

Project 2009-03: Emergency Operations

VRF and VSL Justifications for EOP-011-1

| VRF and VSL Justifications – EOP-011-1, R1 | |
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| Proposed VRF | High |
| NERC VRF Discussion | Developing, maintaining and implementing a Reliability Coordinator-reviewed Operating Plan to provide the Transmission Operator the means to mitigate operating Emergencies in its Transmission Operator Area. This is a requirement that, if violated, could directly cause or contribute to Bulk Electric System (BES) instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures in Real-time. Since this requirement also is in the Operations Planning time frame, it could, if violated, under Emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures; or could hinder restoration to a normal condition. Since this is a Requirement in a planning time frame, a violation could, under Emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation or Cascading failures; or could hinder restoration to a normal condition. This justifies a High VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> The Requirement Parts for this Requirement provide additional detail regarding the Operating Plan(s) and is consistent with Requirement R2. |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-003-2 R1, which deals with Load shedding under Emergency conditions, is assigned a High VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |

| VRF and VSL Justifications – EOP-011-1, R1 | |
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| FERC VRF G5 Discussion | <p><i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i></p> <p>This guideline is not applicable, as the requirement does not co-mingle more than one obligation.</p> |
| Proposed Lower VSL | N/A |
| Proposed Moderate VSL | The Transmission Operator developed a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies in its Transmission Operator Area but failed to maintain it. |
| Proposed High VSL | The Transmission Operator developed an Operating Plan(s) to mitigate operating Emergencies in its Transmission Operator Area but failed to have it reviewed by its Reliability Coordinator. |
| Proposed Severe VSL | <p>The Transmission Operator failed to develop an Operating Plan(s) to mitigate operating Emergencies in its Transmission Operator Area.</p> <p>OR</p> <p>The Transmission Operator developed a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies in its Transmission Operator Area but failed to implement it.</p> |
| <p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p> | The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance. |
| <p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p>Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> | <p>Guideline 2a: The VSL assignment is not binary.</p> <p>Guideline 2b: The VSL assignment contains unambiguous language that makes clear that the requirement is wholly or partially violated if the Operating Plan(s) is not developed, maintained and implemented.</p> |

Project ID: [redacted] Project Name: [redacted]

| VRF and VSL Justifications – EOP-011-1, R1 | |
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| Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language | |
| FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement | The language of the VSL directly mirrors the language in the corresponding requirement. |
| FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations | The VSL is assigned for a single instance of failing to develop, maintain and implement a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies in its Transmission Operating Area, failing to have it reviewed by its Reliability Coordinator, or failing to implement it for an Operating emergency. |

| VRF and VSL Justifications – EOP-011-1, R2 | |
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| Proposed VRF | High |
| NERC VRF Discussion | Developing, maintaining and implementing a Reliability Coordinator-reviewed Operating Plan provides the Balancing Authority the means to mitigate Capacity and Energy Emergencies. This is a requirement that, if violated, could directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures in Real-time. Since this requirement also is in the Operations Planning time frame, it could, if violated, under emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation or cascading failures; or could hinder restoration to a normal condition. Since this is a requirement in a planning time frame, a violation could, under Emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or cascading failures; or could hinder restoration to a normal condition. This justifies a High VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> The Requirement Parts for this Requirement provide additional detail regarding the Operating Plan(s) and is consistent with Requirement R1. |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-003-2 R1, which deals with Load shedding under Emergency conditions, is assigned a High VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |
| FERC VRF G5 Discussion | <i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i> This guideline is not applicable, as the requirement does not co-mingle more than one obligation. |

| VRF and VSL Justifications – EOP-011-1, R2 | |
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| Proposed Lower VSL | N/A. |
| Proposed Moderate VSL | The Balancing Authority developed a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies within its Balancing Authority Area but failed to maintain it. |
| Proposed High VSL | The Balancing Authority developed an Operating Plan(s) to mitigate operating Emergencies within its Balancing Authority Area but failed to have it reviewed by its Reliability Coordinator. |
| Proposed Severe VSL | The Balancing Authority failed to develop an Operating Plan(s) to mitigate operating Emergencies within its Balancing Authority Area. OR The Balancing Authority developed a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies within its Balancing Authority Area but failed to implement it. |
| FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance | The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance. |
| FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language | Guideline 2a: The VSL assignment is not binary. Guideline 2b: The VSL assignment contains unambiguous language that makes clear that the requirement is wholly or partially violated if the Operating Plan(s) is not developed, maintained and implemented. |

Project ID: [redacted] Project Name: [redacted]

| VRF and VSL Justifications – EOP-011-1, R2 | |
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| <p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p> | <p>The language of the VSL directly mirrors the language in the corresponding requirement.</p> |
| <p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p> | <p>The VSL is assigned for a single instance of failing to develop, maintain and implement a Reliability Coordinator-reviewed Operating Plan(s) to mitigate operating Emergencies within its Balancing Authority Area or failing to have it reviewed by the Reliability Coordinator or failing to implement it for a Capacity or Energy Emergency.</p> |

| VRF and VSL Justifications – EOP-011-1, R3 | |
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| Proposed VRF | Medium |
| NERC VRF Discussion | Review of an Operating Plan provides the Transmission Operator and Balancing Authority with a Wide Area coordination of their plans. Since this is a requirement in a planning time frame that a violation could, under Emergency, abnormal or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the BES, or the ability to effectively monitor, control or restore the BES. However, violation of a medium-risk requirement is unlikely, under Emergency, abnormal or restoration conditions anticipated by the preparations, to lead to BES instability, separation or Cascading failures, nor to hinder restoration to a normal condition. This justifies a Medium VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> The Requirement specifies that the Reliability Coordinator must review a Transmission Operator’s and Balancing Authority’s Operating Plans within 30 calendar days of receipt regarding any reliability risks that are identified between Operating Plans. Requirements R1 and R2 specify that the Transmission Operator and Balancing Authority must develop, maintain and implement a Reliability Coordinator-reviewed Operating Plan(s). Requirement R3 ties these three requirements together. |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-006-2 R4, which requires the Reliability Coordinator to review neighboring Reliability Coordinator’s restoration plans, is assigned a Medium VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |
| FERC VRF G5 Discussion | <i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i> This guideline is not applicable, as the requirement does not co-mingle more than one obligation. |
| Proposed Lower VSL | N/A |
| Proposed Moderate VSL | N/A |

| VRF and VSL Justifications – EOP-011-1, R3 | |
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| Proposed High VSL | The Reliability Coordinator identified a reliability risk but failed to notify the Balancing Authority or Transmission Operator within 30 calendar days. |
| Proposed Severe VSL | The Reliability Coordinator identified a reliability risk but failed to notify the Balancing Authority or Transmission Operator |
| FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance | The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance. |
| FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language | Guideline 2a: The VSL assignment is not binary. Guideline 2b: The VSL assignment contains unambiguous language that makes clear that the requirement is wholly or partially violated if the Reliability Coordinator failed to review a Transmission Operator and Balancing Authority Operating Plans that it received regarding any reliability risks that are identified between Operating Plans within the specified time frame. |
| FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement | The language of the VSL directly mirrors the language in the corresponding requirement. |
| FERC VSL G4 Violation Severity Level Assignment Should Be Based | The VSL is assigned for a single instance of failing to review a Transmission Operator and Balancing Authority Operating Plans that it received regarding any reliability risks that are identified between Operating Plans within the specified time frame. |

Project ID Number Project Name

VRF and VSL Justifications – EOP-011-1, R3

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| on A Single Violation, Not on A Cumulative Number of Violations | |
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| VRF and VSL Justifications – EOP-011-1, R4 | |
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| Proposed VRF | High |
| NERC VRF Discussion | Addressing any reliability risks identified by the Reliability Coordinator during its review Plan provides the Transmission Operator or the Balancing Authority the opportunity to have a Wide-area view of its Operating Plan(s) and to address any risks that it may have overlooked. This is a requirement that, if violated, could directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures in Real-time. Since this requirement also is in the Operations Planning time frame, it could, if violated, under emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation or cascading failures; or could hinder restoration to a normal condition. Since this is a requirement in a planning time frame, a violation could, under Emergency, abnormal or restorative conditions anticipated by the preparations directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or cascading failures; or could hinder restoration to a normal condition. This justifies a High VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> This requirement specifies that revisions to the Operating Plan(s) be made to address any risks overlooked in the original Operating Plan(s). This requirement is consistent with Requirements R1 and R2 which requires that the Operating Plan(s) be developed, maintained and implemented. |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-003-2 R1, which deals with Load shedding under Emergency conditions, is assigned a High VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |

| VRF and VSL Justifications – EOP-011-1, R4 | |
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| FERC VRF G5 Discussion | <p><i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i></p> <p>This guideline is not applicable, as the requirement does not co-mingle more than one obligation.</p> |
| Proposed Lower VSL | N/A |
| Proposed Moderate VSL | N/A |
| Proposed High VSL | The Transmission Operator or Balancing Authority failed to update and resubmit its Operating Plan(s) to its Reliability Coordinator within the timeframe specified by its Reliability Coordinator. |
| Proposed Severe VSL | The Transmission Operator or Balancing Authority failed to update and resubmit its Operating Plan(s) to its Reliability Coordinator. |
| <p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p> | The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance. |
| <p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p>Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p>Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language</p> | <p>Guideline 2a: The VSL assignment is not binary.</p> <p>Guideline 2b: The VSL assignment contains unambiguous language that makes clear that the requirement is wholly or partially violated if the Transmission Operator or Balancing Authority failed to update and resubmit the Operating Plan(s) to its Reliability Coordinator within the timeframe determined by its Reliability Coordinator, or if they simply failed to update and resubmit the Operating Plan(s) to the Reliability Coordinator.</p> |
| FERC VSL G3 | The language of the VSL directly mirrors the language in the corresponding requirement. |

Project ID | Project Name

| VRF and VSL Justifications – EOP-011-1, R4 | |
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| Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement | |
| FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations | The VSL is assigned for a single instance of failure to update and resubmit the Operating Plan(s) to its Reliability Coordinator within the timeframe determined by the Reliability Coordinator, or if they simply failed to update and resubmit the Operating Plan(s) to its Reliability Coordinator. |

| VRF and VSL Justifications – EOP-011-1, R5 | |
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| Proposed VRF | High |
| NERC VRF Discussion | Notifying Balancing Authorities and Transmission Operators in its Reliability Coordinator Area, and neighboring Reliability Coordinators of an Emergency helps other entities have proper situational awareness and allows them the opportunity to implement measures to mitigate the Emergency. This is a requirement that, if violated, could directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures in Real-time. This justifies a High VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> The Requirement specifies that the Reliability Coordinator that receives an Emergency notification from a Transmission Operator or Balancing Authority shall notify, within 30 minutes from the time of receiving notification, other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area, and neighboring Reliability Coordinators. This relates to Requirements R1 and R2, whereby the Transmission Operator and the Balancing Authority implement their Operating Plans. These Requirements are all assigned a High VRF. |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-011-1 Requirements R1, Part 1.2.1 and Requirement R2, Part 2.2, are assigned a High VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |
| FERC VRF G5 Discussion | <i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i> This guideline is not applicable, as the requirement does not co-mingle more than one obligation. |
| Proposed Lower VSL | N/A |
| Proposed Moderate VSL | N/A |

| VRF and VSL Justifications – EOP-011-1, R5 | |
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| Proposed High VSL | The Reliability Coordinator that received an Emergency notification from a Transmission Operator or Balancing Authority did not notify neighboring Reliability Coordinators, Balancing Authorities and Transmission Operators, but failed to notify within 30 minutes from the time of receiving notification. |
| Proposed Severe VSL | The Reliability Coordinator that received an Emergency notification from a Transmission Operator or Balancing Authority failed to notify neighboring Reliability Coordinators, Balancing Authorities and Transmission Operators. |
| FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance | The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance. |
| FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language | Guideline 2a: The VSL assignment is not binary. Guideline 2b: The VSL assignment contains unambiguous language that makes clear that the requirement is wholly or partially violated if a Reliability Coordinator that receives an Emergency notification from a Transmission Operator or Balancing Authority shall notify, within 30 minutes from the time of receiving notification, other neighboring Reliability Coordinators, Balancing Authorities and Transmission Operators |
| FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement | The language of the VSL directly mirrors the language in the corresponding requirement. |
| FERC VSL G4 | The VSL is assigned for a single instance of failing to notifying other entities within 30 minutes of receiving notification. |

Project ID | Project Name

VRF and VSL Justifications – EOP-011-1, R5

Violation Severity Level
Assignment Should Be Based
on A Single Violation, Not on A
Cumulative Number of
Violations

| VRF and VSL Justifications – EOP-011-1, R6 | |
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| Proposed VRF | High |
| NERC VRF Discussion | Declaration of a potential or actual Energy Emergency alert helps other entities have proper situational awareness and allows them the opportunity to implement measures to mitigate the Energy Emergency. This is a requirement that, if violated, could directly cause or contribute to BES instability, separation or a Cascading sequence of failures; or could place the BES at an unacceptable risk of instability, separation or Cascading failures in Real-time. This justifies a High VRF for this requirement. |
| FERC VRF G1 Discussion | <i>Guideline 1- Consistency w/ Blackout Report</i> This requirement does not address any of the critical areas identified in the Final Blackout Report. |
| FERC VRF G2 Discussion | <i>Guideline 2- Consistency within a Reliability Standard</i> The Requirement and Attachment 1 provide additional detail regarding the initiation of a potential or actual Energy Emergency. This links to Requirement R2, Part 2.2.2 regarding the criteria for an Energy Emergency alert. Both of these Requirements are assigned a High VRF |
| FERC VRF G3 Discussion | <i>Guideline 3- Consistency among Reliability Standards</i> The comparable EOP-011-1 Requirement R2, Part 2.2.2, is assigned a High VRF. |
| FERC VRF G4 Discussion | <i>Guideline 4- Consistency with NERC Definitions of VRFs</i> See “NERC VRF Discussion” above. |
| FERC VRF G5 Discussion | <i>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</i> This guideline is not applicable, as the requirement does not co-mingle more than one obligation. |
| Proposed Lower VSL | N/A |
| Proposed Moderate VSL | N/A |
| Proposed High VSL | N/A |
| Proposed Severe VSL | The Reliability Coordinator that had a Balancing Authority experiencing a potential or actual Energy Emergency within its Reliability Coordinator Area failed to declare an Energy Emergency alert. |

| VRF and VSL Justifications – EOP-011-1, R6 | |
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| <p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p> | <p>The VSLs were written to reflect the content of the requirement and do not lower the current levels of compliance.</p> |
| <p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language</p> | <p>Guideline 2a: The VSL assignment is not binary.</p> <p>Guideline 2b: The VSL assignment contains clear and unambiguous language that makes clear that the requirement is wholly or partially violated if a Reliability Coordinator that has a Balancing Authority or Load-Serving Entity experiencing a potential or actual Energy Emergency within its Reliability Coordinator Area and fails to declare an NERC Energy Emergency alert, as detailed in Attachment 1.</p> |
| <p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p> | <p>The language of the VSL directly mirrors the language in the corresponding requirement.</p> |
| <p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p> | <p>The VSL is assigned for a single instance of a Reliability Coordinator that has a Balancing Authority or Load-Serving Entity experiencing a potential or actual Energy Emergency within its Reliability Coordinator Area and fails to declare an NERC Energy Emergency alert, as detailed in Attachment 1.</p> |