

## Standards Authorization Request Form

When completed, email this form to:

[Laura.Hussey@nerc.net](mailto:Laura.Hussey@nerc.net)

For questions about this form or for assistance in completing the form, call Laura Hussey at 404-446-2579.

NERC welcomes suggestions for improving the reliability of the Bulk-Power System through improved Reliability Standards. Please use this form to submit your proposal for a new NERC Reliability Standard or a revision to an existing standard.

### Request to propose a new or a revision to a Reliability Standard

Proposed Standard:	Project 2014-03 Revisions to the TOP/IRO Reliability Standards		
Date Submitted:	February 12, 2014		
SAR Requester Information			
Name:	David Souder		
Organization:	PJM		
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SAR Type (Check as many as applicable)			
<input checked="" type="checkbox"/> New Standard	<input type="checkbox"/> Withdrawal of existing Standard		
<input checked="" type="checkbox"/> Revision to existing Standard	<input type="checkbox"/> Urgent Action		

SAR Information

Industry Need (What is the industry problem this request is trying to solve?):

On April 16, 2013, NERC submitted two petitions requesting Commission approval of TOP and IRO standards. [One petition](#) addresses three revised TOP Reliability Standards: TOP-001-2 (Transmission Operations), TOP-002-3 (Operations Planning), TOP-003-2 (Operational Reliability Data), and one Protection Systems (PRC) Reliability Standard, PRC-001-2 (System Protection Coordination) (collectively, the “TOP Standards”) to replace the eight currently-effective TOP standards. The [second petition](#) addresses four revised IRO Reliability Standards: IRO-001-3 (Responsibilities and Authorities), IRO-002-3 (Analysis Tools), IRO-005-4 (Current Day Operations), and IRO-014-2 (Coordination Among Reliability Coordinators) (collectively, the “IRO Standards”) to replace six currently-effective IRO standards.

On November 21, 2013, the Commission issued a [NOPR](#) in response to these petitions. The NOPR proposed to remand the proposed TOP and IRO Standards. In the NOPR, the Commission raises a concern that NERC “has removed critical reliability aspects that are included in the currently-effective standards without adequately addressing these aspects in the proposed standards.” For example, the Commission cites the fact that the proposed TOP standards do not require Transmission Operators to plan and operate within all System Operating Limits (“SOLs”), which is a requirement in the currently effective standards.

On December 20, 2013, NERC filed a [motion](#) requesting that the Commission defer action on the NOPR until January 31, 2015 to provide NERC and the industry the opportunity to thoroughly examine the technical concerns raised in the NOPR. This deferral would provide an opportunity for the industry, NERC, and FERC to work toward a common understanding and afford time to review the proposed TOP and IRO standards through the NERC standards development process to address the concerns set forth in the NOPR. That motion to defer action was granted by the Commission on January 14, 2014.

SAR Information

Purpose or Goal (How does this request propose to address the problem described above?):

The primary goal of this SAR is to allow the Standard Drafting Team (SDT) for Project 2014-03 Revisions to TOP/IRO Reliability Standards to address the concerns expressed in the NOPR while fulfilling the goals of the original projects: Project 2006-06 Reliability Coordination and Project 2007-03 Real-time Operations. In addition, the SDT should review the goals of Project 2009-02 Real-time Monitoring and Analysis Capabilities and consider whether to incorporate revisions to the TOP and/or IRO standards to address those goals in Project 2014-03.

SAR Information
Identify the Objectives of the proposed standard's requirements (What specific reliability deliverables are required to achieve the goal?):
Provide clear, unambiguous requirements and standards to allow Reliability Coordinators, Transmission Operators, and Balancing Authorities to operate the interconnected transmission system in a safe and reliable manner.
Brief Description (Provide a paragraph that describes the scope of this standard action.)
<p>The SDT shall modify the TOP and IRO Reliability Standards to address the issues raised in the NOPR, while ensuring that the revisions continue to address directives previously assigned to the TOP and IRO standards under Projects 2007-03 and 2006-06.</p> <p>If it is decided to handle the goals of Project 2009-02 within Project 2014-03, then the directives assigned to Project 2009-02 will be addressed as well.</p> <p>In addition, the recommendations from the Independent Expert Review Project and the SW Outage Report will be reviewed, a directive dealing with monitoring responsibilities for the Reliability Coordinator will be resolved, and other IRO standards will be examined for consistency purposes.</p>
Detailed Description (Provide a description of the proposed project with sufficient details for the standard drafting team to execute the SAR. Also provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)
<p>The SDT shall:</p> <ol style="list-style-type: none"> <li>1. Revise the TOP/IRO Reliability Standards to address concerns expressed in the NOPR               <ol style="list-style-type: none"> <li>a. Consider the inputs from technical conferences</li> </ol> </li> <li>2. Consider the recommendations in the Independent Expert Review Report and the SW Outage Report</li> <li>3. Review the IRO Reliability Standards not included in the original Project 2006-06 for coordination with any changes made for this project (see list of related standards)</li> <li>4. Preserve the intent of the reliability objectives in the current, approved standards so that no reliability gaps are created</li> <li>5. Decide whether to handle the goals of Project 2009-02 within Project 2014-03; and if it does so decide, then also address the directives assigned to Project 2009-02.</li> <li>6. Address the directives from Order 693 originally assigned to Projects 2006-06 and 2007-03.</li> </ol>

SAR Information

7. Address the following directive from Order 693, paragraph 1855:  
*“Since a reliability coordinator is the highest level of authority overseeing the reliability of the Bulk-Power System, the Commission believes that it is important to include the reliability coordinator as an applicable entity to assure that adequate voltage and reactive resources are being maintained. As MISO points out, other Reliability Standards address responsibilities of reliability coordinators, but we agree with EEI that it is important to include reliability coordinators in VAR-001-1 as well. Reliability coordinators have responsibilities in the IRO and TOP Reliability Standards, but not the specific responsibilities for voltage levels and reactive resources addressed by VAR-001-1, which have a great impact on system reliability. For example, voltage levels and reactive resources are important factors to ensure that IROs are valid and operating voltages are within limits, and that reliability coordinators should have responsibilities in VAR-001-1 to monitor that sufficient reactive resources are available for reliable system operations. Accordingly, the ERO should modify VAR-001-1 to include reliability coordinators as applicable entities and include a new requirement(s) that identifies the reliability coordinator’s monitoring responsibilities.”*
8. Modify the measures, Violation Risk Factors (VRF), and Violation Severity Levels (VSL) as necessary to address modified requirements.
9. Address the issue of outage coordination as pointed out by the Independent Experts Review Panel through the creation of a new standard.
10. Address the recommendations of the IRO Five Year Review Team (Project 2012-09) for the IRO standards revised in this project.

Reliability Functions

The Standard will Apply to the Following Functions (Check each one that applies.)

<input type="checkbox"/> Regional Reliability Organization	Conducts the regional activities related to planning and operations, and coordinates activities of Responsible Entities to secure the reliability of the Bulk Electric System within the region and adjacent regions.
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Reliability Functions	
<input checked="" type="checkbox"/> Reliability Coordinator	Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator’s wide area view.
<input checked="" type="checkbox"/> Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time.
<input checked="" type="checkbox"/> Interchange Authority	Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas.
<input checked="" type="checkbox"/> Planning Coordinator	Assesses the longer-term reliability of its Planning Coordinator Area.
<input type="checkbox"/> Resource Planner	Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area.
<input checked="" type="checkbox"/> Transmission Planner	Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area.
<input checked="" type="checkbox"/> Transmission Service Provider	Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff).
<input checked="" type="checkbox"/> Transmission Owner	Owns and maintains transmission facilities.
<input checked="" type="checkbox"/> Transmission Operator	Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area.
<input checked="" type="checkbox"/> Distribution Provider	Delivers electrical energy to the End-use customer.
<input checked="" type="checkbox"/> Generator Owner	Owns and maintains generation facilities.
<input checked="" type="checkbox"/> Generator Operator	Operates generation unit(s) to provide real and reactive power.
<input type="checkbox"/> Purchasing-Selling Entity	Purchases or sells energy, capacity, and necessary reliability-related services as required.
<input type="checkbox"/> Market Operator	Interface point for reliability functions with commercial functions.

Reliability Functions

<input checked="" type="checkbox"/> Load-Serving Entity	Secures energy and transmission service (and reliability-related services) to serve the End-use Customer.
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Reliability and Market Interface Principles

Applicable Reliability Principles (Check all that apply).	
<input checked="" type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input checked="" type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input checked="" type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
<input checked="" type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input checked="" type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
Does the proposed Standard comply with all of the following Market Interface Principles?	
	Enter (yes/no)
1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Related Standards	
Standard No.	Explanation
IRO-003-2	May need to be reviewed for language and terminology consistency with revisions made in this project.
IRO-004-2	
IRO-006-5	
IRO-008-1	
IRO-009-1	
IRO-010-1a	
IRO-015-1	
IRO-016-1	

Related SARs	
SAR ID	Explanation
N/A	N/A

Regional Variances	
Region	Explanation
ERCOT	N/A
FRCC	N/A
MRO	N/A
NPCC	N/A
RFC	N/A
SERC	N/A

Regional Variances

SPP	N/A
WECC	N/A