbox"/>	4 — Transmission-dependent Utilities
<input type="checkbox"/> RFC	<input type="checkbox"/>	5 — Electric Generators
<input type="checkbox"/> SERC	<input type="checkbox"/>	6 — Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/> SPP	<input type="checkbox"/>	7 — Large Electricity End Users
<input type="checkbox"/> WECC	<input type="checkbox"/>	8 — Small Electricity End Users
<input type="checkbox"/> NA – Not Applicable	<input type="checkbox"/>	9 — Federal, State, Provincial Regulatory or other Government Entities
	<input checked="" type="checkbox"/>	10 — Regional Reliability Organizations and Regional Entities



## **Background Information**

On August 26, 2008, the NERC Board of Trustees (Board) met by conference call to consider approving five ATC-related standards (MOD-001-1, MOD-008-1, MOD-028-1, MOD-029-1, and MOD-030-1) that were approved by the industry stakeholders in accordance to the Reliability Standards Development Procedure. During this meeting, the Board approved the proposed standards for filing with the Federal Energy Regulatory Commission (“FERC” or “Commission”), except for the Violation Risk Factor (VRF) assignments for the requirements in the five standards. In deferring action on the VRFs, the Board expressed concerns that the VRFs may not have been given sufficient due diligence during the standards development process as the drafting team and the industry stakeholders were pressed to meet the Commission-imposed deadline for delivery of the suite of ATC standards.

Before taking further action on the proposed VRFs, the Board directed that a review be undertaken that would:

- reconcile the proposed VRF assignments for the ATC standards with VRF assignments for other standard requirements on which the Commission has already ruled;
- develop guidance on what constitutes a “direct” impact on the Bulk Power System (BPS), a necessary criterion for a requirement to merit a “Medium” VRF assignment;
- reconcile the “direct impact” guidance to previous decisions of the Commission; and
- include the opportunity for stakeholder review and comment on the analysis.

Subsequently, on November 13, 2008, the NERC Board of Trustees met by conference call to consider approving another ATC-related standard (MOD-004-1) that was approved by the industry stakeholders in accordance to the Reliability Standards Development Procedure. During this meeting, the Board approved the proposed standards for filing with the FERC, but directed that the VRF assignments for the requirements in the standard also be considered during the review previously directed.

Accordingly, NERC staff has prepared an analysis of the VRFs as directed by the Board and presented the information to the Standards Committee for use in fulfilling the Board directive. The Standards Committee agreed to present this information for stakeholder review using the comment processes for standard development that are familiar to the industry. Accordingly, this analysis is presented for stakeholder review and comment. After comments are considered by NERC staff and the standard drafting team, the final analysis accompanied by standard drafting opinion and stakeholder comments will be provided to the Board.

**You do not have to answer all questions. Enter All Comments in Simple Text Format.**

*Insert a “check” mark in the appropriate boxes by double-clicking the gray areas.*

**The current definitions of NERC’s Violation Risk Factors, reformatted slightly for reading ease, are as follows:**

A requirement assigned a “Lower” VRF is administrative in nature and is one that, if violated, would not:

- be expected to affect the electrical state or the capability of the BPS;
- be expected to affect the ability to effectively monitor and control the BPS; or
- in a planning time frame, under emergency, abnormal, or restorative conditions-
  - directly affect the electrical state or the capability of the BPS; or
  - directly affect the ability to effectively monitor and control the BPS.

A requirement assigned a “Medium” VRF is one that, if violated, could:

- directly affect the electrical state or the capability of the BPS;
- directly affect the ability to effectively monitor and control the BPS; or
- in a planning time frame, under emergency, abnormal, or restorative conditions, could-
  - directly affect the electrical state or the capability of the BPS; or
  - directly affect the ability to effectively monitor and control the BPS.

A requirement assigned a “High” VRF is one that, if violated, could:

- directly cause, contribute to, or create an unacceptable risk of-
  - BPS instability; and/or
  - BPS separation; and/or
  - a cascading sequence of failures.
- in a planning time frame-
  - could, under emergency, abnormal, or restorative conditions, directly cause, contribute to, or create an unacceptable risk of-
    - instability; and/or
    - separation; and/or
    - a cascading sequence of failures; or
  - could hinder restoration to a normal condition.

- 1. The analysis offers that the accurate determination of Firm ATC/AFC is a “Medium” risk activity, as it can lead to the unexpected shedding of firm load due to unlimited selling of Firm ATC/AFC and the obligations associated with maintaining firm transmission service. Do you agree that overselling Firm ATC/AFC can lead to an SOL or IROL violation that may necessitate the shedding of firm load?**

- Yes  
 No

**If “No,” please explain either 1.) how you avoid overselling of Firm ATC/AFC, 2.) how you mitigate the effects of such overselling such that load shedding is unnecessary, or 3.) why you believe there is no relationship between overselling of Firm ATC/AFC and exceeding SOL/IROLs.**

There is no “direct” relationship between selling ATC/AFC and load shedding. Any time an unforeseen system condition arises there is the possibility that ATC/AFC has been oversold, but that does not mean that and SOL/IROL will be violated or that load will be shed. The problems potentially arise when ATC/AFC is oversold *AND* all or most of the reservations in one direction are scheduled upon *AND* a relatively small amount of reservations in the counterflow direction have been scheduled upon *AND* the amount of flow above the ATC/AFC exhausts the TRM and CBM that have been set aside for the path/flowgate.

In fact, the very definition of Lower includes “be expected to affect”. Rather to meet the Medium Violation Risk Factor definition a violation of the requirement must directly affect the electrical state or capability of the BPS, directly affect the ability to monitor and control the BPS or in the planning time frame, under emergency abnormal, or restorative conditions, could meet either of the previous two

Therefore, since there is not a direct relationship or impact on the bulk electric system that overselling ATC/AFC leads to firm load shedding, by definition the VRF does not meet the “Medium” criteria. The MRO NSRS believes the VRF should remain “Lower”.

MRO NSRS believes NERC incorrectly applied Guideline 2 to the requirements. The FERC in their Guideline 2 calls for consistency within requirements and sub-requirements. What NERC lists as Guideline 2 is their interpretation/paraphrasing and is not correct. NERC states that if  $X=A+B$  and ‘X’ is higher, then ‘A’ and ‘B’ must be higher. The MRO NSRS strongly disagrees with NERC’s conclusion, and believes it is not necessary for ‘A’ or ‘B’ to be higher for ‘X’ to be higher.

**If “No,” please explain how the effects of overselling firm service would not potentially require load shedding to maintain such service.**

In the ten plus years since FERC mandated open access and set firm transmission service at the same level of NITS and NNL, please give us an example when firm load was ever shed from “overselling” transmission service? We cannot identify any examples. There are so many ways to mitigate a transmission overload, such as redispatch and reconfiguration, that it is highly unlikely that an entity will ever have to shed load due to selling transmission service. After all, selling firm transmission service does not create more load.

As long as the TTC/TFC is less than the SOL/IROLs, there is no overselling firm service that would potentially require load shedding to maintain such service.

Maintaining the firm service is not the top priority, serving load is. Firm service can be curtailed under TLR 5 without shedding load.

2. The analysis suggests that the accurate determination of Non-Firm ATC/AFC is “Low” risk activity, as it *cannot* lead to the unexpected shedding of firm load. Do you agree that overselling Non-Firm ATC/AFC cannot lead to an SOL or IROL violation that may necessitate the shedding of firm load?

Yes  
 No

If “No,” please describe the situation in which the overselling of Non-Firm ATC/AFC could lead to an SOL or IROL violation that necessitated the shedding of firm load

Comments:

3. The analysis suggests that the correct determination and availability of CBM for use by entities in an energy-deficiency situation is a “Medium” risk activity. Incorrect determination of CBM or not having it available when it is needed may result in load shedding or other operational actions that have a direct impact on the ability to control the BPS. Do you agree that not having CBM available may necessitate the shedding of firm load or impact the ability to control the BPS?

Yes  
 No

If “No,” please explain how entities depending on CBM can meet their operational needs without consideration of load shedding when that CBM is unexpectedly not available.

Comments:

4. The analysis has proposed a set of Violation Risk Factors for MOD-001-1. Do you agree with the proposal?

Yes  
 No

If “No,” please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.

Based on the MRO NSRS arguments in question 1, the MRO NSRS believes all the VRFs for this standard should be “Lower”. None of the requirements for MOD-001-1 directly impacts the reliability of the BPS.

5. The analysis has proposed a set of Violation Risk Factors for MOD-004-1. Do you agree with the proposal?

Yes  
 No

**If "No," please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.**

Based on our analysis of question 1, we believe that R1-R10 should have Lower VRFs. The MRO NSRS does believe that lack of CBM could directly affect the electrical state of the BPS, so the MRO NSRS agrees with R11 and R12 having Medium VRFs.

6. The analysis has proposed a set of Violation Risk Factors for MOD-008-1. Do you agree with the proposal?

Yes  
 No

**If "No," please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.**

The MRO NSRS does not see how TRM can directly impact the electrical state of the BPS. Based on our answer to question 1 and our response here, the MRO NSRS believes that all the VRFs should be, "Lower".

Further, regarding R1 and R2, double-counting CBM factors in withholding TRM may result in underselling Firm ATC or AFC, but this does not adversely affect the electrical state of the BPS or directly affect the reliability of the BPS, so a "Medium" VRF is not warranted.

7. The analysis has proposed a set of Violation Risk Factors for MOD-028-1. Do you agree with the proposal?

Yes  
 No

**If "No," please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.**

Based on our answer to question 1 and our belief that the only CBM from these standards could have a medium VRF, the MRO NSRS believes that all of the VRFs should be "Lower".

8. The analysis has proposed a set of Violation Risk Factors for MOD-029-1. Do you agree with the proposal?

Yes

No

**If "No," please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.**

Based on our answer to question 1 and our belief that the only CBM from these standards could have a medium VRF, the MRO NSRS believes that all of the VRFs should be "Lower".

**9. The analysis has proposed a set of Violation Risk Factors for MOD-030-1. Do you agree with the proposal?**

Yes  
 No

**If "No," please identify specific requirements with which you disagree, and for each one, an explanation of why you disagree.**

The medium VRF's are predicated on the assumption that overselling Firm ATC/AFC "directly" causes load shed or "directly" impacts the capability of the BPS, which is not true, per the response to item 1. All VRF's for this standard should be "Lower".