

## Comment Form — Facility Ratings SAR and Standard (FAC-008-2)

Please use this form to submit comments on the proposed SAR for modifications to the Facility Ratings standards and for the revisions to FAC-008-1. Comments must be submitted by **February 28, 2007**. You may submit the completed form by e-mail to [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with the words "Facility Ratings" in the subject line. If you have questions, please contact Maureen Long at [maureen.long@nerc.net](mailto:maureen.long@nerc.net) or by telephone at 609-452-8060.

<b>Individual Commenter Information</b>		
<b>(Complete this page for comments from one organization or individual.)</b>		
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NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/> FRCC	<input checked="" type="checkbox"/>	2 — RTOs and ISOs
<input type="checkbox"/> MRO	<input type="checkbox"/>	3 — Load-serving Entities
<input checked="" 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 type="checkbox"/>	10 — Regional Reliability Organizations and Regional Entities



### Background Information

The requesters merged FAC-008-1 and FAC-009-1 into a single standard, FAC-008-2. The requesters carefully considered the following comments included in the FERC NOPR on standards and made conforming changes to the standard for the first two recommended changes. The requesters could not identify the reliability-related need for the third recommendation and did not make any conforming changes for that recommendation. The requesters have asked stakeholders for additional input on the response to these three recommended changes.

- o Document underlying assumptions and methods used to determine normal and emergency facility ratings; and
- o Develop (equipment) ratings consistent with industry standards developed through an open process such as IEEE or CIGRE; and
- o Identify the limiting component(s) and define for all critical facilities the increase in rating based on the next limiting component(s)

During the review of other comments made by stakeholders with respect to this set of standards was a suggestion to provide clarity where the Planning Authority is mentioned in the standards. In the revised standard, the Planning Authority is the recipient of the Facility Ratings Methodology. The requesters did not identify any need for further clarification, but have asked stakeholders for additional input on this matter.

A new version of the *Reliability Standards Development Procedure* was approved by the NERC Board of Trustees on November 1, 2006. The requesters, with assistance from compliance personnel, made the following changes to the standard to bring it into conformance with the revised procedure or other changes needed to conform to the ERO Rules of Procedure:

- **Mitigation Time Horizons**

The ERO Rules of Procedure include the use of Mitigation Time Horizons as one element used to determine the size of sanctions. The drafting team used the following guidelines in developing mitigation time horizons for each requirement:

- **Long-term Planning:** a planning horizon of one year or longer.
- **Operations Planning:** operating and resource plans from day ahead up to and including seasonal.
- **Same-day Operations:** routine actions required within the time frame of a day, but not real time.
- **Real-time Operations:** actions required within one hour or less to preserve the reliability of the bulk power system.
- **Operations Assessment:** follow-up evaluations and reporting of real-time operations.

- **RRO as Responsible Entity**

The drafting team modified all requirements to eliminate the Regional Reliability Organization as the responsible entity, and replaced these references with the appropriate entity.

- **Levels of Non-compliance Versus Violation Severity Levels**

The drafting team deleted “levels of non-compliance” and added “violation severity levels” to comply with the revised *Reliability Standard Development Procedure*. Compliance personnel assisted the drafting team in using the following criteria from the procedure to establish violation severity levels:

- **Lower:** mostly compliant with minor exceptions — The responsible entity is mostly compliant with and meets the intent of the requirement but is deficient with respect to one or more minor details. Equivalent score: 95% to 99% compliant.
- **Moderate:** mostly compliant with significant exceptions — The responsible entity is mostly compliant with and meets the intent of the requirement but is deficient with respect to one or more significant elements. Equivalent score: 85% to 94% compliant.
- **High:** marginal performance or results — The responsible entity has only partially achieved the reliability objective of the requirement and is missing one or more significant elements. Equivalent score: 70% to 84% compliant.
- **Severe:** poor performance or results — The responsible entity has failed to meet the reliability objective of the requirement. Equivalent score: less than 70% compliant.

- **Associated Documents**

The drafting team added a section “F” to the standard called References.

The SAR requesters have asked several questions to collect stakeholder feedback on the acceptability of these conforming changes made to the standard.

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**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.*

1. Do you agree that there is a reliability-related need to modify FAC-008 and FAC-009? If not, please explain in the comment area.

Yes

No

Comments:

2. Do you agree with the scope of the SAR? If not, please explain in the comment area.

Yes

No

Comments:

We agree with the general scope. However, we do not understand how this standard is to apply to the Transmission Planner as indicated in the Standard Authorization Request. If this standard is to apply to the Transmission Planner, the Applicability Section of the draft standards needs to reflect this.

Further, if the standard applies to the Transmission Planners, should it not also be applicable to the Reliability Coordinators and Planning Authorities as they play a similar role as the Transmission Planner in M3?

3. The requesters merged FAC-008 and FAC-009 into a single standard to eliminate cross references between the standards. Do you agree with this modification? If not, please explain in the comment area.

Yes

No

Comments:

4. The drafting team modified the applicability section to clarify that the standard applies to all Transmission Owners but only to Generator Owners that own units connected directly to the Bulk Power System through a generator step-up transformer. Do you agree with this modification? If not, please explain in the comment area.

Yes

No

Comments: The intent of the requirement is to ensure that facilities are rated properly to identify constraints that may limit power transfer or generation output, in addition to respecting equipment limitation for reliable operation.

Some generators may not be connected directly to the BES through a step up transformer. They may be connected to some radial transmission lines before their

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outputs are incorporated in the BES. Yet their generation levels which may be restricted by the connecting facilities must be properly accounted for in assessing the amount of available resource to support reliable operation. We suggest that the qualifying statement be removed.

5. Do you agree with the change made to FAC-008-1 to specifically require that the methodology for Facility Ratings include the underlying assumptions, design criteria and methods used to determine equipment ratings? (This addresses one of FERC's issues.)

Yes

No

Comments:

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6. Do you agree with the change made to FAC-008-1 to specifically require that the methodology used to establish the Equipment Rating for each component of the Facility is consistent with one or more commonly accepted industry Equipment Rating standards or practices? (This addresses one of FERC's issues.) Note that the footnote associated with this requirement clarifies what constitutes an accepted industry equipment rating standard or practice.

Yes

No

Comments: We agree with the general requirement. However, we would suggest the following modification to the sub-requirements:

R 1.1: Add the phrase "the framework of" after "consistent with" so that the sentence reads: The methodology used to establish the Equipment Rating for each component of the Facility shall be consistent with THE FRAMEWORK OF" one or more commonly accepted industry Equipment Rating standards or practices. This change is proposed since some transmission and generator owners may apply some variations to the detailed assumptions and parameters that are somewhat different from established standards and practices such as the IEEE approach, but the methodology is consistent with the general framework of these established standards and practices.

R 1.4: Delete the word "major" since it is not defined; and change "bulk power system" to "bulk electric system" since the latter term is defined and still in effect.

R 5: Add a phrase "and as changes occur" at the end of the sentence to ensure that between scheduled updates, changes to facilities ratings are communicated to the functional entities that use these ratings as these incremental changes would not necessarily coincide with the scheduled communication of data period.

7. The requesters considered whether to include a requirement, as proposed by FERC, to identify the limiting component(s) and define for all critical facilities the increase in rating based on the next limiting component(s) but did not add such a requirement because the reliability-related need for such a requirement is not apparent. Are you aware of any reliability-related need for the proposed requirement that would warrant the inclusion of this requirement into the standard?

Yes

No

Comments: We agree that the reliability-related need for this proposed requirement is not apparent.

8. In FAC-008-2, is the role of the planning authority clear or does the responsibility of the Planning Authority in FAC-008-2 need additional clarification?

Yes, the role of the planning authority is clear in FAC-008-02.

No, the role of the planning authority needs clarification. If no, please provide recommendations to clarify the planning authority role).

Comments: The Planning Authority is not assigned any responsibilities in this standard. We wonder what responsibility of the PA needs additional clarification.

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9. The versions of FAC-008 and FAC-009 that were approved in 2006 did not include violation risk factors or mitigation time horizons. The requesters transferred the violation risk factors developed by the Violation Risk Factors Drafting Team into the new standards and added Mitigation Time Horizons.

Do you agree with the Mitigation Time Horizon for each requirement in the proposed standard? If not, please identify any requirement with a time horizon you feel is incorrect.

I agree with the proposed Mitigation Time Horizons

I do not agree with the following Mitigation Time Horizons:

Comments:

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10. The requesters modified the measures to provide examples of what could be considered as “evidence.” Do you agree with the modifications made to the measures to provide examples of evidence?

I agree with the revised measures

I do not agree with the revised measures

Comments:

11. The latest version of the *Reliability Standards Development Procedure* requires that each standard include “violation severity levels” rather than “levels of non-compliance.” “Violation severity levels” identify how badly an entity violated each requirement, and are not linked to the reliability-related impact of violating a requirement. (The reliability-related impact of violating a requirement is now identified in the “Violation Risk Factor” appended to each requirement.)

Do you agree with the Violation Severity Levels for each of the proposed standards? If you disagree with any of the Violation Severity Levels for the proposed standards, please identify the standard and requirement you feel has an incorrect Violation Severity Level.

I agree with the Violation Severity Levels

I do not agree with the following Violation Severity Levels:

Comments:

We find the violation severity levels when the Facility Ratings Methodology does not address one, two and three of the required equipment types identified in FAC-008 R1.4.1 very difficult to follow. Perhaps the requirement is unclear, as presented below.

Excerpt from the draft standard:

R1.4 The method by which the Rating (of major bulk power system equipment that comprises a Facility) is determined.

R1.4.1 The scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, series and shunt compensation devices.

Does it mean the scope needs to address all of these equipment? If so, then the violation severity level would work. But if that's the case, how could a Generator Owner's scope of equipment address transmission conductors, or a Transmission Owner's scope address generators?

We therefore speculate that the scope needs to address some of these equipment only. But if that's the case, Generator Owners and Transmission Owners would bound to be violating the requirement as indicated by one of the three violation severity levels in Sections 2.1.2, 2.2.2 and 2.3.1.

Please clarify the understanding, and as needed revise the requirements and/or the violation severity levels.

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12. Are you aware of any requirement in this standard that has an unnecessary adverse impact on energy markets? Please identify the requirement and its adverse impact here.

- No unnecessary adverse impacts.
- Unnecessary adverse impact on markets.

Comments:

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

- Unaware of any existing conflict.
- Existing conflict(s) do exist.

Comments:

14. The compliance monitoring information and data retention periods were modified by compliance personnel. Do you agree with these changes?

- Yes
- No

Comments:

15. If you have any other comments on this set of standards or its implementation plan that you have not already submitted above, please provide them here.

- No additional comments.

Comments: