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NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Project 2018-03 Standards Efficiency Review Retirements

Industry Webinar
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RELIABILITY | ACCOUNTABILITY



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- Project 2018-03 Standards Drafting Team (SDT)
 - Charlie Rogers – Consumers Energy, Chair
 - Bob Staton – Public Service Company of Colorado (Xcel Energy), Vice Chair
 - Karie Barczak – DTE Energy
 - Sandeep Borkar – ERCOT
 - Gerald Keenan – NWPP
 - Mario Kiresich – Southern California Edison
 - Thomas Leslie – Georgia Transmission Corp.
 - Michael Steckelberg – Great River Energy
 - Stephen Wendling – American Transmission Company
 - Jim Williams – SPP
 - Laura Anderson – NERC Standards Developer

- Introduction and review of agenda - **Laura Anderson**, NERC Standards Developer
- Project Overview - **Laura Anderson**, NERC Standards Developer
- Project 2018-03 SDT Recommendations – **Charlie Rogers**, Consumers Energy (Chair)
 - Standards/requirements recommended by SDT for additional review by SER Phase II Effort
 - Standards/Standard Requirements proposed by SDT to retire
- Next Steps - **Laura Anderson**, NERC Standards Developer
- Q&A

- Project 2018-03 proposes to:
 - Retire several Reliability Standards based on the requirements contained therein are:
 - Duplicative to other requirements;
 - Administrative in nature; or
 - Are otherwise unnecessary for reliability.
 - Revise several currently-effective Reliability Standards to remove (thereby retiring):
 - Duplicative;
 - Administrative; or
 - Otherwise unnecessary requirements.
 - Withdraw a Reliability Standard, MOD-001-2, which is currently pending approval by applicable governmental authorities.

- Deferring to the Standards Efficiency Review (SER) Phase II effort recommendations:
 - BAL-005-1, Requirements R4 and R6
 - Requirements R4 and R6 of BAL-005-1 are requirements specific to the calculation of the Area Control Error (ACE). TOP-010-1(i) Requirement R2 covers ACE with the wording of “...analysis functions and Real-time monitoring...” but does not cover specifics, such as: quality flags for missing or invalid data that is part of BAL-005-1, Requirement R4 or the accuracy of scan rates that is part of BAL-005-1, Requirement R6.
 - COM-002-4, Requirement R2
 - While training on communications protocols would fall into an entity’s systematic approach to training, the requirements do not explicitly mandate training on communications protocols. It is essential for all operators to have a common level of understanding and be trained in three-part communication.
 - EOP-005-3, Requirement R8
 - The PER-005 standard entails training processes, however it does not specifically provide for system restoration training.

- Deferring to the SER Phase II effort recommendations (Continued):
 - EOP-006-3, Requirement R7
 - The PER-005 standard entails training processes, however it does not specifically provide for system restoration training.
 - IRO-014-3, Requirement R3
 - The reliability objective of “notification” is mandated as a part of the Reliability Coordinator (RC) having and implementing Operating Procedures, Operating Processes, or Operating Plans that include criteria and processes for notifications (Requirement R1, Part 1.1), this ensures RC operations are coordinated to maintain reliability of the Bulk Electric System. As such, a separate requirement for ensuring notifications are made to impacted RCs is duplicative. However, IRO-014-3, Requirement R1 time horizon would need to be revised to a time horizon of “Real-time” if Requirement R3 were to be retired.

- Deferring to the SER Phase II effort recommendations (Continued):
 - IRO-017-1, Requirement R3
 - IRO-017-1 is not entirely duplicative of TPL-001-4, Requirement R8. The RC should be added as a named recipient to TPL-001-4 prior to considering IRO-017-1, Requirement R3 for retirement.
 - VAR-001-5, Requirement R3
 - For reliability purposes, the Transmission Operator (TOP) must ensure sufficient voltage support is provided in Real-time in order to operate within an System Operating Limits (SOLs) to prevent voltage-collapse events wherein the operation within SOLs/Interconnection Reliability Operating Limits (IROLs) itself is not adequate to assure stable voltage operations in both steady-state and transient conditions. The TOP-series of standards does not provide sufficient granularity to assure that adequate voltage/reactive resources, both of magnitude and type, are operated to voltage and reactive flow as necessary.

- The SDT is proposing to take no action on two standards already scheduled for retirement:
 - PRC-015-1, Requirements R1, R2, and R3 (all)
 - PRC-015-1 is scheduled to be retired on 12/31/2020 under the PRC-012-2 Implementation Plan (IP).
 - PRC-018-1, Requirements R1, R2, R3, R4, R5 and R6 (all)
 - PRC-018-1 is superseded by PRC-002-2 in Year 2022. The PRC-002-2 IP states: “Standard PRC-018-1 shall remain effective throughout the phased implementation period of PRC-002-2...”

- The SDT determined the following requirements are inappropriate for retirement because they serve a reliability benefit:
 - IRO-002-5, Requirements R4 and R6
 - Requirements R4 and R6 are necessary for the Real-time operators to be assured of having the tools necessary to monitor the BES.
 - IRO-008-2, Requirement R6
 - Although Requirement R6 appears to be administrative in nature, there are reliability benefits to knowing what actions were taken to prevent or mitigate the exceedance.
 - TOP-001-4, Requirements R16 and R17
 - Requirements R16 and R17 are necessary to make it clear that the System Operator has the authority to postpone, cancel or recall planned outages of EMS, IT or communications-related equipment.

The SDT is proposing to retire:

- FAC-008-3, Requirements R7 and R8
 - These requirements are duplicative of the data provision standards MOD-032-1, IRO-010-2, and TOP-003-3.
- FAC-013-2, Requirements R1, R2, R4, R5 and R6 (all)
 - This Reliability Standard is primarily administrative in nature and does not require specific performance metrics or coordination among functional entities.

The SDT is proposing to retire (continued):

- INT-004-3.1, Requirements R1, R2, and R3 (all)
 - Satisfies Paragraph 81 Criterion B6.
 - Applicable entity for Requirements R1 and R2, the Purchase-Selling Entity, has been removed from the list of NERC Functional Entities.
 - Requirement R3 specifically refers to “Pseudo-Ties that are included in the NAESB Electric Industry Registry,” reinforcing the tie to North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) Business Practice Standards.

The SDT is proposing to retire (continued):

- INT-006-4, Requirements R3.1, R4, and R5
 - Requirement R3 Part 3.1 can be retired under Paragraph 81, Criterion A.
 - Requirement R4 can be retired under Paragraph 81, Criteria A and B7. Covered in North American Energy Standards Board (NAESB) e-Tagging specifications, Section 1.6.3.1 and Section 1.3, Request State.
 - Requirement R5 can be retired under Paragraph 81, Criteria A and B7. This is covered in NAESB e-Tagging specifications, Section 1.6.4.
- INT-009-2.1, Requirement R2
 - This requirement can be retired under Paragraph 81, Criterion B7, as the requirement is redundant with approved NERC Reliability Standard BAL-005-1, Requirement R7.

The SDT is proposing to retire (continued):

- INT-010-2.1, Requirements R1, R2, and R3 (all)
 - Can be retired under Paragraph 81, Criteria B6 and B7; and
 - More stringent tagging requirements already exist in NAESB WEQ-004-1.
- IRO-002-5
 - Retire Requirement R1
 - Redundant to other requirements in the Interconnection Reliability Operation and Coordination (IRO) family of standards.
 - Retain Requirements R4 and R6
 - Necessary for the Real-time operators to be assured of having the tools necessary to monitor the BES.

The SDT is proposing to retire (continued):

- MOD-004-1, MOD-008-1, MOD-028-2, MOD-029-2a, MOD-030-3, MOD-001-1a and withdrawal of proposed MOD-001-2
 - Available Transfer Capability (ATC)/Available Flowgate Capability (AFC), as well as eTags, are commercially-focused elements, facilitating interchange and balancing of interchange.
 - The Real-time system operators are ambivalent of these commercial arrangements, as they must maintain reliability of the BES according to SOLs and IROLs.
 - If a scheduled interchange would violate SOLs or IROLs, the Real-time operators must disregard the scheduled interchange and operate the system to its actual reliability limits. This observation is reinforced by NERC's statement in the 2015 filing related to risk-based reliability proposing removal of the Interchange Authority from the compliance registry.

The SDT is proposing to retire (continued):

- MOD-020-0, Requirement R1 (all)
 - MOD-031-2 and IRO-010-2 do not give the necessary entities the authority to request relevant information, nor does MOD-031-2 and IRO-010-2 require the associated entities to provide that information.
 - Demand-Side Management (DSM) data is necessarily related to the near-term operating time horizon, as well as the planning time horizons, but not to the Real-time.
- PRC-004-5(i), Requirement R4
 - The compliance activities associated with this requirement fall into tracking of milestones and do not improve reliability.
 - It is in the best interest of the entity to continue to investigate and detect whether its Protection System components caused a Misoperation and develop a corrective plan for the identified Protection System component. This can be achieved through the entity's internal control policies and procedures engineered to maximize efficiency and reliability.

The SDT is proposing to retire (continued):

- TOP-001-4, Retain Requirements R16 and R17, Retire Requirements R19 and R22
 - Requirements R16 and R17
 - Requirements R16 and R17 of TOP-001-4 need to be retained to make it clear that the System Operator has authority to postpone, cancel or recall planned outages of EMS, IT or communications-related equipment.
 - Requirements R19 and R22
 - Redundant to other requirements in the TOP family of standards.

The SDT is proposing to retire (continued):

- VAR-001-5, Retire Requirement R2, Retain Requirement R3
 - Retire Requirement R2:
 - Duplicative with the existing requirements in the TOP-001-4 and TOP-002-4, which direct the TOP to plan and operate within in SOL values, which includes system voltage limits.
 - Retain Requirement R3:
 - For reliability purposes, the TOP must ensure sufficient voltage support is provided in Real-time in order to operate within an SOL to prevent voltage-collapse events wherein the operation within SOLs/IROLs itself is not adequate to assure stable voltage operations in both steady-state and transient conditions.
 - The TOP-series of standards does not provide sufficient granularity to assure that adequate voltage/reactive resources, both of magnitude and type, are operated to voltage and reactive flow as necessary.

- Project 2018-03 SER is posted for a 45-day concurrent comment and ballot period through April 12, 2019.
 - 10-day initial ballots for the standards (proposed for partial retirement) and non-binding polls of the associated Violation Risk Factors and Violation Severity Levels, as well as ballots for the standards proposed for complete retirement and a standard proposed for withdrawal will be conducted **April 3-12, 2019**.
 - There is a separate ballot for each of the standards, so it is necessary to join multiple pools in order to submit votes on the standards.
- SDT meeting is scheduled for April 17-18, 2019.
- The SDT will review and respond to comments received during the initial comment period and decide on next steps.

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Questions and Answers