

Unofficial Comment Form for Project 2010-12 — Order 693 Directives

Please **DO NOT** use this form. Please use the electronic form at the link below to submit comments on the current drafts of BAL-002-1, BAL-005-1, EOP-001-2, EOP-002-3, EOP-003-2, EOP-004-2, FAC-002-1, MOD-017-1, MOD-019-1, MOD-020-1, MOD-021-2, PRC-004-2, TOP-005-3, and VAR-001-2. Comments must be submitted by **July 13, 2010**. If you have questions please contact **Andy Rodriquez** at Andy.Rodriquez@nerc.net or by telephone at 609-452-8060.

Background Information

In Order No. 693, the Commission issued many directives to modify the Reliability Standards. The Commission has expressed concern that the industry and NERC have been less responsive than desired in providing a timely resolution to those directives.

Several of the directives appear to be less controversial than others. In an effort to be more responsive, the Standards Committee has approved having NERC assemble a “Tiger Team” of experts to assist in reviewing the directives and identifying those which had a significant change of being non-controversial; i.e., could be modified, balloted, and filed in a very short amount of time.

NERC and its Tiger Team have identified 37 directives related to 14 standards that seem to be relatively non-controversial. Working with input from various parts of the industry, a set of proposed changes to meet the directives has been developed. In order to expedite this project, the Standards Committee has approved an accelerated schedule:

- Post the SAR and proposed revisions for a formal 25-day comment period (June 18-July 13, 2010)
- Form the ballot pool during the first 15 days of the comment period (June 18 – July 2, 2010)
- Conduct an initial 10-day ballot on a line item basis (July 3-13, 2010)
- Require the withdrawal from balloting any item that has significant disagreement from stakeholders as evidenced in comments and ballot results
- Allow modifications between the initial and recirculation ballots based on stakeholder comments to improve the overall quality of the standard. (Recirculation ballot July 20-30, 2010)

This posting represents the first formal review of the SAR related to this effort as well as the proposed changes. The directives have been summarized in the tables on the following pages. Each table addresses a set of directives associated with a standard. Following each table is a set of questions seeking feedback on the proposed modifications. In order to be responsive to these directives, please consider the following when commenting on these standards:

- Does the change harm reliability?
- Does the change improve reliability?
- Does the change neither harm nor improve reliability, but make the standard (or the Commission’s expectations regarding the standard) clearer?
- Are there modifications you can propose that would make the changes more acceptable and still be responsive to the Commission’s directives?

Unofficial Comment Form — Project 2010-12 — Order 693 Directives

NERC and its Tiger Team are seeking comments on these draft standards. It is the goal of this project to focus on items that appear to be widely supported. If you can identify changes that will assist in the acceptance of these changes, please feel free to suggest them.

Several changes were made to the BAL-002 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
321	The Commission adopts the NOPR's proposal to require the ERO to develop a modification to the Reliability Standard that refers to the ERO rather than to the NERC Operating Committee in Requirements R4.2 and R6.2. The ERO has the responsibility to assure the reliability of the Bulk-Power System and should be the entity that modifies the Disturbance Recovery Period as necessary.	BAL-002-1	Modified Section B Requirement R4.2 and R6.2.
321	As identified in the Applicability Issues section, the Commission directs the ERO to modify this Reliability Standard to substitute Regional Entity for regional reliability organization as the compliance monitor.	BAL-002-1	Modified Section D 1 and 1.1
330	We direct the ERO to submit a modification to BAL-002-0 that includes a Requirement that explicitly provides that DSM may be used as a resource for contingency reserves, subject to the clarifications provided below.	BAL-002-1	Modified Section B Requirement R1. Modified definitions of "Operating Reserve - Spinning," and "Operating Reserve – Supplemental." Deleted definition of "Spinning Reserve."
335	Accordingly, the Commission directs the ERO to explicitly allow DSM as a resource for contingency reserves, and clarifies that DSM should be treated on a comparable basis and must meet similar technical requirements as other resources providing this service.	BAL-002-1	Modified definition of "Demand Side Management."
1232	We approve the ERO's definition in the glossary of DSM as "all activities or programs undertaken by a Load-Serving Entity or its customers to influence the amount or timing of electricity they use." Only activities or programs that meet the ERO definition, with the modification directed below, may be treated as DSM for purposes of the Reliability Standards. Recognizing the potential role that industrial customers who do not take service through an LSE and load aggregators, for example, may play in meeting the Reliability Standards, we direct the ERO to modify the definition of DSM. Specifically, we direct the ERO to add to its definition of DSM "any other entities" that undertake activities or programs to influence the amount or timing of electricity they use without violating other Reliability Standard Requirement.	BAL-002-1	Modified definition of "Demand Side Management."

Do you believe the changes made in response to the directive(s) contained in Paragraph 321, 330, 335 and 1232 of Order No. 693 are both valid and address the directive(s)?

- 1. Changes for directives in Paragraph 321 Yes No
- 2. Changes for directives in Paragraph 330 Yes No
- 3. Changes for directives in Paragraph 335 Yes No
- 4. Changes for directives in Paragraph 1232 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.

Comments:

Several changes were made to the BAL-005 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
404	<p>The Commission clarifies that its direction to the ERO in this section is for it to develop a modification to BAL-005-0 through the Reliability Standards development process that changes the title of the Reliability Standard to be neutral as to the source of regulating reserves and allows the inclusion of technically qualified DSM and direct control load management as regulating reserves, subject to the clarifications provided in this section.</p>	BAL-005-1	<p>Modified title of standards to be “Automatic Resource Control.” Modified definition of “Automatic Generation Control.”</p> <p>Added definition of “Automatic Resource Control.”</p> <p>Modified definition of “Regulating Reserve.”</p> <p>Modified Purpose (Section A 3) of standard.</p> <p>Modified Section B Requirements R2, R6, R7, and R15.</p> <p>Modified VSLs for R2, R7, and R15.</p>
415	<p>Both Xcel and FirstEnergy question Requirement R17 but do not oppose the Commission’s proposal to approve this Reliability Standard. Earlier in this Final Rule, we direct the ERO to consider the comments received to the NOPR in its Reliability Standards development process. Thus, the comments of Xcel and FirstEnergy should be addressed by the ERO when this Reliability Standard is revisited as part of the ERO’s Work Plan.</p> <p>410. Xcel requests that the Commission reconsider Requirement R17 of this Reliability Standard stating that the accuracy ratings for older equipment (current and potential transformers) may be difficult to determine and may require the costly replacement of this older equipment on combustion turbines and older units while adding little benefit to reliability. Xcel states that the Commission should clarify that Requirement R17 need only apply to interchange metering of the balancing area in those cases where errors in generating metering are captured in the imbalance responsibility calculation of the balancing area.</p> <p>411. FirstEnergy states that Requirement R17 should include only “control center devices” instead of devices at each substation. FirstEnergy states that accuracy at the substation level is unnecessary and the costs to install automatic generation control equipment at each substation would be high. FirstEnergy also states that the term “check” in Requirement R17 needs to be clarified.</p>	BAL-005-1	<p>Modified Section B Requirement R17.</p> <p>Modified VSLs for R17.</p> <p>Deleted interpretations, as they have been incorporated into R17.</p>
420	<p>The Commission approves Reliability Standard BAL-005-0 as mandatory and enforceable. In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to BAL-005-0 through the Reliability Standards development process that changes the title of the Reliability Standard to be neutral as to the source of regulating reserves and to allow the inclusion of technically qualified DSM and direct control load management</p>	BAL-005-1	<p>Modified title of standards to be “Automatic Resource Control.”</p> <p>Modified definition of “Automatic Generation Control.”</p> <p>Added definition of “Automatic Resource Control.”</p> <p>Modified definition of “Regulating Reserve.”</p> <p>Modified Purpose (Section A 3) of standard.</p> <p>Modified Section B Requirements R2, R6, R7, and R15.</p>

Unofficial Comment Form — Project 2010-12 — Order 693 Directives

Paragraph	Directive Language	Standard No.	NERC Comments
			Modified VSLs for R2, R7, and R15.
420	The Commission approves Reliability Standard BAL-005-0 as mandatory and enforceable. In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to BAL-005-0 through the Reliability Standards development process that clarifies Requirement R5 of this Reliability Standard to specify the required type of transmission or backup plans when receiving regulation from outside the balancing authority when using nonfarm service	BAL-005-1	Modified Section B Requirement R5.

Do you believe the changes made in response to the directive(s) contained in Paragraph 404, 415, and 420 of Order No. 693 are both valid and address the directive(s)?

- 5. Changes for directives in Paragraph 404 Yes No
- 6. Changes for directives in Paragraph 415 Yes No
- 7. Changes for directives in Paragraph 420 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#6. Disagree with proposed rewrite of R17. The use of the word "common" within common reference does not improve reliability. There are no common reference devices within the utility industry. This requirement is required to be written for all applicable entities to follow. Since there are many different frequency devices used (from satellite synched GPS receivers to 120 volt plug in models) within the industry, "common" needs to be replaced with "suitable" reference. This will allow applicable entities to calibrate their frequency devices as the manufacture recommends and thus, will improve reliability.

Several changes were made to the EOP-001 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
565	The Commission agrees with ISO-NE that the Reliability Standard should be clarified to indicate that the actual emergency plan elements, and not the “for consideration” elements of Attachment 1, should be the basis for compliance. However, all of the elements should be considered when the emergency plan is put together.	EOP-001-2	Modified Section B Requirement R4. Modified VSLs for R4.
571	As we stated in the NOPR, neither EOP-002-2 nor any other Reliability Standard addresses the impact of inadequate transmission during generation emergencies. The Commission agrees with MRO that “insufficient transmission capability” could be due to various causes. The ERO should examine whether to clarify this term in the Reliability Standards development process.	EOP-001-2	Modified EOP-001 instead of EOP-002. Modified Section B Requirement R2.1.

Do you believe the changes made in response to the directive(s) contained in Paragraph 565 and 571 of Order No. 693 are both valid and address the directive(s)?

- 8. Changes for directives in Paragraph 565 Yes No
- 9. Changes for directives in Paragraph 571 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#9. R2 is applicable to Transmission Operators and Balancing Authorities and R2.1 states that they shall “develop, maintain, and implement a set of plans to mitigate operating emergencies for insufficient generating capacity”. Currently TOPs and BAs have fulfilled this requirement. The proposed addition of “...including emergencies that arise due to a lack of transmission capacity and those whose mitigation plans are hindered by the lack of transmission capability” does not enhance reliability. A Balancing Authority may not be registered as a Transmission Operator or have the ability to see how they impact the entire transmission system that they are a part of. A Balancing Authority may only have the ability to view some of the transmission system that they are a part of and not how they may affect the system overall. This addition is for a Transmission Operator only, the Balancing Authority should be deleted.

Several changes were made to the EOP-002 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
577	A number of commenters agree that the TLR procedure is an inappropriate and ineffective tool for mitigating actual IROL violations or for use in emergency situations. On the other hand, International Transmission believes the TLR procedure can be an appropriate and effective tool to mitigate IROL violations or for use in emergency situations and MISO argues that operators should not be precluded from implementing the TLR procedure during emergencies. The Commission disagrees. As explained in the NOPR and in the Blackout Report, actions undertaken under the TLR procedure are not fast and predictable enough for use in situations in which an operating security limit is close to being, or actually is being, violated. As such the Commission cannot agree with International Transmission and MISO. However, the Commission agrees with APPA, EEI, Entergy and MidAmerican that the TLR procedure may be appropriate and effective for use in managing potential IROL violations. Accordingly, the Commission will maintain its direction that the ERO modify the Reliability Standard to ensure that the TLR procedure is not used to mitigate actual IROL violations.	EOP-002-3 (No changes to standard)	This directive has already been addressed in IRO-006-4.
582	Accordingly, the Commission directs that the ERO, through the Reliability Standards development process, address ISO-NE’s concern. 579. ISO-NE states that Requirement R2 essentially requires the same actions covered by ISO-NE Operating Procedure No. 4. ISO-NE is concerned that a strict approach to auditing compliance with the Reliability Standard could result in a finding that ISO-NE was in violation of the Reliability Standard if it skipped a particular action under its emergency plan even though that action was not called for under ISO-NE procedures. ISO-NE requests that the Commission direct NERC to clarify that a system operator has discretion not to implement every action specified in its capacity and energy emergency plans when other appropriate actions are possible.	EOP-002-3	Modified Section B Requirement R2.
582	Further, we direct the ERO to consider adding Measures and Levels of Non-Compliance in the Reliability Standard.	EOP-002-3	Added Measures for R4, R5, R6, and R7.
573	Accordingly, the Commission directs the ERO to modify the Reliability Standard to include all technically feasible resource options in the management of emergencies. These options should include generation resources, demand response resources and other technologies that meet comparable technical performance requirements.	EOP-002-3	Modified Section B Requirement R6. Modified VSLs for R6.

Do you agree that the directive in Paragraph 577 has already been addressed as noted above and do you believe the changes made in response to the directive(s) contained in Paragraph 582, and 573 of Order No. 693 are both valid and address the directive(s)?

- 10. Paragraph 577 already addressed Yes No
- 11. Changes for directives in Paragraph 582 Yes No
- 12. Changes for directives in Paragraph 573 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#12. R6.3 and R6.8 should be replaced by using Direct Control Load Management (DCLM). As described in the NERC Glossary of terms: DCLM is "Demand-Side Management (DSM) that is under the direct control of the system operator. DCLM may control the electric supply to individual appliances or equipment on customer premises. DCLM as defined here does not include Interruptible Demand". Per NERC Glossary of terms, Demand Side Management is undertaken by the Load Serving Entity or its customers, whereas DCLM is under the direct control of system operators. NERC's Glossary of terms goes on to define a system operator as "an individual at a control center (BA, TOP, GOP, RC) whose responsibility it is to monitor and control that electric system in real time". DCLM should be used in place of DSM since it has more applicable entities per NERC definition.

Several changes were made to the EOP-003 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
601	<p>We also note that APPA raise(s) issues regarding coordination of trip settings and automatic and manual load shedding plans. The Commission directs the ERO to consider these comments in future modification to the Reliability Standard through the Reliability Standards development process.</p> <p>598 In addition, APPA states that NERC should consider requiring balancing authorities and transmission operators to expand coordination and planning of their automatic and manual load shedding plans to include their respective Regional Entities, reliability coordinators and generation owners.</p>	EOP-003-2	Modified Section B Requirement R3.
603	<p>In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to EOP-003-1 through the Reliability Standards development process that requires periodic drills of simulated load shedding.</p>	EOP-003-2	<p>Added Section B Requirements R9 and R10.</p> <p>Added VSLs for R9 and R10.</p>

Do you believe the changes made in response to the directive(s) contained in Paragraph 601 and 603 of Order No. 693 are both valid and address the directive(s)?

13. Changes for directives in Paragraph 601 Yes No

14. Changes for directives in Paragraph 603 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#13. R3 requires a TOP and BA to coordinate load shedding plans with each interconnected TOP and BA along with Regional Entities within whose regions they operate and RC(s) associated with overseeing the operations of the BA or TOP, plus GOs within the appropriate BA area or TOP area. This multiple coordination effort harms reliability of the BES and will only add confusion and frustration. Many TOPs and BAs are registered within multiple regions and this proposed continent wide reliability standard does not take into consideration how present day entities support the BES, daily.

The following is a proposed rewrite to R3 and its sub requirements:

R3. Each Transmission Operator and Balancing Authority shall coordinate manual load shedding plans with at least one of the following:

R3.1 Physically connected Transmission Operators and Balancing Authorities or

R3.2 Regional Entities within whose regions they operate or

R3.3 Reliability Coordinator(s) associated with overseeing the operations of the Balancing Authority Area or Transmission Operator Area and

R3.4 Generator Owners within the Balancing Authority Area or Transmission Operator Area, as appropriate.

The above rewrite now gives clarity with whom the TOP and BA is required to coordinate their manual load shedding plans with. Manual is inserted since UFLS and UVLS are noted within other standards and all load shedding (outside of UFLS and UVLS) is done manually. Presently many entities follow the Regional Entity's plan and this fulfills all sub requirements of R3.

#14. R8 (Note this requirement does not match up with NERCs Comment column above) Request that in order to prove clarity, R8 be rewritten as FERC stated within Order 693 to require periodic drills of simulated load shedding. R8 to read "At least annually, each Transmission Operator and Balancing Authority shall simulate load shedding as stated within their respected load shedding plan". This rewrite will enable the TOP or BA to simulate load shedding as they plan, not practice load shedding by the use of simulation.

#14. R9 (Note this requirement does not match up with NERCs Comment column above) R9 should be deleted in its entirety since paragraph 603 states " 603. The Commission approves proposed Reliability Standard EOP-003-1 as mandatory and enforceable. In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to EOP-003-1 through the Reliability Standards development process that: (1) includes a requirement to develop specific minimum load shedding capability that should be provided and the maximum amount of delay before load shedding can be implemented based on an overarching criteria that take into account system characteristics and (2) requires periodic drills of simulated load shedding". R9 does not address the Commissions interests.

Several changes were made to the EOP-004 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
612	<p>APPA is concerned that generator operators and LSEs may be unable to promptly analyze disturbances, particularly those disturbances that may have originated outside of their systems, as they may have neither the data nor the tools required for such analysis. The Commission understands APPA's concern and believes that, at a minimum, generator operators and LSEs should analyze the performance of their equipment and provide the data and information on their equipment to assist others with their analyses. The Commission directs the ERO to consider this concern in future revisions to the Reliability Standard through the Reliability Standards development process.</p>	EOP-004-2	<p>Modified Section B Requirement R2 and added Requirement R3. Added VSL for R3.</p>
615	<p>The Commission declines to address Xcel's concerns about the current WECC process. These issues should be addressed in the Reliability Standards development process or submitted as a regional difference. The Commission directs the ERO to consider all comments in future modifications of the Reliability Standard through the Reliability Standards development process.</p> <p>608. Xcel expresses concern regarding what constitutes a reportable event for each applicable entity and recommends that the Reliability Standard be revised to define what a reportable event is for each entity that has reporting obligations. Further, Xcel states that the requirement in Requirement R3.4 for a final report within 60 days may not be feasible given the current WECC process, which among other things, requires the creation of a group to prepare the report and a 30-day posting of a draft report before it becomes final. Xcel also states that if the ultimate purpose of the report is to provide information to avoid a recurrence of a system disturbance, then the Reliability Standard should be revised to require the distribution of the report to similarly situated entities.</p>	EOP-004-2	<p>Addressed definition of "Reportable Event" by adding reference to Attachment 1 in Section B Requirement R4. NERC concurs with FERC that Xcel's concerns regarding the WECC process should be handled through a request for a Variance. With regard to distribution of reports, NERC currently addresses this as the ERO.</p>

Do you believe the changes made in response to the directive(s) contained in Paragraph 612 and 615 of Order No. 693 are both valid and address the directive(s)?

15. Changes for directives in Paragraph 612 Yes No

16. Changes for directives in Paragraph 615 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#15. The word "promptly" is used within R2 and R3 but not R3.1. Recommend that the word "promptly" be deleted from these requirements. During any system disturbance the RC, BA or TOP will be focusing on mitigating the disturbance, then reporting of the disturbance (as outlined in the standard) and then start to

investigate the cause of the disturbance. When promptly is used and entity may investigate prior to reporting which may lead to a non compliance situation.

A change was made to the FAC-002 standard to address one FERC directive:

Paragraph	Directive Language	Standard No.	NERC Comments
693	In addition, pursuant to section 215(d)(5) of the FPA and § 39.5(f) of our regulations, the Commission directs the ERO to develop a modification to FAC-002-0 through the Reliability Standards development process that amends Requirement R1.4 to require evaluation of system performance under both normal and contingency conditions by referencing TPL-001 through TPL-003.	FAC-002-1	Modified Section B Requirement R1.4

Do you believe the changes made in response to the directive(s) contained in Paragraph 693 of Order No. 693 are both valid and address the directive(s)?

17. Changes for directives in Paragraph 693 Yes No

If you answered no to the above, please offer any comments or suggestions you may have.

Comments:

Several changes were made to the MOD-017 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
1249	The Commission also directs the ERO to modify the Reliability Standard to require reporting of temperature and humidity along with peak load because actual load must be weather normalized for meaningful comparison with forecasted values. In response to MidAmerican’s observation that it sees little value in collecting this data, we believe that collecting it will allow all load data to be weather-normalized, which will provide greater confidence when comparing data accuracy, which ultimately will enhance reliability. As a result, we reject Xcel’s proposal that the standard be revised to include only the generic term “peak producing weather conditions” because it is too generic for a mandatory Reliability Standard.	MOD-017-1	Modified Section B Requirement R1.1, R1.2. Modified VSLs for R1.
1250	We also reject Alcoa’s proposal that the reporting of temperature and humidity along with peak loads should apply only to load that varies with temperature and humidity because it essentially is a request for an exemption from the requirements of the Reliability Standard and should therefore be directed to the ERO as part of the Reliability Standards development process. We agree, however, with APPA that certain types of load are not sensitive to temperature and humidity. We therefore find that the ERO should address Alcoa’s concerns in its Reliability Standards development process.	MOD-017-1	Modified Section B Requirement R1.1, R1.2. Modified VSLs for R1.
1251	The Commission adopts the NOPR proposal directing the ERO to modify the Reliability Standard to require reporting of the accuracy, error and bias of load forecasts compared to actual loads with due regard to temperature and humidity variations. This requirement will measure the closeness of the load forecast to the actual value. We understand that load forecasting is a primary factor in achieving Reliable Operation. Underestimating load growth can result in insufficient or inadequate generation and transmission facilities, causing unreliability in real-time operations. Measuring the accuracy, error and bias of load forecasts is important information for system planners to include in their studies, and also improves load forecasts themselves.	MOD-017-1	Added Section B Requirement R1.5. Modified VSLs for R1.
1252	The Commission agrees with APPA that accuracy, error and bias of load forecasts alone will not increase the reliability of load forecasts, and, as a result, will not affect system reliability. Understanding of the differences without action based on that understanding would not change anything. Therefore, we direct the ERO to add a Requirement that addresses correcting forecasts based on prior inaccuracies, errors and bias.	MOD-017-1	Added Section B Requirement R2. Added Measure M2 and VSLs for R2.
1255	We agree with FirstEnergy that transmission planners should be added as reporting entities, and direct the ERO to modify the standard accordingly. We agree that in the NERC Functional Model, the transmission planner is responsible for collecting system modeling data including actual and forecast demands to evaluate transmission expansion plans.	MOD-017-1	Added Section A 4.4 (Transmission Planner). Modified Section B Requirement R1 and R2. Modified Measure M1.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1249, 1250, 1251, 1252, and 1255 of Order No. 693 are both valid and address the directive(s)?

- 18. Changes for directives in Paragraph 1249 Yes No
- 19. Changes for directives in Paragraph 1250 Yes No
- 20. Changes for directives in Paragraph 1251 Yes No
- 21. Changes for directives in Paragraph 1252 Yes No
- 22. Changes for directives in Paragraph 1255 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#21. R2 states that as an example, variation expressed in terms of error divided by actual demand is greater than 10%. The 10% threshold is not defined by FERC in its Order and request that a basis be given prior to supporting the proposed changes. Overall R2 does not enhance reliability of the BES. R2 states that the applicable entity annually reviews the previous year's load forecast for 10% variation and if necessary modify load forecast assumptions to improve accuracy. It is unclear if the improved assumptions are to be used for the previous year or the upcoming year? If for the upcoming year, than it must be clearly stated that the responsible entity is to apply last year assumptions to next year's forecast.

Several changes were made to the MOD-019 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
1276	The Commission adopts the NOPR proposal directing the ERO to modify this standard to require reporting of the accuracy, error and bias of controllable load forecasts. This requirement will enable planners to get a more reliable picture of the amount of controllable load that is actually available, therefore allowing planners to conduct more accurate system reliability assessments. The Commission finds that controllable load can be as reliable as other resources, and therefore should also be subject to the same reporting requirements. Although we recognize that verifying load control devices and interruptible loads may be complex, we do not believe that it is overly so. Further, we believe that the ERO, through its Reliability Standards development process can develop innovative solutions to the Commission’s concern.	MOD-019-1	Modified Section B Requirement R1.
1277	We direct the ERO to include APPA’s proposal in the Reliability Standards development process to add a new requirement to MOD-019-0 that would oblige resource planners to analyze differences between actual and forecasted demands for the five years of actual controllable load and identify what corrective actions should be taken to improve controllable load forecasting for the 10-year planning horizon.	MOD-019-1	Added Section B Requirement R2. Added VSLs for R2.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1276 and 1277 of Order No. 693 are both valid and address the directive(s)?

23. Changes for directives in Paragraph 1276 Yes No

24. Changes for directives in Paragraph 1277 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

#24. Please provide a basis for the 10% threshold since FERC did not state this in Order 693. Not sure how modifying load forecast assumptions to improve accuracy will benefit the BES unless the applicable entity applies it to the upcoming forecast. Short term forecasts can be off by more than 10% due to uncontrollable weather and long term forecasts can be off due to unforeseen economic conditions such as the 2008 / 2009 recessions. A zero DSM period could occur due to an unforeseen conditions making any forecast compared to zero more than a 10% error. Further DSM can be a very small portion of an overall forecast. Mandating a correction and applying a high VSL to future forecasts for events beyond an entity’s control (especially when the possibility of zero exists), i.e when an entity “failed to make improvements to improve accuracy”, is unrealistic.

Several changes were made to the MOD-020 standard to address one FERC directive:

Paragraph	Directive Language	Standard No.	NERC Comments
1287	We adopt the proposal to direct the addition of a requirement for reporting of the accuracy, error and bias of controllable load forecasts because we believe that reporting of this information will provide applicable entities with advanced knowledge about the exact amount of available controllable load, which will improve the accuracy of system reliability assessments. The Commission finds that controllable load in some cases may be as reliable as other resources and therefore must also be subject to the same reporting requirements. We recognize that determining the precise availability and capability of direct load control is a difficult management and customer relations exercise, but we do not believe that it will be overly so. Further, we believe that the ERO, through its Reliability Standards development process can develop innovative solutions to the Commission's concern.	MOD-020-1	Modified Section B Requirement R1. Added Section B Requirement R2. Added VSLs for R2.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1287 of Order No. 693 are both valid and address the directive(s)?

25. Changes for directives in Paragraph 1287 Yes No

If you answered no to the above, please offer any comments or suggestions you may have.

Comments:

Changes were made to the MOD-021 standard to address one FERC directive:

Paragraph	Directive Language	Standard No.	NERC Comments
1300	The Commission directs the ERO to modify the title and purpose statement to remove the word "controllable." We note that no commenter disagrees.	MOD-021-1	Modified Section A 1 and 3.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1300 of Order No. 693 are both valid and address the directive(s)?

26. Changes for directives in Paragraph 1300 Yes No

If you answered no to the above, please offer any comments or suggestions you may have.

Comments:

Several changes were made to the PRC-004 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
1469	Further, as the ERO reviews this Reliability Standard in its five-year cycle of review, the Regional Entity, rather the regional reliability organization, should develop the procedures for corrective action plans.	PRC-004-2	Modified Section B Requirements R1, R2, and R3.
1469	We direct the ERO to consider ISO-NE's suggestion that LSEs and transmission operators should be included in the applicability section, in the Reliability Standards development process as it modifies PRC-004-1.	PRC-004-2	Modified Section B Requirements R1 and R3. Modified Measures M1 and M3. Modified Data Retention.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1469 of Order No. 693 are both valid and address the directive(s)?

27. Changes for directives in Paragraph 1469 Yes No

If you answered no to the above, please offer any comments or suggestions you may have.

Comments:

#27. FERC Order 693 does not state that "individually or jointly" entities that own a Protection System shall analyze and develop a Correction Action Plan. This statement does not improve this Standard. Anyone of the applicable entities can be joint owners of a transmission Protection System but one entity will have this requirement to fulfill those actions of this requirement. Recommend deleting "individually or jointly".

Several changes were made to the TOP-005 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
1648	For the reasons stated in the NOPR, we direct the ERO to develop a modification to TOP-005-1 through the Reliability Standards development process regarding the operational status of special protection systems and power system stabilizers in Attachment 1. Several commenters agree with this directive, and we believe that this information will provide a more comprehensive list in Attachment 1.	TOP-005-3	Modified Attachment 1.
1649	We are adopting our proposal regarding deletion of references to confidentiality agreements from the Requirements.	TOP-005-3	Deleted Requirement R1. Deleted VSLs for R1.
1650	<p>The Commission directs the ERO to consider FirstEnergy’s recommended modifications to Attachment 1 to the Reliability Standard and ISO-NE’s recommended revision to Requirement R4 in the Reliability Standards development process.</p> <p>1644. FirstEnergy states that TOP-005-1 should also apply to transmission providers because some of the information listed in Attachment 1 to the Reliability Standard is in their possession. Attachment 1 should be modified so that it allows each entity to know what data it is expected to provide. As currently written, Attachment 1 lists various entities that are supposed to provide data without specifying who will provide which information. FirstEnergy states that transmission operators, for example, may not have all the information listed in item 1.5 of Attachment 1.</p> <p>1646. ISO-NE recommends that the reference to “purchasing-selling entity” in Requirement R4 should be replaced with “generator owner, transmission owner, and LSE.” It argues that since NERC’s glossary defines the term “purchasing-selling entity” as “[t]he entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operation services,” many entities can fall within this category (e.g., commodity traders such as financial/power marketers) that may possess little or none of the operational or reliability data the host balancing authority and transmission operator need to conduct reliability assessments.</p>	TOP-005-3	Modified Attachment 1. Modified Section A 4.3. Added Section A 4.4 and 4.5. Modified Section B Requirement R3.

Do you believe the changes made in response to the directive(s) contained in Paragraph 1648, 1649, and 1650 of Order No. 693 are both valid and address the directive(s)?

- 28. Changes for directives in Paragraph 1648 Yes No
- 29. Changes for directives in Paragraph 1649 Yes No
- 30. Changes for directives in Paragraph 1650 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
 Comments:

Several changes were made to the VAR-001 standard to address FERC directives:

Paragraph	Directive Language	Standard No.	NERC Comments
1858	The Commission directs the ERO to address the reactive power requirements for LSEs on a comparable basis with purchasing-selling entities.	VAR-001-2	Added Section A 4.3. Modified Section B Requirement R5.
1879	The Commission noted in the NOPR that in many cases, load response and demand-side investment can reduce the need for reactive power capability in the system. Based on this assertion, the Commission proposed to direct the ERO to include controllable load among the reactive resources to satisfy reactive requirements for incorporation into Reliability Standard VAR-001-1.	VAR-001-2	Modified Section B Requirements R2, R5, R8, and R9.
1879	<p>While we affirm this requirement, we expect the ERO to consider the comments of SoCal Edison with regard to reliability and SMA in its process for developing the technical capability requirements for using controllable load as a reactive resource in the applicable Reliability Standards.</p> <p>SMA notes that its members' facilities often include significant capacitor banks, and further, reducing load can reduce local reactive requirements.</p> <p>1878. SoCal Edison suggests caution regarding the Commission's proposal to include controllable load as a reactive resource. It agrees that, when load is reduced, voltage will increase and for that reason controllable load can lessen the need for reactive power. However, SoCal Edison believes that controllable load is typically an energy product and there are other impacts not considered by the Commission's proposal to include controllable load as a reactive resource. For example, activating controllable load for system voltage control lessens system demand, requiring generation to be backed down. It is not clear to SoCal Edison whether any consideration has been given to the potential reliability or commercial impacts of the Commission's proposal.</p>	VAR-001-2 (No changes to standard)	<p>SMA's comments do not seem to require a response.</p> <p>SoCal Edison expresses some concern with dispatch of controllable load having the potential to reduce available generation. However, the standard already includes load shedding in the standard, so there is no more risk than what is currently in the standard. Entities are still expected to evaluate their options and implement the best choice(s) available to them.</p>

Do you believe the changes made in response to the directive(s) contained in Paragraph 1858 and 1879 of Order No. 693 are both valid and address the directive(s)?

31. Changes for directives in Paragraph 1858 Yes No

32. Changes for directives in Paragraph 1879 Yes No

If you answered no to any of the above, please offer any comments or suggestions you may have.
Comments:

33. The motivation for this project is to demonstrate that NERC is working to address the directives in Order 693. Do you agree with this?

Yes

No

Comments: The Midwest Reliability Organization's NERC Standards Review Subcommittee (NSRS) understands the position that the ERO is presently in when faced with the task of incorporating the Commission's directives as written in FERC Order 693. The NSRS agrees that there are "specific" directives that the Commission has presented to the industry and the ERO for inclusion into presently mandatory reliability Standards. The monumental task of providing Reliability Standards that incorporate a word for word placement would only provide an unjust burden on the adequate level of reliability of the Bulk Electric System. Upon the review of FERC Order 693, the NSRS wishes to point out to the ERO that the Commission has stated in paragraph 186 of FERC Order 693 that:

186. Thus, in some instances, while we provide specific details regarding the Commission's expectations, we intend by doing so to provide useful guidance to assist in the Reliability Standards development process, not to impede it. We find that this is consistent with statutory language that authorizes the Commission to order the ERO to submit a modification "that addresses a specific matter" if the Commission considers it appropriate to carry out section 215 of the FPA. In the Final Rule, we have considered commenter's' concerns and, where a directive for modification appears to be determinative of the outcome, the Commission provides flexibility by directing the ERO to address the underlying issue through the Reliability Standards development process without mandating a specific change to the Reliability Standard. Further, the Commission clarifies that, where the Final Rule identifies a concern and offers a specific approach to address the concern, we will consider an equivalent alternative approach provided that the ERO demonstrates that the alternative will address the Commission's underlying concern or goal as efficiently and effectively as the Commission's proposal.

Following the Commission's guidance as stated in paragraph 186, the NSRS respectfully submits the above comments that are an equivalent alternative, thus providing an efficient and effective focus within the following mandatory reliability Standards.

34. Are you aware of any conflicts between the proposed standards and any regulatory function, rule/order, tariff, rate schedule, legislative requirement or agreement?

Yes

No

Comments:

35. Please provide any other comments (that you have not already provided in response to the questions above) that you have on the proposed SAR or standards.

Comments: