

Standard Development Roadmap

This section is maintained by the drafting team during the development of the standard and will be removed when the standard becomes effective.

Development Steps Completed:

1. SAR and proposed standard drafted and approved for posting (January 2012).
2. SAR and draft standard posted for a 45-day concurrent formal comment period and initial ballot February 8 – March 23, 2012.
3. Draft standard posted for a 30-day concurrent formal comment period and successive ballot May 22 – June 27, 2012. The comment period and ballot were extended one week due to issues with stakeholder notification.

Proposed Action Plan and Description of Current Draft:

This is the third draft of the proposed standard to address an interpretation request by Constellation. The draft standard includes non-substantive changes to Measure M3, Data Retention Section, item 1.2 (second paragraph) and a revision to the Lower VSL for Requirement R2; and is being submitted for a 10-day recirculation ballot.

Future Development Plan:

<u>Anticipated Actions</u>	<u>Anticipated Date</u>
<u>1. Develop responses to ballot comments and make non-substantive revisions to the standard.</u>	<u>June-July 2012</u>
<u>2. Post responses to comments and conduct recirculation ballot, including non-binding poll on VSLs.</u>	<u>July 2012</u>
<u>3. BOT adoption.</u>	<u>August 2012</u>
<u>4. File with regulatory authorities.</u>	<u>October 2012</u>

A. Introduction

1. **Title:** Generator Operation for Maintaining Network Voltage Schedules
2. **Number:** VAR-002-~~1.1b2b~~
3. **Purpose:** To ensure generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.
4. **Applicability**
 - 4.1. Generator Operator.
 - 4.2. Generator Owner.

~~5. **Effective Date:** Immediately after approval of applicable regulatory authorities.~~

5. **Effective Date:** In those jurisdictions where regulatory approval is required, this standard shall become effective on the first day of the first calendar quarter after applicable regulatory approval or as otherwise made effective pursuant to the laws applicable to such ERO governmental authorities. In those jurisdictions where no regulatory approval is required, this standard shall become effective on the first day of the first calendar quarter after Board of Trustees approval.

B. Requirements

- R1.** The Generator Operator shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (automatic voltage regulator in service and controlling voltage) unless the Generator Operator has notified the Transmission Operator ~~of one of the following:~~ *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- That the generator is being operated in start-up¹ or shutdown² mode pursuant to a Real-time communication or a procedure that was previously provided to the Transmission Operator; or
 - That the generator is not being operated in the automatic voltage control mode for a reason other than start-up or shutdown.
- R2.** Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power ~~output~~ schedule³ (within applicable Facility Ratings⁴) as directed by the Transmission Operator. ~~of one of the following:~~ *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*

¹ Start-up is deemed to have ended when the generator is ramped up to its minimum continuously sustainable load and the generator is prepared for continuous operation.

² Shutdown is deemed to begin when the generator is ramped down to its minimum continuously sustainable load and the generator is prepared to go offline.

³ The voltage or Reactive Power schedule is a target value communicated by the Transmission Operator to the Generator Operator establishing a tolerance band within which the target value is to be maintained during a specified period.

⁴ When a Generator is operating in manual control, reactive power capability may change based on stability considerations and this ~~will~~ may lead to a change in the associated Facility Ratings.

- R2.1.** When a generator's automatic voltage regulator is out of service, the Generator Operator shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.
- R2.2.** When directed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.
- R3.** Each Generator Operator shall notify its associated Transmission Operator as soon as practical, but within 30 minutes of any of the following: *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- R3.1.** A status or capability change on any generator Reactive Power resource, including the status of each automatic voltage regulator and power system stabilizer and the expected duration of the change in status or capability.
- R3.2.** A status or capability change on any other Reactive Power resources under the Generator Operator's control and the expected duration of the change in status or capability.
- R4.** The Generator Owner shall provide the following to its associated Transmission Operator and Transmission Planner within 30 calendar days of a request. *[Violation Risk Factor: Lower] [Time Horizon: Real-time Operations]*
- R4.1.** For generator step-up transformers and auxiliary transformers with primary voltages equal to or greater than the generator terminal voltage:
- R4.1.1.** Tap settings.
- R4.1.2.** Available fixed tap ranges.
- R4.1.3.** Impedance data.
- R4.1.4.** The +/- voltage range with step-change in % for load-tap changing transformers.
- R5.** After consultation with the Transmission Operator regarding necessary step-up transformer tap changes, the Generator Owner shall ensure that transformer tap positions are changed according to the specifications provided by the Transmission Operator, unless such action would violate safety, an equipment rating, a regulatory requirement, or a statutory requirement. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- R5.1.** If the Generator Operator can't comply with the Transmission Operator's specifications, the Generator Operator shall notify the Transmission Operator and shall provide the technical justification.

C. Measures

- M1.** The Generator Operator shall have evidence to show that it notified its associated Transmission Operator any time it failed to operate a generator in the automatic voltage control mode as specified in Requirement 1. *If a generator is being started up or shut down with the automatic voltage control off and no notification of the automatic voltage regulator status is made to the Transmission Operator, the Generator Operator will have evidence that it notified the Transmission Operator of its procedure for placing the unit into automatic voltage control mode. Such evidence must include, but is not limited to, dated evidence of transmittal of the procedure such as an electronic message or a transmittal letter with the procedure included or attached.*

- M2. The Generator Operator shall have evidence to show that it controlled its generator voltage and reactive output to meet the voltage or Reactive Power schedule provided by its associated Transmission Operator as specified in Requirement 2.
- M3. The Generator Operator shall have evidence to show that it responded to the Transmission Operator's ~~directives~~direction as identified in Requirement 2.1 and Requirement 2.2.
- M4. The Generator Operator shall have evidence it notified its associated Transmission Operator within 30 minutes of any of the changes identified in Requirement 3.
- M5. The Generator Owner shall have evidence it provided its associated Transmission Operator and Transmission Planner with information on its step-up transformers and auxiliary transformers as required in Requirements 4.1.1 through 4.1.4
- M6. The Generator Owner shall have evidence that its step-up transformer taps were modified per the Transmission Operator's documentation as identified in Requirement 5.
- M7. The Generator Operator shall have evidence that it notified its associated Transmission Operator when it couldn't comply with the Transmission Operator's step-up transformer tap specifications as identified in Requirement 5.1.

D. Compliance

1. Compliance Monitoring Process

1.1. Compliance Monitoring Responsibility

~~For entities that do not work for the Regional Reliability Organization.~~

~~1.3. Entity, the Regional Entity shall serve as the Compliance Monitoring Period and Reset Time Frame Enforcement Authority.~~

~~One calendar year~~For functional entities that work for their Regional Entity, the ERO or a Regional Entity approved by the ERO and FERC or other applicable governmental authorities shall serve as the Compliance Enforcement Authority.

1.4.1.2. Data Retention

The following evidence retention periods identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

The Generator Operator shall maintain evidence needed for Measure 1 through Measure 5 and Measure 7 for the current and previous calendar yearsyear.

The Generator Owner shall keep its latest version of documentation on its step-up and auxiliary transformers. ~~(Measure~~(Measures 5 and 6)

The Compliance Monitor shall retain any audit data for three years.

1.3. Compliance Monitoring and Enforcement Processes:

The following processes may be used:

Compliance Audit

Self-Certification

Spot Checking

Compliance Investigation

Self-Reporting

Complaint

1.5.1.4. Additional Compliance Information

~~The Generator Owner and Generator Operator shall each demonstrate compliance through self-certification or audit (periodic, as part of targeted monitoring or initiated by complaint or event), as determined by the Compliance Monitor.~~

None

2. Violation Severity Levels of Non-Compliance for Generator Operator

~~2.1. Level 1: There shall be a Level 1 non-compliance if any of the following conditions exist:~~

~~2.1.1 One incident of failing to notify the Transmission Operator as identified in R3.1, R3.2 or R5.1.~~

~~2.1.2 One incident of failing to maintain a voltage or reactive power schedule (R2).~~

~~2.2. Level 2: There shall be a Level 2 non-compliance if any of the following conditions exist:~~

~~2.2.1 More than one but less than five incidents of failing to notify the Transmission as identified in R1, R3.1, R3.2 or R5.1.~~

~~2.2.2 More than one but less than five incidents of failing to maintain a voltage or reactive power schedule (R2).~~

~~2.3. Level 3: There shall be a Level 3 non-compliance if any of the following conditions exist:~~

~~2.3.1 More than five but less than ten incidents of failing to notify the Transmission Operator as identified in R1, R3.1, R3.2 or R5.1.~~

~~2.3.2 More than five but less than ten incidents of failing to maintain a voltage or reactive power schedule (R2).~~

~~2.4. Level 4: There shall be a Level 4 non-compliance if any of the following conditions exist:~~

~~2.4.1 Failed to comply with the Transmission Operator's directives as identified in R2.~~

~~2.4.2 Ten or more incidents of failing to notify the Transmission Operator as identified in R1, R3.1, R3.2 or R5.1.~~

~~2.4.3 Ten or more incidents of failing to maintain a voltage or reactive power schedule (R2).~~

3. Levels of Non-Compliance for Generator Owner:

~~3.1.1 Level One: Not applicable.~~

~~3.1.2 Level Two: Documentation of generator step-up transformers and auxiliary transformers with primary voltages equal to or greater than the generator terminal voltage was missing two of the data types identified in R4.1.1 through R4.1.4.~~

~~3.1.3 Level Three: No documentation of generator step-up transformers and auxiliary transformers with primary voltages equal to or greater than the generator terminal voltage~~

~~3.1.4 Level Four: Did not ensure generating unit step-up transformer settings were changed in compliance with the specifications provided by the Transmission Operator as identified in R5.~~

R.#	Lower VSL	Moderate VSL	High VSL	Severe VSL
<u>R1.</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>The responsible entity did not operate each generator in the automatic voltage control mode and failed to notify the Transmission Operator as identified in R1.</u>

<p><u>R2.</u></p>	<p><u>When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for up to and including 45 minutes.</u></p>	<p><u>When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 45 minutes up to and including 60 minutes.</u> <u>OR</u> <u>When a generator's automatic voltage regulator is out of service, the Generator Operator failed to use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.</u> <u>OR</u> <u>The Generator Operator failed to provide an explanation of why the voltage schedule could not be met.</u></p>	<p><u>When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 60 minutes up to and including 75 minutes.</u></p>	<p><u>When directed by the Transmission Operator to maintain the generator voltage or reactive power schedule the Generator Operator failed to meet the directed values for more than 75 minutes.</u> <u>OR</u> <u>When a generator's automatic voltage regulator is out of service, the Generator Operator failed to use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator and the Generator Operator failed to provide an explanation of why the voltage schedule could not be met.</u></p>
<p><u>R3.</u></p>	<p><u>N/A</u></p>	<p><u>N/A</u></p>	<p><u>The Generator Operator failed to notify the Transmission Operator within 30 minutes of the information as specified in either R3.1 or R3.2</u></p>	<p><u>The Generator Operator failed to notify the Transmission Operator within 30 minutes of the information as specified in both R3.1 and R3.2</u></p>
<p><u>R4.</u></p>	<p><u>The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner one of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4</u> <u>OR</u> <u>The information was</u></p>	<p><u>The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner two of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4</u></p>	<p><u>The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner three of the types of data as specified in R4.1.1 or R 4.1.2 or 4.1.3 or 4.1.4</u> <u>OR</u></p>	<p><u>The Responsible entity failed to provide to its associated Transmission Operator and Transmission Planner any of the types of data as specified in R4.1.1 and R 4.1.2 and 4.1.3 and 4.1.4</u> <u>OR</u></p>

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	<u>provided in more than 30, but less than or equal to 35 calendar days of the request.</u>	<u>OR</u> <u>The information was provided in more than 35, but less than or equal to 40 calendar days of the request.</u>	<u>The information was provided in more than 40, but less than or equal to 45 calendar days of the request.</u>	<u>The information was provided in more than 45 calendar days of the request.</u>
<u>R5.</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>The responsible entity failed to ensure that transformer tap positions were changed according to the specifications provided by the Transmission Operator when said actions would not have violated safety, an equipment rating, a regulatory requirement, or a statutory requirement.</u>
<u>R5.1.</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>The responsible entity failed to notify the Transmission Operator and to provide technical justification.</u>

E. Regional Differences

None identified.

F. Associated Documents

1. Appendix 1 — Interpretation of Requirements R1 and R2 (August 1, 2007).

Version History

Version	Date	Action	Change Tracking
1	May 15, 2006	Added “(R2)” to the end of levels on non-compliance 2.1.2, 2.2.2, 2.3.2, and 2.4.3.	July 5, 2006
1a	December 19, 2007	Added Appendix 1 – Interpretation of R1 and R2 approved by BOT on August 1, 2007	Revised
1a	January 16, 2007	In Section A.2., Added “a” to end of standard number. Section F: added “1.”; and added date.	Errata
1.1a	October 29, 2008	BOT adopted errata changes; updated version number to “1.1a”	Errata
1.1b	March 3, 2009	Added Appendix 2 – Interpretation of VAR-002-1.1a approved by BOT on February 10, 2009	Revised
<u>2b</u>	<u>TBD</u>	<u>Revised R1 to address an Interpretation Request. Also added previously approved VRFs, Time Horizons and VSLs. Revised R2 to address consistency issue with VAR-001-2, R4.</u>	<u>Revised</u>

Appendix 1

Interpretation of Requirements R1 and R2

Request:

Requirement R1 of Standard VAR-002-1 states that Generation Operators shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (*automatic voltage regulator in service and controlling voltage*) unless the Generator Operator has notified the Transmission Operator.

Requirement R2 goes on to state that each Generation Operator shall maintain the generator voltage *or Reactive Power output* as directed by the Transmission Operator.

The two underlined phrases are the reasons for this interpretation request.

Most generation excitation controls include a device known as the Automatic Voltage Regulator, or AVR. This is the device which is referred to by the R1 requirement above. Most AVR's have the option of being set in various operating modes, such as constant voltage, constant power factor, and constant Mvar.

In the course of helping members of the WECC insure that they are in full compliance with NERC Reliability Standards, I have discovered both Transmission Operators and Generation Operators who have interpreted this standard to mean that AVR operation in the constant power factor or constant Mvar modes complies with the R1 and R2 requirements cited above. Their rationale is as follows:

- The AVR is clearly in service because it is operating in one of its operating modes
- The AVR is clearly controlling voltage because to maintain constant PF or constant Mvar, it controls the generator terminal voltage
- R2 clearly gives the Transmission Operator the option of directing the Generation Operator to maintain a constant reactive power output rather than a constant voltage.

Other parties have interpreted this standard to require operation in the constant voltage mode only. Their rationale stems from the belief that the purpose of the VAR-002-1 standard is to insure the automatic delivery of additional reactive to the system whenever a voltage decline begins to occur.

The material impact of misinterpretation of these standards is twofold.

- First, misinterpretation may result in reduced reactive response during system disturbances, which in turn may contribute to voltage collapse.
- Second, misinterpretation may result in substantial financial penalties imposed on generation operators and transmission operators who believe that they are in full compliance with the standard.

In accordance with the NERC Reliability Standards Development Procedure, I am requesting that a formal interpretation of the VAR-002-1 standard be provided. Two specific questions need to be answered.

- First, does AVR operation in the constant PF or constant Mvar modes comply with R1?
- Second, does R2 give the Transmission Operator the option of directing the Generation Owner to operate the AVR in the constant Pf or constant Mvar modes rather than the constant voltage mode?

Interpretation:

1. First, does AVR operation in the constant PF or constant Mvar modes comply with R1?

Interpretation: No, only operation in constant voltage mode meets this requirement. This answer is predicated on the assumption that the generator has the physical equipment that will allow such operation and that the Transmission Operator has not directed the generator to run in a mode other than constant voltage.

2. Second, does R2 give the Transmission Operator the option of directing the Generation Owner (sic) to operate the AVR in the constant Pf or constant Mvar modes rather than the constant voltage mode?

Interpretation: Yes, if the Transmission Operator specifically directs a Generator Operator to operate the AVR in a mode other than constant voltage mode, then that directed mode of AVR operation is allowed.

Appendix 2

Interpretation of VAR-002-1a

Request:

VAR-002 — Generator Operation for Maintaining Network Voltage Schedules, addresses the generator's provision of voltage and VAR control. Confusion exists in the industry and regions as to which requirements in this standard apply to Generator Operators that operate generators that do not have automatic voltage regulation capability.

The Standard's requirements do not identify the subset of generator operators that need to comply – forcing some generator operators that do not have any automatic voltage regulation capability to demonstrate how they complied with the requirements, even when they aren't physically able to comply with the requirements. Generator owners want clarification to verify that they are not expected to acquire AVR devices to comply with the requirements in this standard.

Many generators do not have automatic voltage regulators and do not receive voltage schedules. These entities are at a loss as to how to comply with these requirements and are expending resources attempting to demonstrate compliance with these requirements. A clarification will avoid challenges and potential litigation stemming from sanctions and penalties applied to entities that are being audited for compliance with this standard, but who do not fall within the scope or intent of the standard itself.

Please identify which requirements apply to generators that do not operate generators equipped with AVRs.

Response: All the requirements and associated subrequirements in VAR-002-1a apply to Generator Owners and Generator Operators that own or operate generators whether equipped with an automatic voltage regulator or not. The standard is predicated on the assumption that the generator has the physical equipment (automatic voltage regulator) that is capable of automatic operation. A generator that is not equipped with an automatic voltage regulator results in a functionally equivalent condition to a generator equipped with an automatic voltage regulator that is out of service due to maintenance or failure.

There are no requirements in the standard that require a generator to have an automatic voltage regulator, nor are there any requirements for a Generator Owner to modify its generator to add an automatic voltage regulator. Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings) as directed by the Transmission Operator.