

Consideration of Comments on Third Draft of FAC-008-2 Facility Ratings (Project 2006-09)

The Facility Ratings Standard Drafting Team (Project 2006-09) thanks all commenters who submitted comments on the third draft of standard FAC-008-2. This standard was posted for a 30-day public comment period from July 28, 2008 through August 26, 2008. The stakeholders were asked to provide feedback on the document through a special Electronic Standard Comment Form. There were 36 sets of comments, including comments from more than 100 different people from over 50 companies representing 8 of the 10 Industry Segments as shown in the table on the following pages.

Stakeholders identified some typographical errors and some area in the standard where adding words or rearranging words improved clarity – and the drafting team made those modifications. Based on stakeholder comments, the drafting team made the following modifications to the standard:

- Deleted Measure M6 as it asked for evidence of a “set” of Facility Ratings and the associated requirement did not include this
- Modified the Violation Severity Levels for R2, R3, and R4 to provide more variation in the categories of possible noncompliant performance, and to better align the language in the VSLs with the exact language in the associated requirements.

The drafting team was not able to satisfy all commenters.

- Several commenters do not believe the Generator Owner should be required to have a Facility Rating methodology. Some Generator Owners contend that the “capability” values provided under the MOD standards should meet the intent of providing a Facility Rating. The drafting team does not agree. Facility Ratings are used for both operations and planning - in load flows and stability studies. Capabilities are not an equal substitute.
- Some commenters indicated that the VRFs for having a documented Facility Rating methodology should be “lower” as the act of having a methodology is “administrative.” The drafting team believes that the intent of these requirements is to ensure that the Facility owner has a technical basis for the determination of its Facility Ratings – and thus these requirements meet the criteria for a “Medium” VRF.

The original comments can be viewed at the following site:

http://www.nerc.com/filez/standards/Facility_Ratings_Project_2006-09.html

Based on the limited modifications made to the standard, the drafting team is recommending that the standard move forward to the balloting stage of the standards development process.

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Gerry Adamski, at 609-452-8060 or at gerry.adamski@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Reliability Standards Development Procedures:
<http://www.nerc.com/standards/newstandardsprocess.html>.

Index to Questions, Comments, and Responses

1. Do you agree with the revisions made to the VSLs? If not, please provide the rationale for a proposed change..... 9
2. If you have any other comments you want to make on this standard, please provide them here. If you are recommending a change, please provide a reference to the section, requirement or subrequirement that you believe should be changed and the rationale for your proposal.....24

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The Industry Segments are:

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

	Individual or group.	Name	Organization	Registered Ballot body segment (check all industry segments in which your company is registered)																																			
1.	Group	Travis Sykes SERC EC Planning Standards Subcommittee	Tennessee Valley Authority	1 — Transmission Owners																																			
<table border="1"> <thead> <tr> <th></th> <th>Additional Member</th> <th>Additional Organization</th> <th>Region</th> <th>Segment Selection</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>John Sullivan</td> <td>Ameren.</td> <td>SERC</td> <td>1</td> </tr> <tr> <td>2.</td> <td>Charles Long</td> <td>Entergy</td> <td>SERC</td> <td>1</td> </tr> <tr> <td>3.</td> <td>Scott Goodwin</td> <td>Midwest ISO</td> <td>SERC</td> <td>2</td> </tr> <tr> <td>4.</td> <td>Pat Huntley</td> <td>SERC</td> <td>SERC</td> <td>10</td> </tr> <tr> <td>5.</td> <td>Phil Kleckley</td> <td>SC Electric And Gas</td> <td>SERC</td> <td>3</td> </tr> <tr> <td>6.</td> <td>Bob Jones</td> <td>Southern Company Services</td> <td>SERC</td> <td>1</td> </tr> </tbody> </table>						Additional Member	Additional Organization	Region	Segment Selection	1.	John Sullivan	Ameren.	SERC	1	2.	Charles Long	Entergy	SERC	1	3.	Scott Goodwin	Midwest ISO	SERC	2	4.	Pat Huntley	SERC	SERC	10	5.	Phil Kleckley	SC Electric And Gas	SERC	3	6.	Bob Jones	Southern Company Services	SERC	1
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5.	Phil Kleckley	SC Electric And Gas	SERC	3																																			
6.	Bob Jones	Southern Company Services	SERC	1																																			
2.	Individual	Jennifer Jmieff	Entergy	5 — Electric Generators 1 — Transmission Owners																																			
3.	Individual	Earl Fair	Gainesville Regional	1 — Transmission Owners, 3 — Load-serving Entities, 4 — Transmission-dependent Utilities, 5																																			

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	<u>Individual or group.</u>	<u>Name</u>	<u>Organization</u>	<u>Registered Ballot body segment (check all industry segments in which your company is registered)</u>
			Utilities	— Electric Generators, 9 — Federal, State, Provincial Regulatory, or other Government Entities
4.	Individual	Thomas J Bradish	Reliant Energy	6 — Electricity Brokers, Aggregators , 5 — Electric Generators
5.	Individual	Kris Manchur	Manitoba Hydro	3 — Load-serving Entities, 1 — Transmission Owners, 5 — Electric Generators, 6 — Electricity Brokers, Aggregators
6.	Group	Guy Zito	NPCC	10 — Regional Reliability Organizations/Regional Entities
	Additional Member	Additional Organization	Region	Segment Selection
	1. David Kiguel	Hydro One Networks, Inc.	NPCC	1
	2. Ron Falsetti	Independent Electricity System Operator	NPCC	2
	3. Ralph Rufrano	New York Power Authority	NPCC	5
	4. Mike Ranalli	National Grid	NPCC	3
	5. Roger Champagne	Hydro-Quebec TransEnergie	NPCC	2
	6. Rick White	Northeast Utilities	NPCC	1
	7. Greg Campoli	New York Independent System Operator	NPCC	2
	8. Kathleen Goodman	ISO - New England	NPCC	2
	9. Ed Thompson	Consolidated Edison Co. of New York, Inc.	NPCC	1
	10. Alan Adamson	New York State Reliability Council	NPCC	10
	11. John Babik	Dominion Resources, Inc.	NPCC	5
	12. Don Nelson	Massachusetts Dept. of Public Utilities	NPCC	9
	13. Brian Evans-Mongeon	Utility Services	NPCC	6
	14. Mike Gildea	Constellation Energy	NPCC	6
	15. Khaqan Khan	Independent Electricity System Operator	NPCC	2
	16. Lee Pedowicz	NPCC	NPCC	10
	17. Gerry Dunbar	NPCC	NPCC	10
7.	Individual	Scott Gronwold	Edison Mission Energy	Not Applicable
8.	Individual	Mike Kirkland	PEC	1 — Transmission Owners, 3 — Load-serving Entities, 5 — Electric Generators
9.	Individual	Karl Bryan	US Army Corps of Engineers	5 — Electric Generators
10.	Individual	Daniel J. Hansen	Reliant Energy	5 — Electric Generators
11.	Group	Sandra Shaffer	PacifiCorp	1 — Transmission Owners, 6 — Electricity Brokers, Aggregators , 3 — Load-serving Entities, 5 — Electric Generators
	Additional Member	Additional Organization	Region	Segment Selection

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1.				
2.				
12.	Individual	Adam Menendez	Portland General Electric Company	6 — Electricity Brokers, Aggregators , 5 — Electric Generators, 1 — Transmission Owners, 3 — Load-serving Entities
13.	Group	Denise Koehn	Bonneville Power Administration	1 — Transmission Owners, 5 — Electric Generators, 3 — Load-serving Entities, 6 — Electricity Brokers, Aggregators
Additional Member Additional Organization Region Segment Selection				
1.	Thong Trinh	Transmission Communications & Grid Modeling	WECC	1
14.	Individual	Vladimir Stanisic	Ontario Power Generation Inc	5— Electric Generators
15.	Group	John Blazekovich Standards Interface Subcommittee/Compliance Elements Drafting Resource Pool	Commonwealth Edison Co.	
Additional Member Additional Organization Region Segment Selection				
1.				
16.	Group	Roman Carter	Southern Company Transmission	1 — Transmission Owners
Additional Member Additional Organization Region Segment Selection				
1.	Chris Wilson	Southern Co. Transmission	SERC	1
2.	Terry Coggins	Southern Co. Transmission	SERC	1
3.	JT Wood	Southern Co. Transmission	SERC	1
4.	Jim Busbin	Southern Co. Transmission	SERC	1
5.	Raymond Vice	Southern Co. Transmission	SERC	1
6.	Marc Butts	Southern Co. Transmission	SERC	1
17.	Individual	Marcus Lotto	Southern California Edison Company	5 — Electric Generators, 6 — Electricity Brokers, Aggregators , 3 — Load-serving Entities, 1 — Transmission Owners
18.	Individual	Kirit S. Shah	Ameren	1 — Transmission Owners, 3 — Load-serving Entities, 5 — Electric Generators, 6 — Electricity Brokers, Aggregators
19.	Individual	Howard Rulf	We Energies	5 — Electric Generators, 4 — Transmission-dependent Utilities, 3 — Load-serving Entities

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20.	Individual	Mark Kuras	PJM	2 — RTOs and ISOs																												
21.	Group	Khaled Ayoub	Constellation Energy Unregulated Affiliates	6 — Electricity Brokers, Aggregators , 5 — Electric Generators																												
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22.	Individual	Rao Somayajula	ReliabilityFirst Corporation	10 — Regional Reliability Organizations/Regional Entities																												
23.	Individual	Dan Rochester	Independent Electricity System Operator — Ontario	2 — RTOs and ISOs																												
24.	Group	Louis Slade	Dominion Resources Services, Inc.	1 — Transmission Owners, 3 — Load-serving Entities, 5 — Electric Generators, 6 — Electricity Brokers, Aggregators																												
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3. Jack Kerr	VA Electric & Power Co.	SERC	1																													
25.	Individual	Robert Loy	Allegheny Energy Supply	5 — Electric Generators																												
26.	Group	Sam Ciccone	FirstEnergy Corp.	1 —Transmission Owners, 3 — Load-serving Entities, 5 — Electric Generators, 6 — Electricity Brokers, Aggregators																												
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27.	Group	Richard Kafka	Pepco Holdings, Inc. Affiliates	6 — Electricity Brokers, Aggregators , 5 — Electric Generators, 1 — Transmission Owners, 3 — Load-serving Entities																												
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7.	Individual	Jim Kugler	Conectiv Energy Supply, Inc	RFC 5
28.	Group	Pam Sordet	MRO NERC Standards Review Subcommittee	3 — Load-serving Entities, 1 — Transmission Owners, 5 — Electric Generators, 6 — Electricity Brokers, Aggregators
	Additional Member	Additional Organization	Region	Segment Selection
1.	Neal Balu	WPS	MRO	3, 6, 5, 4
2.	Terry Bilke	MISO	MRO	2
3.	Carol Gerou	MP	MRO	1, 3, 5, 6
4.	Jim Haigh	WAPA	MRO	1, 6
5.	Charles Lawrence	ATC	MRO	1
6.	Ken Goldsmith	ATLW	MRO	4
7.	Tom Mielnik	MEC	MRO	1, 3, 5, 6
8.	Dave Rudolph	BEPC	MRO	1, 3, 5, 6
9.	Eric Ruskamp	LES	MRO	3, 5, 6, 1
10.	Joseph Knight	GRE	MRO	1, 3, 5, 6
11.	Joe DePoorter	MGE	MRO	6, 3, 4, 5
12.	Larry Brusseau	MRO	MRO	10
13.	Michael Brytowski	MRO	MRO	10
29.	Group	Charles Yeung	ISO RTO Council Standards Review Committee	2 — RTOs and ISOs
	Additional Member	Additional Organization	Region	Segment Selection
1.	Anita Lee	AESO	WECC	2
2.	Patrick Brown	PJM	RFC	2
3.	Rick Lozano	CAISO	WECC	2
4.	Steve Myers	ERCOT	ERCOT	2
5.	Jim Castle	NYISO	NPCC	2
6.	Matt Goldberg	ISONE	NPCC	2
7.	Bill Phillips	MISO	RFC	2
8.	Ben Li	IESO	NPCC	2
30.	Individual	Armin Klusman	CenterPoint Energy	1 — Transmission Owners
31.	Individual	Bob Temple	Western Area Power	1 — Transmission Owners
32.	Individual	Greg Rowland	Duke Energy	1 — Transmission Owners, 3 — Load-serving Entities, 5 — Electric Generators, 6 — Electricity

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	Individual or group.	Name	Organization	Registered Ballot body segment (check all industry segments in which your company is registered)
			Corporation	Brokers, Aggregators
33.	Individual	Jason Shaver	American Transmission Company	1 — Transmission Owners
34.	Individual	Martin Bauer	US Bureau of Reclamation	5 — Electric Generators
35.	Individual	Thad Ness	AEP	5 — Electric Generators, 6 — Electricity Brokers, Aggregators , 1 — Transmission Owners, 3 — Load-serving Entities
36.	Group	Annette Bannon	PPL Supply	6 — Electricity Brokers, Aggregators , 5 - Electric Generators
	Additional Member	Additional Organization	Region	Segment Selection
	1. Joe Kisela	PPL Generation	RFC	5
	2. David Gladey	PPL Susquehanna	RFC	5
	3. Tom Lehman	PPL Montana	WECC	6, 5
	4. Jon Williamson	PPL EnergyPlus	WECC	6
	5. John Cummings	PPL EnergyPlus	WECC	6
	6. Mark Heimbach	PPL EnergyPlus	RFC	6

1. Do you agree with the revisions made to the VSLs? If not, please provide the rationale for a proposed change.

Summary Consideration: While many commenters agreed with most or all of the proposed VSLs, there were several commenters who suggested improvements corrections to typographical errors or recommended the addition of clarifying language to several of the VSLs and the drafting team adopted these suggestions. Other commenters indicated that the sets of VSLs for R3, R4 and R6 needed more significant revisions. Based on stakeholder comments, the drafting team revised the VSLs for R2, R3, and R4 as shown below.

R2	<p>The Transmission Owner’s or Generator Owner’s Facility Rating Methodology addresses all of its solely and jointly owned facilities, but is missing one of the following: Does not identify how it considered ratings from equipment manufacturers specifications (R2.2.2) OR The scope of equipment type addressed is missing one of the following: transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices. (R2.4.1) OR The methodology document is missing a statement that a Facility Rating shall respect</p>	<p>The Transmission Owner’s or Generator Owner’s Facility Rating Methodology does not address one of the following sub-requirements: R2.2.1, R2.2.3, R2.2.4. OR The scope of equipment addressed is missing two of the following equipment types: transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt. (R2.4.1) OR The methodology does not identify whether it is consistent with the methods identified in R2.1.1, R2.1.2, or R2.1.3.</p>	<p>The Transmission Owner’s or Generator Owner’s Facility Rating Methodology does not address two of the following sub-requirements: R2.2.1, R2.2.3, R2.2.4. OR The methodology does not respect the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility. (R2.3) OR The scope of equipment addressed is missing more than two of the following equipment types: transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices. (R2.4.1)</p>	<p>The Transmission Owner or Generator Owner has no Facility Rating Methodology. (R2)</p>
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<p>the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility. (R2.3)</p>	<p>OR The methodology is missing the process for determining either normal or emergency ratings. (R2.4.2)</p>			
<p>R3</p>	<p>The Transmission Owner or Generator Owner made its methodology available <u>to requesting entities</u> for inspection, but within a time period that was greater than 21 calendar days but less than 45<u>30</u> calendar days of receipt of a request - (R3)</p>	<p>The Transmission Owner or Generator Owner did not make its methodology available to either one of its requesting Transmission Planners or its Planning Coordinators but did make it available to its Reliability Coordinators and Transmission Operators.</p>	<p>The Transmission Owner or Generator Owner did not make its methodology available to either one of its requesting Transmission Planners or Planning Coordinators</p>	<p>The Transmission Owner or Generator Owner <u>received requests, but</u> did not make its Facility Ratings Methodology available to any of the required<u>requesting entities for inspection within 60</u> calendar days of a receipt of a request. (R3)</p>
		<p><u>OR</u> <u>The Transmission Owner or Generator Owner made its methodology available for inspection, but within a time period that was greater than 30 calendar days but less than 45 calendar days of receipt of a request (R3)</u></p>	<p><u>OR</u> <u>The Transmission Owner or Generator Owner made its methodology available to some but not all of its Reliability Coordinators and or one of its requesting Transmission Operators.</u></p>	
			<p><u>OR</u> <u>The Transmission Owner or Generator Owner made its methodology available for inspection, but within a time period that was greater than</u></p>	

R4	<p>The Transmission Owner or Generator Owner provided a complete response to comments on its Facility Ratings Methodology, but the response was <u>provided more than 45 days but less than 90 days after the comments were received</u>. (R4)</p>	<p>The Transmission Owner or Generator Owner provided an <u>on-time</u> late response to comments on its Facility Ratings Methodology and but the response was missing one of the following: An indication of whether changes were <u>will be made</u> <u>OR</u> <u>If no change will be made, the reason why no change will be made. An explanation to support the decision made.</u> (R4)</p>	<p><u>45 calendar days but less than 60 calendar days of receipt of a request.</u> (R3)</p> <p>The Transmission Owner or Generator Owner provided a response to comments on its Facility Ratings Methodology, on time, but the response was <u>provided more than 45 days but less than 90 days after the comments were received, and the response was missing one both of the following:</u> An indication of whether changes were <u>will be made</u> <u>OR</u> <u>If no change will be made, the reason why no change will be made. An explanation to support the decision made.</u> (R4)</p>	<p>The Transmission Owner or Generator Owner provided a response to comments on its Facility Ratings Methodology, that was late and was missing both of the following: An indication of whether changes were made An explanation to support the decision made <u>OR</u> The Transmission Owner or Generator Owner did not provide any response to comments on its Facility Ratings Methodology within 90 calendar days. (R4)</p>
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Organization	Question 1:	Question 1 Comments:
Manitoba Hydro	No	<p>Manitoba Hydro does not believe that lack of documentation or incomplete documentation rates a VSL of Severe, but would agree that a severe violation is warranted if limits are not provided. Therefore, there should not be any case of a Severe VSL associated with R1, R2, R3 or R4.</p> <p>A Severe Violation Severity Level should be limited to situations where rating data is not provided (i.e. a violation of R6 or R7). The critical issue is that planners and operators of the electric system have rating data. How does the failure to make a Facility Ratings Methodology document available for inspection (a violation of R3) jeopardize the reliability of the system?</p>
<p>Response: Violation Severity Levels 'categorize' noncompliant performance. If a requirement is not met at all, it should be assigned a "Severe" VSL. Violation Risk Factors assess the risk to reliability when a requirement is not met – Violation Severity Levels categorize how much of the requirement was met, without regard to the requirement's impact on reliability.</p>		
NPCC	No	Inconsistency with assignment of VSL levels--for example R1 moderate, R2 lower.
<p>Response: The drafting team is unsure of the intent of this comment. There are four VSLs for both R1 and R2. In each case, the drafting team tried to categorize the various types of noncompliant performance and assign them to the appropriate VSL.</p>		
PEC	No	<p>The R3 VSLs seem to imply a responsibility on the GO or TO part to send out its methodology to "all" mentioned parties instead of waiting for a request as stated in the requirement from one of the parties mentioned. Such a request would likely come from only one party at a time.</p> <p>The VSLs for R4 needs to be revised since the explanation is only required if no change is made to the methodology.</p>
<p>Response: Agreed. The drafting team has revised the VSLs in support of your comment on R3 and R4.</p>		
Entergy	No	<p>R6-Moderate VSL: Should include "on schedule." R6-High VSL: Does not have a provision for providing Facility Ratings to more than one entity but not all (on schedule, but incomplete).</p>
<p>Response: The drafting team did add the phrase, "on schedule" to the Moderate and High VSLs but did not add a new VSL as proposed. The VSLs provide categories of noncompliant performance – they don't identify every possible category of noncompliant performance.</p>		
Standards Interface Subcommittee/Compliance Elements Drafting Resource Pool		<p>Requirement R1. -- Yes Requirement R2. -- Yes Requirement R3. -- No. CEDRP proposed VSL Severe VSL: "The Transmission Owner and Generator Owner did not make its Facility Ratings Methodology available to any of the required entities within 45 calendar days of receipt of a request. (R3)"</p> <p>Requirement R4. -- No. CEDRP Proposed R4. Lower VSL: The Transmission Owner or Generator Owner provided a complete response to comments on its Facility Ratings Methodology, but the response was</p>

Organization	Question 1:	Question 1 Comments:
		<p>provided more than 45 days but less than 90 days after the comments were received. (R4)"</p> <p>CEDRP Proposed R4. Moderate VSL: "The Transmission Owner or Generator Owner provided a response to comments on its Facility Ratings Methodology on time, but was missing an indication of whether a change will be made or the reason why no change was made.</p> <p>(R4)"CEDRP Proposed R4. High VSL: "The Transmission Owner or Generator Owner provided a response to comments on its Facility Ratings Methodology but the response was provided more than 45 days but less than 90 days after the comments were received and the response was missing an indication of whether a change will be made or the reason why no change was made.</p> <p>(R4)"CEDRP Proposed R4. Severe VSL: "The Transmission Owner or Generator Owner did not provide any response to comments on its Facility Ratings Methodology within 90 calendar days. (R4)"</p> <p>Requirement R5. – Yes Requirement R6. – Yes Requirement R7. -- Yes</p>
<p>Response: The drafting team adopted your recommendations for revisions to the VSLs for R3 and R4.</p>		
Southern Company Transmission	No	<p>The Violation Severity Levels for R6 mention the "schedules". However, there is no mention in the standard as to what this means. Unless better defined in the standard, having this word in the VSL could further contribute to a TO or GO's violation to this requirement being more severe. Outside of this standard, where are these schedules established, vetted and judged to be reasonable for compliance by the TO and GO?</p>
<p>Response: The drafting team deliberately wrote the requirement so that the entity with the reliability-related need for the Facility Rating is the entity that has the "final say" in determining the schedule for provision of those ratings. Stakeholders have indicated that they do not like requirements that indicate two different functional entities must "agree" to something like a schedule, because there is no clear indication of which of those functional entities is held responsible if the parties involved cannot reach "agreement."</p> <p>As envisioned, the entity requesting the schedule will be reasonable in its request – the requesting entity has nothing to gain by making an unreasonable request. There is nothing in the standard that would preclude the entity responsible for developing the Facility Ratings from proposing a single schedule for delivery of the ratings to all of the potential recipients.</p>		
Ameren	No	<p>We do not agree with the VSL for R7 since we believe that R7 should be removed from the standard, as noted below in item 2.</p> <p>Regarding the VSL for R5, we have concerns as to how the audit teams are going to identify if <5%,</p>

Consideration of Comments on Third Draft of FAC-008-2 — Project 2006-09

Organization	Question 1:	Question 1 Comments:
		<p><10%, <15%, or more than 15% of the ratings reviewed are inconsistent with the rating methodology if only a limited spot check of the ratings and methodologies are performed.</p> <p>Also, with the VSL as proposed, it appears that if any information is missing from the submittals of smaller entities with only a few transmission facilities, the probability of a having a high or severe VSL is great. Before assessing the VSL, how is it determined that the TO or GO actually received the request to provide the information for R3, R4, and R6?</p>
<p>Response: Requirement R7 is in the standard to comply with a FERC directive and the drafting team cannot remove the requirement unless there is another requirement developed that will achieve the same objective.</p> <p>There are many requirements with VSLs that use % - the drafting team believes that to be fair, the Compliance Enforcement Authority (CEA) must review more than one or two Facility Ratings. Using a % seems the fairest method of determining whether the entity is compliant. If the responsible entity believes that the sampling is inappropriate, the entity can file an appeal.</p> <p>The measures for R3, R4 and R6 suggest that the responsible entity could retain dated electronic note as part of the evidence used to demonstrate compliance. The dated electronic note could reference the date the request was made.</p>		
PJM	No	<p>The R3 VSLs seem to imply a responsibility on the GO or TO part to send out its methodology to all mentioned parties instead of waiting for a request as stated in the requirement. Such a request would likely come from only one party at a time.</p> <p>The VSLs for R4 needs to be revised since the explanation is only required if no change is made to the methodology.</p> <p>R5 - Using percentages unfairly discriminates against entities with a small number of facilities. For example if I only have four pieces of equipment, missing one would make me Severe. Suggest judging compliance on each piece of equipment separately.</p>
<p>Response: The drafting team modified the VSLs for R3 and R4 in support of your comments.</p> <p>There are many requirements with VSLs that use % - the drafting team believes that to be fair, the Compliance Enforcement Authority (CEA) must review more than one or two Facility Ratings. Using a % seems the fairest method of determining whether the entity is compliant. If the responsible entity believes that the sampling is inappropriate, the entity can file an appeal.</p>		
Allegheny Energy Supply	No	<p>Because our position is that facility ratings do not improve reliability when used for real time and planning studies, we do not support a "severe" VSL for any infraction of this standard.</p>
<p>Response: Violation Risk Factors assess the risk to reliability when a requirement is not met – Violation Severity Levels categorize how much of the requirement was met, without regard to the requirement’s impact on reliability.</p>		
FirstEnergy Corp.	No	<p>R1 VSL - It seems as though the VSL for R1 have gaps. Say, for example, you considered R1.2 through</p>

Organization	Question 1:	Question 1 Comments:
		R1.5, but failed to consider R1.1. Would this example be a High or Severe VSL? And why should this example be a High or Severe VSL, and not simply a Lower VSL?
<p>Response: In assigning the noncompliant performance to various VSLs, the drafting team tried to assess each subrequirement's contribution to the objective of the requirement. In the case of requirement 1, the subrequirements don't contribute equally to the objective of the requirement.</p>		
<p>The VSLs provide categories of noncompliant performance – they don't identify every possible category of noncompliant performance. The Compliance Enforcement Authority will have to determine which category the noncompliant performance belongs to.</p>		
Independent Electricity System Operator — Ontario	No	<p>We do not agree with a number of VSLs. In general, our comments address what appear to be non-inclusive conditions of violation.</p> <p>In the VSLs developed for R1 to R7, there are a number of very specific conditions, and we do not have major difficulty in these conditions by themselves. However, when we start to look at conditions that are not specified, we encounter difficulty identifying an applicable VSL for these other conditions. Our detailed comments are provided below.</p> <p>R1: Under Severe, the first "R1.2" is not needed. Further, the condition should be made clear that a Severe will be assigned if the TO/GO did not consider any of the 5 subrequirements at all. We therefore suggest this be changed to: "The Generator Owner's Facility Ratings Methodology for generating unit Facilities, does not at all identify how any of the following were considered:"</p> <p>R2: Any non-compliance with ONE of the listed set [2.2.1, 2.2.3, 2.2.4] or [2.1.1, 2.1.2, 2.1.3] is assigned a Moderate violation, and non-compliance with TWO of the set [2.2.1, 2.2.3, 2.2.4] or non-compliance with 2.4.1 of 2.4.2 is assigned a High. And then a Severe is assigned when The Transmission Owner or Generator Owner has no Facility Rating Methodology. This is a "nothing at all" condition, hence begs the question on what VSL is assessed for a number of other non-compliance conditions. For example, what if the entity failed to meet two of the Moderate set [[2.2.1, 2.2.3, 2.2.4] or [2.1.1, 2.1.2, 2.1.3]; or what if the entity failed to meet all of the High set [2.2.1, 2.2.3, 2.2.4]; or any combination of the above that is not specifically identified for the Moderate and High VSLs. Please review and revise as necessary.</p> <p>To simplify the VSLs for R1 and R2, we suggest the SDT consider assigning the severity level based on how many sub-requirements have been missed. For example, for R1 the VSLs would look like:- lower VSL: missed one sub-requirement in R1; - moderate VSL: missed two sub-requirements in R1;</p>

Organization	Question 1:	Question 1 Comments:
		<p>- high VSL: missed three sub-requirements in R1; - severe VSL: missed more then three sub-requirements in R1;</p> <p>Similar approach may be adopted for R2.</p> <p>R3: A Moderate VSL is assigned if "The Transmission Owner or Generator Owner did not make its methodology available to either its Transmission Planners or its Planning Coordinators but did make it available to its Reliability Coordinators and Transmission Operators. The first condition under High, which says: "The Transmission Owner or Generator Owner did not make its methodology available to either its Transmission Planners or Planning Coordinators" is essentially the same as the Moderate condition, except it doesn't carry the "did make it available to its Reliability Coordinators and Transmission Operators" qualifier. This needs to be clarified. Further, again with the Severe being a "nothing at all" condition, there are some conditions that are not covered. For example, what if the entity failed to make the methodology available to BOTH the TP and PC (a condition not covered under Moderate0; or what if the entity made its methodology available to some but not all of its Reliability Coordinators only, or not all of its Transmission Operators only. These conditions are not covered under High since a High will only be assigned if the entity made its methodology available to some but not all of its Reliability Coordinators AND Transmission Operators. Please review and revise as needed.</p> <p>R6: The first condition for a Moderate VSL is unclear. Does the second "but" really mean "and"? That is, a Moderate VSL is assigned if the Transmission Owner or Generator Owner provided all of its Facility Ratings to all but one of the requesting entities AND [but] the Facility Ratings provided to one of the required entities were incomplete? Even assuming this is the case, this condition is troublesome. It is mixing the need to provide information to all entities and the completeness of the information. What if the entity provided all of its Facility Ratings to all but one requesting entities and all the Facility Ratings provided were complete? On the other hand, what if the entity did not miss providing this information to any of the requesting entities, but one of the set was incomplete? Please review and revise. Further, having this condition, we would interpret the condition under High to mean that the information provided to both the TP and PC, or both the RC and TOP, is incomplete (since any single incomplete incident would have been covered by the Moderate VSL). If this interpretation is correct, then the follow-on question is what if the entity provided incomplete information to one of the TP/PC and one of RC/TOP pairs? Similar question applies to the Severe condition where it appears that a Severe is assigned if the entity did not provide to both the TP and PC or the RC and TOP. Please review and assess.</p>
<p>Response: The Compliance Enforcement Authority will have to use judgment when determining which category of VSL best matches the performance that is measured. The requirement has far too many variables to list all possible combinations of VSLs. For example – an entity may</p>		

Organization	Question 1:	Question 1 Comments:
		<p>partially meet one or more of the subrequirements, and the VSLs don't account for this. The drafting team assigned specific types of noncompliant performance to specific VSLs based on the contribution each subrequirement makes in achieving the overall objective of the requirement. (This also applies to suggestions for revising R1 and R2 VSLs)</p> <p>The drafting team does not believe that the addition of "at all" improves the VSL for R1</p> <p>The drafting team did revise the VSLs for R3. Please see the revised draft of the standard.</p> <p>The drafting team did not revise the VSLs for R6 as proposed because the suggested revision does not change the meaning and most commenters agreed with the language.</p>
<p>Dominion Resources Services, Inc.</p>	<p>No</p>	<p>R1 - Contains typo. Suggest deletion of R1.2. at the beginning of the sentence that reads "R1.2.Performance history or?"</p> <p>R2 - The VSLs for requirement R2 seem to contain a redundancy. Specifically the third option for the Lower VSL appears to be the same as the second option for the High VSL. There are subtle wording differences, but any intended difference in meaning is unclear. Our interpretation is that there is no difference. If the methodology document is missing a statement that a Facility rating shall respect the most limiting applicable Equipment Rating (the Lower VSL), then it must be assumed that the methodology indeed does not respect the most limiting applicable Equipment Ratings (the High VSL). To find otherwise, an auditor would have to "read between the lines" or take someone's word for it. We recommend removing from the lower VSL.</p> <p>R3, R6 - The VSLs for requirements R3 and R6 are confusing in that they appear to try to address all possible permutations of which information recipients, alone or in various pairings, may or may not have received complete or incomplete information in a timely or untimely manner. They fail to cover every case. For example, the VSLs for R3 fail to address the case where the TP and PC both received complete and timely information but neither the RC nor TOP received anything.</p> <p>Also, the VSLs for R6 fail to address the case where complete information was supplied to all but one requesting entity and that entity was totally ignored. There are probably other permutations that are not covered either. The solution to this problem is to re-write the VSLs for R3 and R6 using the VSLs for requirement R7 as a model. As we interpret them, the VSLs for R7 are worded so as to evaluate the responsiveness to each requesting entity separately and independently -- as it should be. If a TO or GO fails to respond adequately to a requesting entity, they should be found non-compliant solely on the merits of their response to that single requesting entity. It shouldn't matter that they may have responded very well to some other entity. If they fail to respond adequately to multiple requesting entities, they should be found non-compliant multiple times. That is what would happen if this standard were written so</p>

Organization	Question 1:	Question 1 Comments:
		<p>that there was a separate, individual requirement for providing information to each separate, individual requesting entity. The proposed wording for revised VSLs for requirement R3 is as follows: Lower: The Transmission Owner or Generator Owner provided a complete, compliant methodology in response to a request but in a time period that was greater than 21 calendar days, but less than 45 calendar days. (R3) Moderate: The Transmission Owner or Generator Owner responded to the request within 21 calendar days, but the methodology was incomplete or non-compliant. (R3) High: The Transmission Owner or Generator Owner responded to the request in a time period that was greater than 21 calendar days, but less than 45 calendar days AND The response was incomplete or non-compliant. (R3) Severe: The Transmission Owner or Generator Owner did not provide any response within 45 calendar days. (R3)</p> <p>The proposed wording for revised VSLs for requirement R6 is as follows: Lower: The Transmission Owner or Generator Owner provided all its Facility Ratings in response to a request but missed meeting the schedule by up to 15 calendar days. (R6)</p> <p>Moderate: The Transmission Owner or Generator Owner responded to the request on schedule, but the Facility Ratings provided were incomplete. (R6)</p> <p>High: The Transmission Owner or Generator Owner responded to the request in a time period that was greater than 15 calendar days beyond the scheduled date but less than 45 calendar days beyond the scheduled date AND The Facility Ratings provided were incomplete. (R6)</p> <p>Severe: The Transmission Owner or Generator Owner did not provide its Facility Ratings in response to a request within 45 calendar days beyond the scheduled date. (R6)</p> <p>R5 - We suggest revisions to R5 as shown below . Lower - The Transmission Owner or Generator Owner developed Facility Ratings and not all, but more than 95% of the ratings reviewed were consistent with the associated Facility Rating Methodology.</p> <p>Moderate - The Transmission Owner or Generator Owner developed Facility Ratings but only between 90-95% of the ratings reviewed were consistent with the associated Facility Rating Methodology.</p> <p>High - The Transmission Owner or Generator Owner developed Facility Ratings but only between 85-90% of the ratings reviewed were consistent with the associated Facility Rating Methodology.</p> <p>Severe - The Transmission Owner or Generator Owner developed Facility Ratings but less than 85% of the ratings reviewed were consistent with the associated Facility Rating Methodology.</p>

Organization	Question 1:	Question 1 Comments:
<p>Response: R1 – the extra word, “facility” was removed as proposed as well as the extra R1.2 R2 – the Lower VSL is assigned if there is “one” of the identified subrequirements is missing (not including the sentence in the methodology) – while the High VSL is associated with having a methodology that does not respect the most limiting equipment rating R3 – the drafting team modified the VSLs to provide a broader range of possible categories of noncompliant performance. R6 – the drafting team elected to modify R6 VSLs in support of other stakeholder comments. The Compliance Enforcement Authority will have to use judgment when determining which category of VSL best matches the performance that is measured. The requirement has far too many variables to list all possible combinations of VSLs. R5 - The proposed VSLs for R5 do not seem to be an improvement over the wording provided – the proposed VSLs focus on what was correct, but VSLs are used to identify categories of “noncompliant” performance – so the focus is on what % was inconsistent.</p>		
Pepco Holdings, Inc. Affiliates	Yes	While PHI does not have any concerns with applicability to its affiliates, we recognize that the percentage boundaries could be of concern to an entity with a small number of facilities.
<p>Response: There are many requirements with VSLs that use % - the drafting team believes that to be fair, the Compliance Enforcement Authority (CEA) must review more than one or two Facility Ratings. Using a % seems the fairest method of determining whether the entity is compliant. If the responsible entity believes that the sampling is inappropriate, the entity can file an appeal.</p>		
MRO NERC Standards Review Subcommittee	No	<p>For the Moderate, High and Severe VSL for R4, this VSL should be rewritten to delineate the options available, because “both” implies two options. For the Moderate VSL, 'Or' added after 'changes were made or'. For the High and Severe VSL, 'And' added as well as a period after 'changes were made. and'.</p> <p>In the Lower VSL for R5, the text “some but” should be deleted.</p> <p>In the Moderate VSL for R5, the text “or more but less than” should be deleted and the text “between” should be inserted between “but” and “5%” so that the VSL description reads “ Facility Ratings but between 5% and 10% of the ratings reviewed”</p> <p>In the High VSL for R5, the text ‘or more but less than’ should be deleted and the text ‘between’ should be inserted between ‘but’ and ‘10%’ so that the VSL description reads “Facility Ratings but between 10% and 15% of the ratings reviewed”</p> <p>A.5 - Suggest this text revision: "that is twenty four months beyond the date.". This change is proposed to allow enough time to establish ratings that are consistent with the associated methodology, which may take significant time particularly for lines if Lidar data needs to be obtained and processed. If the SDT changes any requirements, then comments can not be made on Measures, Data Retention, and VSLs</p>

Organization	Question 1:	Question 1 Comments:
		until Requirements are established.
		<p>Response: The VSLs for R4 were revised and the word “both” is no longer used. The VSLs for R5 were modified to improve the clarity. Regarding the proposed effective date - The standard does not require collection of Lidar data. As envisioned, entities should already have a Facility Rating Methodology (as required by FAC-008-1 Requirement R1) and should already have Facility Ratings developed in accordance with that methodology (as required by FAC-009-1 Requirement R1). The twelve months delay before the new standard becomes effective should provide entities sufficient time to update, where needed, both their Facility Rating Methodology and their associated Facility Ratings.</p>
ISO RTO Council Standards Review Committee	No	<p>We do not agree with raising R1 and R2 to Medium VRFs from Lower. These requirements both require a documented methodology. If producing a piece of documentation is not administrative, what is?</p> <p>We do not agree with a number of VSLs. In general, our comments address what appears to be non-inclusive conditions of violation. In the VSLs developed for R1 to R7, there are a number of very specific conditions, and we do not have major difficulty in these conditions by themselves. However, when we start to look at conditions that are not specified, we encounter difficulty identifying an applicable VSL for these other conditions. Our detailed comments are provided below.</p> <p>R1: The VSLs are not all inclusive for the sub-requirements. As the VSLs are currently defined, a violation of R1.1, R1.2, R1.3, or R1.5 do not fit any of the categories. It appears the VSLs are defined based on the varying impacts of the sub-requirements. If this was not intended, we suggest you use generic language such as two of the sub-requirements were not considered. Under Severe, the first "R1.2" is not needed. Further, the condition should be made clear that a Severe will be assigned if the TO/GO did not consider any of the 5 subrequirements at all. We therefore suggest this be changed to: "The Generator Owner's Facility Ratings Methodology for generating unit Facilities, does not at all identify how any of the following were considered:"</p> <p>R2: Any non-compliance with ONE of the listed set [2.2.1, 2.2.3, 2.2.4] or [2.1.1, 2.1.2, 2.1.3] is assigned a Moderate violation, and non-compliance with TWO of the set [2.2.1, 2.2.3, 2.2.4] or non-compliance with 2.4.1 or 2.4.2 is assigned a High. And then a Severe is assigned when The Transmission Owner or Generator Owner has no Facility Rating Methodology. This is a "nothing at all" condition, hence begs the question on what VSL is assessed for a number of other non-compliance conditions. For example, what if the entity failed to meet two of the Moderate set [[2.2.1, 2.2.3, 2.2.4] or [2.1.1, 2.1.2, 2.1.3]; or what if the entity failed to meet all of the High set [2.2.1, 2.2.3, 2.2.4]; or any combination of the above that is not specifically identified for the Moderate and High VSLs. Please review and revise as necessary.</p> <p>To simplify the VSLs for R1 and R2, we suggest the SDT consider assigning the severity level based on</p>

Organization	Question 1:	Question 1 Comments:
		<p>how many sub-requirements have been missed. For example, for R1 the VSLs would look like:- lower VSL: missed one sub-requirement in R1;- moderate VSL: missed two sub-requirements in R1;- high VSL: missed three sub-requirements in R1;- severe VSL: missed more then three sub-requirements in R1;Similar approach may be adopted for R2.R3: A Moderate VSL is assigned if "The Transmission Owner or Generator Owner did not make its methodology available to either its Transmission Planners or its Planning Coordinators but did make it available to its Reliability Coordinators and Transmission Operators. The first condition under High, which says: "The Transmission Owner or Generator Owner did not make its methodology available to either its Transmission Planners or Planning Coordinators" is essentially the same as the Moderate condition, except it doesn't carry the "did make it available to its Reliability Coordinators and Transmission Operators" qualifier. This needs to be clarified. Further, again with the Severe being a "nothing at all" condition, there are some conditions that are not covered. For example, what if the entity failed to make the methodology available to BOTH the TP and PC (a condition not covered under Moderate0; or what if the entity made its methodology available to some but not all of its Reliability Coordinators only, or not all of its Transmission Operators only. These conditions are not covered under High since a High will only be assigned if the entity made its methodology available to some but not all of its Reliability Coordinators AND Transmission Operators. Please review and revise as needed.</p> <p>R6: The first condition for a Moderate VSL is unclear. Does the second "but" really mean "and"? That is, a Moderate VSL is assigned if the Transmission Owner or Generator Owner provided all of its Facility Ratings to all but one of the requesting entities AND [but] the Facility Ratings provided to one of the required entities were incomplete? Even assuming this is the case, this condition is troublesome. It is mixing the need to provide information to all entities and the completeness of the information. What if the entity provided all of its Facility Ratings to all but one requesting entities and all the Facility Ratings provided were complete? On the other hand, what if the entity did not miss providing this information to any of the requesting entities, but one of the set was incomplete? Please review and revise. Further, having this condition, we would interpret the condition under High to mean that the information provided to both the TP and PC, or both the RC and TOP, is incomplete (since any single incomplete incident would have been covered by the Moderate VSL). If this interpretation is correct, then the follow-on question is what if the entity provided incomplete information to one of the TP/PC and one of RC/TOP pairs? Similar question applies to the Severe condition where it appears that a Severe is assigned if the entity did not provide to both the TP and PC or the RC and TOP. Please review and assess.</p>
<p>Response: The SDT modified the VRFs for two reasons – to be consistent with approved VRFs for similar requirements in other standards and in response to a closer review of the “intent” of the requirement. The “intent” is not to produce a “document” the “intent” is to have a technical basis for the determination of Facility Ratings. If an entity does not have a documented methodology, then they may not have a technical basis for the setting of their Facility Ratings. Facility Ratings are used in power flows and stability studies. The Violation Risk Factor of Medium recognizes</p>		

Organization	Question 1:	Question 1 Comments:
<p>that the methodology is intended to ensure that the owner has a technically sound basis for rating its Facilities.</p> <p>The Compliance Enforcement Authority will have to use judgment when determining which category of VSL best matches the performance that is measured. The requirement has far too many variables to list all possible combinations of VSLs. For example – an entity may partially meet one or more of the subrequirements, and the VSLs don't account for this. The drafting team assigned specific types of noncompliant performance to specific VSLs based on the contribution each subrequirement makes in achieving the overall objective of the requirement. (This also applies to suggestions for revising R1 and R2 VSLs)</p> <p>The drafting team does not believe that the addition of “at all” improves the VSL for R1</p> <p>The drafting team did revise the VSLs for R3. Please see the revised draft of the standard.</p> <p>The drafting team did not revise the VSLs for R6 as proposed because the suggested revision does not change the meaning and most commenters agreed with the language.</p>		
Duke Energy Corporation	No	See comment number 2 below. This standard should not be applicable to Generator Owners, and the VSLs should be revised accordingly. Namely, the R1 VSL should be deleted, and VSLs for R2, R3, R4, R5 and R6 should have references to Generator Owner removed.
<p>Response: Please see the response to comments under question 2.</p>		
US Bureau of Reclamation	No	R1. As indicated in the comment on the requirement R1 provided under Question 2, the use of all the sources of information violation severity level is not necessary. This severity level should be revised to reflect that.
<p>Response: R1 requires the Generator Owner to identify how each of the types of information was “considered”. If an entity does not consider any of the required types of information, then this is a “Severe” VSL because the requirement has not been met at all.</p>		
Ontario Power Generation Inc	No	Please see general comments.
<p>Response: Please see response in the general comments.</p>		
American Transmission Company	Yes	
Western Area Power	Yes	
SERC EC Planning Standards Subcommittee	Yes	
Gainesville Regional Utilities	Yes	
Edison Mission Energy	Yes	

Organization	Question 1:	Question 1 Comments:
US Army Corps of Engineers	Yes	
PacifiCorp	Yes	
Bonneville Power Administration	Yes	
We Energies	Yes	
ReliabilityFirst Corporation	Yes	

Consideration of Comments on Third Draft of FAC-008-2 — Project 2006-09

2. If you have any other comments you want to make on this standard, please provide them here. If you are recommending a change, please provide a reference to the section, requirement or subrequirement that you believe should be changed and the rationale for your proposal.

Summary Consideration: Several commenters suggested clarifications to requirements and measures. Based on stakeholder comments, the drafting team deleted Measure 6 as it looked for a 'set' of Facility Ratings and the requirement does not mandate that the Facility Ratings be organized in any particular fashion.

Organization	Question 2 Comments:
SERC EC Planning Standards Subcommittee	Requirement 1 pertains to Generator Owners. It is not clear if Requirement 2 was intended to be just a Transmission Owner requirement. As written, it applies to both Generator Owners and Transmission Owners but duplicates much of the language in R1. The wording does appear to be more appropriate for Transmission Owners.
<p>Response: There are some facilities that are owned by a Generator Owner that are not "generating unit" facilities. Facilities that are owned by the Generator Owner but are not part of the "generating unit" are addressed in Requirement R2. R1 is focused on the generating unit – R2 is focused on all other transmission facilities. The owner of the equipment is the entity that is responsible for setting the rating.</p>	
Entergy	R2.1.2. "open process" is not defined1. Compliance Monitoring Process: May be more appropriate as "Compliance Monitoring and Enforcement"1.4 (first sentence): Keep "the" and omit "period"
<p>Response: The drafting team is not required to define every word or phrase that is used in a standard. The term, "open process" is used in many of the source documents used in the standards development process – including the Reliability Standards Development Procedure. The language used to define the compliance monitoring processes was selected to match the language in the ERO Rules of Procedure.</p>	
Reliant Energy	<p>Propose change to: 4. Applicability 4.2. Generator Owner I question the need to include the generator owner in the applicability of this standard. The methodology needed to rate generator equipment is embedded in MOD 024, 025, 026 and 027 so I don't believe that it is necessary to include the generator in this standard. The standard should only be applicable to Transmission Owners. The items listed under R2.4 are primarily transmission system components.R2.4.1. The scope of equipment addressed shall include, but not be limited to, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices.R2.4.2. The scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings.</p> <p>Another concern is the use of the phrase but not limited to which is very general and doesn't offer any guidance to an auditor when determining compliance.</p> <p>Also the Glossary defines Facility Rating in the following terms. Facility Rating- The maximum or minimum voltage, current, frequency, or real or reactive power flow through a facility that does not violate the applicable equipment rating of any equipment comprising the facility. This definition is primarily referring to equipment that is in a sub-station. The only time this standard should be applicable to a generator is when that generator owns a sub-station that is part of the BES.</p>

Organization	Question 2 Comments:
	<p>Response: The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 through MOD-027 are verification standards – they aren't methodologies for facility ratings.</p> <p>There are some facilities that may be owned by a Generator Owner that are not “generating unit” facilities. These facilities that are owned by the Generator Owner but are not part of the “generating unit” include some of the facilities identified in Requirement R2.</p> <p>The phrase, ‘but not limited to’ allows the responsible entity to have ratings for other facilities.</p>
Manitoba Hydro	<p>Manitoba Hydro does not agree with the Violation Risk Factors assigned to requirements R1 and R2. The requirement that the Transmission and Generator Owner each have a documented methodology for determining Facility Ratings should not be assigned a Medium VRF. Manitoba Hydro currently has a methodology that is used to determine Facility Ratings. If Manitoba Hydro does not clearly document this methodology, system reliability will not be negatively affected, as long as the appropriate ratings have been provided to the operators.</p>
	<p>Response: If an entity does not have a documented methodology, then they may not have a technical basis for the setting of their Facility Ratings. This meets that qualifications for a “Medium VRF.” Facility ratings are used in power flows and stability studies. The Violation Risk Factor of Medium recognizes that the methodology is intended to ensure that the owner has a technically sound basis for rating its facilities.</p>
NPCC	<p>There are certain standards which require coordination of effective dates such that the standards will not become effective at different times in different areas. This Standard should be modified to ensure that it becomes effective in all jurisdictions at the same time, including those where regulatory approval is not required.</p>
	<p>Response: The drafting team does not see the impact to reliability of implementing this standard at different times in different jurisdictions.</p>
Edison Mission Energy	<p>In considering Requirement 1, one of the most limiting factors for some generating stations is their Operating Permit (wrt Title V, et.al.). Is this covered in R1.2? If so, it should be clearer. If a generating unit is limited by an environmental Operating permit to (for example) 300 MW and that is lower than any of the major equipment's nameplate ratings, will that unit be in violation of this standard? I believe not, but clarity wrt environmental operating permits would solve this confusion.</p>
	<p>Response: The subrequirements in R1 are not intended to exclude the use of other factors in determining Facility Ratings. The methodology could reference the limits associated with the Operating Permit as one of the ambient conditions.</p>
PEC	<p>R1-PEC suggests that the standard be more clear on or define the meaning of “generating unit Facilities” to reduce ambiguity for the applicable entities and other potential stakeholders. Confusion exist partly due to the lack of coordination with NERC FAC standards, MOD standards on generator testing, and FERC requirements (OATT) that include definitions of various transmission facilities as they relate to generator interconnections.</p>
	<p>Response: There are some facilities that are owned by a Generator Owner that are not “generating unit” facilities. These facilities that are owned by the Generator Owner but are not part of the “generating unit” are addressed in Requirement R2. R1 is focused on the generating unit – R2 is focused on all other transmission facilities. The owner of the equipment is the entity that is responsible for setting the rating.</p>
US Army Corps of Engineers	<p>Requirement R1 now requires the Facility Methodology to identify how each of the R1.1 through R1.5 have been dealt with. This is a bit of overkill and a more appropriate way to assure that the methodology has a sound basis in</p>

Organization	Question 2 Comments:
	<p>engineering and where appropriate the Ambient Conditions are being considered would be to change the requirement and the subrequirements as follows:</p> <p>R1. The Generator Owner shall have a documented methodology for determining the Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned generating unit Facilities that identifies at least one of the following was considered: [Violation Risk Factor: Lower Medium] [Time Horizon: Long-term Planning]</p> <p>R1.1. Facility commissioning data. R1.1.1 Ambient conditions.</p> <p>R1.2. Performance history or rating verification accompanied by engineering analysis. R1.2.1 Ambient conditions.</p> <p>R1.3. Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications.R1.4.1 Ambient conditions.</p> <p>R1.4. Equipment Rating standard(s) used in development of this methodology. R1.5.1 Ambient conditions.</p> <p>The Ambient Conditions are a modifying factor to the equipment ratings and thus should be a subset requirement to the other approaches to documenting of equipment/facility ratings. Only one of the approaches needs to be performed to develop a Facility Rating and there is no benefit or additional value in requiring all of the approaches to be used.</p>
	<p>Response: The subrequirements in R1 identify elements that must be addressed – ambient conditions is one of the elements. Each Generator Owner’s methodology must identify how each of the subrequirements has been addressed. If one or more of the elements (such as commissioning data) is not used in the methodology, then the methodology must include a statement indicating that commissioning data was not used and another means was used to rate the units. The word, “Consider” is not the same as the word, “use.”</p>
Reliant Energy	<p>Thank you for the opportunity to comment on the efforts of the standard drafting team. Please consider the following comments in your continued development of the standard.</p> <p>It is recommended to remove Generator Owners from the applicability section and requirements of the standard. The reasons are provided below.</p> <p>Beyond the catch-all statement of BES reliability, for R1, there is no clear and precise objective for what the Facility Rating or its methodology is to accomplish, what specific purpose it serves, or the scope it is limited. We recognized that there are very distinct differences in the need for facility ratings if the elements are networked components of the transmission system, in comparison to radial elements of a generating station, which can only deliver the generator output (a finite and defined quantity). Is facility rating documentation for generating stations intended to accomplish the following: 1. Serve as a design guide for an engineering organization to size electrical conductors or develop equipment specifications for major components such as generators and transformers? 2. Factor in the generator prime mover in the analysis with endless possibilities and considerations all of its upstream components? 3. Environmental restrictions and permits included? As radial components to the BES, the verification of output capabilities of generating stations as required by Standards MOD-024 & MOD-025 is more relevant to BES reliability as the end result of planning, execution,</p>

Organization	Question 2 Comments:
	<p>and continued maintenance of components to a demonstrated generator output capability. We consider this much more valuable effort ensuring BES reliability than the maintenance or justification of original commissioning data (which may not exist for older stations) for use as facility ratings documentation. Multiple standards should not exist in parallel for generator owners to accomplish what is ultimately the same end result. The real question is can generating owners deliver what they claim is their output. Compliance to MOD-024 & MOD-025 will verify that. For this reason, it is recommended to remove Generator Owners from the applicability section of the standard.</p> <p>Also, aside from the issue of including R1 in the standard, the structure of the requirements need further consideration. Rather than identifying how each of the following were considered for R1.1, R1.2, R1.3, the requirement should be patterned in a similar manner to the statement in R2.1: shall be consistent with at least one of the following: It may not be practical to apply a single specific methodology for a fleet of generating units that span the continent in different geographical regions, when they were designed and constructed decades apart and the diversity of original station documentation is significantly. Although original commissioning is useful, consider the relevance if not available on 40 and 50 year old generating stations. When considering the existence and availability of original documentation and specifications on older units, how useful is it to reverse engineer facility ratings to engineering standards that existed a half century ago, when those same units have decades of successful operation history and are consistently demonstrating their output capability in the present</p> <p>The R1 [violation risk factor: Medium]: Again, it is difficult to understand the justification for this risk factor for an absence of documentation on radial elements of the BES, especially if a generating unit is complying with MOD-024 & MOD-025. How many major events of the BES can be traced to facility rating documentation of radial components</p> <p>For generator owners, there is no clear definition were R1 ends and R2 starts. It is not appropriate to require generator owners to develop a full methodology to R2 requirements for radial extensions of generating facilities at transmission level voltages. If R1 requirements remain within the body of this standard, it is recommended that all radial components, up to the generator interconnection point to the transmission owner's equipment, should be inclusive with the R1 requirements. In R2, if there are jointly owned facilities and the elements are rated to the Transmission owner's facility rating methodology, is it really necessary for the generator owner to develop and maintain separate and independent facility rating documentation? Transmissions owner's facility rating methodology should apply to jointly owned facilities.</p> <p>R2.4.1 includes relay protective devices in the scope of equipment. Standard PRC-023-1? Transmission Relay Loadability requirements will preclude the need to include relays (and the accompanying required documentation) in the scope of this standard.</p>
	<p>Response: The generator owner is responsible for rating all the BES equipment it owns – either under R1 or under R2. The standard was written to give the Generator Owner some flexibility in classifying its facilities. The language in R2, “except for those generating Facilities addressed in R1” was designed to make it clear that the Generator Owner is not required to have two methodologies addressing the same facilities.</p>

Organization	Question 2 Comments:
	<p>Facility ratings are used in power flows and stability studies.</p> <p>The Violation Risk Factor of Medium for R1 recognizes that the methodology is intended to ensure that the owner has a technically sound basis for rating its facilities.</p> <p>The Generator Owner is required to identify how it “considered” commissioning data. This inclusion was intended to provide a technical basis for rating a new unit, if needed. The Generator Owner does not have to base its ratings on the commissioning data. If a Generator Owner does not have commissioning data, then a statement indicating that the commissioning data for a particular unit was not used because it was no longer available.</p> <p>Note that the originally approved version of FAC-008 applied to Generator Owners, so this is not a change.</p> <p>The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 through MOD-027 are verification standards – they aren’t methodologies for facility ratings.</p> <p>All pieces of the transmission facility need to be considered in the rating of a line, including relays.</p>
Portland General Electric Company	<p>As revised this standard continues to be vague. R2.4.2 states that a Registered Entity’s Facility Ratings Methodology shall include need to include “both Normal and Emergency ratings,” but does not bound what “Normal” means. This standard does not need to explicitly state how normal ratings are to be developed, but it should provide parameters for acceptable criteria that can be used in developing “normal” facility ratings.</p>
	<p>Response: The owners should have the right to establish what constitutes a “normal” rating.</p>
Bonneville Power Administration	<p>Requirements R1.1 through R1.5 apply to all types and sizes of generating units - this seems to be over kill. There are a number of small units (less than 15 MVA) represented as aggregated net load in the Northwest. Are they required to be treated the same in terms of compliance as with the larger size units? Are all five requirements needed for small to medium size units? Need more granularity on unit size and types and how each requirement should be applied.</p>
	<p>Response: Each Generator Owner that registers in the NERC Compliance Registry is required to comply with this standard.</p>
Ontario Power Generation Inc	<p>FAC-008-02 is certainly an improvement compared to FAC 008-01 and FAC 009-01. For example, it recognizes uniqueness of generating facilities, related ratings and methodologies used to determine them. Nevertheless, we suggest this should be taken a step further. It should be acknowledged that there is no reliability need to require generators to document facility rating methodology. Ample argumentation in this respect has been brought up by Industry participants throughout the development of FAC 008-02 and will not be repeated here. Accurate facility ratings are important. However, different methodologies or combination of methodologies may have to be used in developing and determining the ratings, even for the same generating facility or the same type of transmission equipment during its</p>

Organization	Question 2 Comments:
	<p>life cycle. It is the responsibility of Professional Engineers and Consultants to assure that sound, industry recognized methods, standards and principles are applied in the process. The way the FAC 008-02 is structured implies mistrust in the quality of Professional Engineering. Requiring TOs and GOs to document the process would create a duplication of effort at best or would precipitate into a formidable task at worst. In either case it would be largely unnecessary. In conclusion, we believe that FAC 008-02 puts an excessive and unnecessary emphasis on facility ratings methodology. The standard is dominated by the related requirements (R1 to R5). It is hard to see correlation between these requirements and power system reliability, especially considering little or no evidence that methodologies used in determining facility ratings have ever been an issue. The exception is perhaps determination of transmission line ratings. In light of the above, we cannot evaluate the meaningfulness of VSLs prescribed by FAC 008-02. Specific comments: -</p> <p>Applicability section is not quite clear. Is it implied that all generators connected to the BES are subject to this standard? - Why is it necessary to have a methodology that considers each of R1.1 to R1.5? Besides, the list does not seem complete. For example, it does not mention nameplate ratings and validated practices (included in R2.1).</p> <p>- R2 is not clear regarding a demarcation between TOs and GOs. The same type of equipment (power transformers, instrument transformers, circuit breakers, etc) in one instance may be a part of a generating facility while in the other may be located in a transmission facility. Would GO be required to develop and document two distinct methodologies to satisfy both R1 and R2?</p>
	<p>Response: The standard applies to all Generator Owners that register in NERC's compliance registry. Note that this is not a change from the already approved version of FAC-008 that applies to all Generator Owners and all Transmission Owners.</p> <p>Facility ratings are used in power flows and stability studies.</p> <p>The standard was written to give the Generator Owner some flexibility in classifying its facilities. The language in R2, "except for those generating Facilities addressed in R1" was designed to make it clear that the Generator Owner is not required to have two methodologies addressing the same facilities.</p> <p>R1.2 states - Performance history or rating verification accompanied by engineering analysis – this was intended to include validated practices. This has been updated to state, "Either performance history or rating verification supplemented by engineering analysis. "</p> <p>R1.3 states - Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications – this was intended to include nameplate ratings. This has been updated to include the reference to nameplate ratings as follows: "Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications such as nameplate rating"</p> <p>The Generator Owner is not required to develop two distinct methodologies. The methodology must reflect the type of BES equipment owned – if a</p>

Organization	Question 2 Comments:
	<p>Generator Owner does not own any equipment beyond that included in the “generating unit Facilities” then the Generator Owner does not need its methodology to address the equipment identified in R2.4.1.</p>
<p>Standards Interface Subcommittee/Compliance Elements Drafting Resource Pool</p>	<p>Standard: R1 FAC-008-2 Attributes of the requirement Binary Timing Omission X Communication Quality Other FERC Guidance for VSLs 1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No . 2. Is the VSL assignment a binary requirement? No. 3. Is it truly a “binary” requirement? N/A 4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A 5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes. 6. Does the VSL redefine or undermine the stated requirement? No. 7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R2 FAC-008-2 Attributes of the requirement Binary Timing Omission X Communication Quality Other FERC Guidance for VSLs 1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No. 2. Is the VSL assignment a binary requirement? No. 3. Is it truly a “binary” requirement? N/A 4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A 5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes. 6. Does the VSL redefine or undermine the stated requirement? No. 7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R3 FAC-008-2 Attributes of the requirement Binary Timing X Omission X Communication Quality Other FERC Guidance for VSLs 1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No 2. Is the VSL assignment a binary requirement? No. 3. Is it truly a “binary” requirement? N/A 4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A 5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes. 6. Does the VSL redefine or undermine the stated requirement? No. 7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R4 FAC-008-2 Attributes of the requirement Binary Timing X Omission X Communication Quality Other FERC Guidance for VSLs</p>

Organization	Question 2 Comments:
	<p>1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No.</p> <p>2. Is the VSL assignment a binary requirement? No.</p> <p>3. Is it truly a “binary” requirement? N/A</p> <p>4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A</p> <p>5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes.</p> <p>6. Does the VSL redefine or undermine the stated requirement? Yes. As written, the VSL includes language invoking a requirement that does not appear in the Requirement 4, i.e. “An explanation to support the decision made.”</p> <p>7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R5 FAC-008-2 Attributes of the requirement Binary Timing Omission X Communication Quality Other FERC Guidance for VSLs</p> <p>1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No.</p> <p>2. Is the VSL assignment a binary requirement? No.</p> <p>3. Is it truly a “binary” requirement? N/A</p> <p>4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A</p> <p>5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes.</p> <p>6. Does the VSL redefine or undermine the stated requirement? No.</p> <p>7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R6 FAC-008-2 Attributes of the requirement Binary Timing Omission X Communication Quality Other FERC Guidance for VSLs</p> <p>1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No.</p> <p>2. Is the VSL assignment a binary requirement? No.</p> <p>3. Is it truly a “binary” requirement? N/A</p> <p>4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A</p> <p>5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes.</p> <p>6. Does the VSL redefine or undermine the stated requirement? No.</p> <p>7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p> <p>Standard: R7 FAC-008-2 Attributes of the requirement Binary Timing X Omission X Communication Quality Other FERC Guidance for VSLs</p> <p>1. Will the VSL assignment signal entities that less compliance than has been historically achieved is condoned? No.</p> <p>2. Is the VSL assignment a binary requirement? No.</p> <p>3. Is it truly a “binary” requirement? N/A</p>

Organization	Question 2 Comments:
	<p>4. If yes, is the VSL assignment consistent with other binary requirement assignments? N/A</p> <p>5. Is the VSL language clear & measurable (ambiguity removed)? If no, does the requirement or measure need to be revised? Yes.</p> <p>6. Does the VSL redefine or undermine the stated requirement? No.</p> <p>7. Is the VSL based on a single violation of the requirement (not multiple violations)? Yes.</p>
<p>Response: This is a repeat of the comments provided on response to question 1 – please see the responses to question 1.</p>	
<p>Southern Company Transmission</p>	<p>Concern with R1 and R2: Southern Transmission would like to request a distinction between ambient conditions addressed in R1.4 vs. the ambient conditions in R2.2.3. In other words, since both apply to the GO, why doesn't the description of ambient conditions match between R1.4 and R2.2.3?</p> <p>Concerns with R6: The requirement seems to imply that the RC, TOP, TP, and PC either already has or will be required to draft a pre-determined schedule for the TO and GO to comply with. This concern may be resolved by striking the reference to a schedule. The TO and GO would still be obligated to provide the Facility Rating where existing, new, re-rated or modified facilities are concerned. The standard/requirement does not provide a base line where all ratings are provided regardless of a schedule. For example, the current version provides that if a TO or GO installs new facilities or re-rates facilities then it must provide the rating "as scheduled" by such requesting entities. What happens if there is no schedule and the associated entity does not request the rating? The recommendation again would be to strike the reference to schedule.</p> <p>Concerns with Requirement R7: Some terminology in the table seems to be ambiguous. One example is the phrase "impediment to generation deliverability." This terminology is not a part of the Glossary of Terms used in Reliability Standards. Another criterion is "impediment to service to major cities or load pockets." The standard or other guidance does not provide what a major city or load pocket is with any measurable parameters. This criterion could be open to various interpretations.</p> <p>For referencing purposes, the drafting team may consider including a table title and number.</p> <p>Finally, we have a concern with the second bullet of the standard that starts with "The hypothetical increase in the Facility's Rating....." Can an entity be found non-compliant if the entity's hypothetical estimate of the increase in ratings is not correct? This sounds more appropriate for a business practice than for a reliability standard.</p> <p>Measures:M1 - Consider replacing the phrase "shows how" with "demonstrates that." The revised measure is provided – "The Generator Owner shall have a documented Facility Ratings Methodology that demonstrates that each of the items identified in Requirement 1.1 through Requirement 1.5 were considered."</p> <p>M5 - The Transmission Owner and Generator Owner shall have evidence to show or shall be able to demonstrate that</p>

Organization	Question 2 Comments:
	<p>its Facility Ratings are consistent with its Facility Ratings Methodology (Requirement 5). Comment to M5 - Evidence is a measure throughout this standard. Why is it optional here? Perhaps the drafting team may consider that the GO and TO "shall have evidence that its Facility Ratings are consistent with its Facility Ratings Methodology (Requirement 5)" Deleting "to show or shall be able to demonstrate" text may provide more clarity for auditors and applicable entities.</p>
	<p>Response: The parenthetical statement in R2.2.3 was added to address dynamic ratings used with some transmission facilities – and is not appropriate for generator unit facility ratings.</p> <p>R6 – The drafting team deliberately wrote the requirement so that the entity with the reliability-related need for the Facility Rating is the entity that has the “final say” in determining the schedule for provision of those ratings. Stakeholders have indicated that they do not like requirements that indicate two different functional entities must “agree” to something like a schedule, because there is no clear indication of which of those functional entities is held responsible if the parties involved cannot reach “agreement.”</p> <p>As envisioned, the entity requesting the schedule will be reasonable in its request – the requesting entity has nothing to gain by making an unreasonable request. There is nothing in the standard that would preclude the entity responsible for developing the Facility Ratings from proposing a single schedule for delivery of the ratings to all of the potential recipients.</p> <p>R7 – The language used in the requirement was taken from the associated Order and the drafting team could not identify alternate language that met the objective without also introducing ambiguity. Given that, the VSLs for R7 are linked to a failure to provide the requested information. The burden is on the requester to provide evidence that at least one of the conditions in the right column of the table was met.</p> <p>The terms used are not defined because they do not have a unique meaning in this standard.</p> <p>The requirement only assesses whether the theoretical rating was provided – it does not assess the accuracy of the hypothetical rating.</p> <p>R7 Table - If the requirement included multiple tables, the drafting team would name and number them.</p> <p>M1 – the words, ‘show’ and ‘demonstrate’ are synonyms for one another so there doesn’t seem to be a distinct advantage in changing the terminology.</p> <p>M5 – Agreed. The SDT adopted your suggestion to eliminate the extra phrase, “or shall be able to demonstrate.”</p>
Southern California Edison Company	<p>Southern California Edison Company (SCE) greatly appreciates, and commends the drafting team for the work that went into developing the North American Electric Reliability Corporation (NERC) proposed Reliability Standard for Facility Rating Methodology, FAC-008-002. SCE would also like to thank NERC for providing stakeholders the opportunity to weigh in and provide comments regarding the proposed standard. SCE has identified two requirements within FAC-008-002 which need additional work.</p>

Organization	Question 2 Comments:
	<p>Requirement R1.1: SCE recommends revising Requirement R1.1 to read “Facility commissioning data if readily available”. This recommendation is based on the simple fact that in many instances Facility commissioning data may not be unavailable. In SCE’s case, the company has a number of hydro units which are 80-100 years old, and it is questionable whether or not Facility this data could be sourced for these units. Even if such data were produced it would be of little or no value, as many components contributing to the ratings of these facilities have been changed over time. These older units have undergone performance testing providing proof of their capability.</p> <p>Requirement R7: Is it NERC intent with Requirement R7 to determine what the short term “over capacity capability” is by allowing the most limiting component to reach its thermal limit? If so, many entities may not properly comply with the requirement, as it is common practice to determine component ratings solely based on factors taken from the manufacturer’s design rating, which include the thermal rating. SCE does not believe that a generating unit should be re-rated based on the “N-1” component rating, as is being suggested in this requirement. There are many factors that need to be considered when determine a units rating unit, and a rating can not be increased solely by replacing/upgrading the “most limiting component”.</p>
	<p>Response: R1.1 – the intent in all of the subrequirements for R1 was to have the Generator Owner identify how the listed items were considered – if the Generator Owner does not have commissioning data, then the methodology would simply state that the commissioning data was not available and another means was used to rate the units.</p> <p>R7 – R7 applies only to the Transmission Owner and Transmission Facilities – it does not apply to generating unit Facilities. The intent was to apply R7 to integrated Transmission Facilities as opposed to generator-related equipment.</p>
Ameren	<p>Aside from the addition of the VSLs and minor editorial and format changes, we are not sure why FAC-008-1 needed to be revised. We do not believe that it is necessary to provide the underlying assumptions including equipment specifications used by manufacturers to develop nameplate equipment ratings (see R2.2). The standard should test for reasonableness of the methodologies and should be concerned with consistency in the application of the methodologies to develop equipment ratings. The standard should not be concerned with how much margin remains in the equipment. We do not agree that Operating limitations (see 2.2.4) should be limited to temporary deratings of impaired equipment. This footnote should be expanded to include considerations for equipment temperature (conductor, hardware, breaker contacts, etc) clearances to ground, time duration of loading, ambient conditions, pre-loading levels, relay loading limits, etc.</p> <p>We also do not agree that R7 belongs with this standard, or any standard. There are existing processes in place for the RC, PC and others to request information regarding the possible upgrade of transmission facilities, such that a new requirement does not have to be added to a NERC standard.</p>
	<p>Response: The drafting team made modifications to comply with FERC Order 693. Note that R7 was added solely to comply with Order 693. The Commission</p>

Organization	Question 2 Comments:
	<p>included several directives In that Order, including the following specific directives that FAC-008 be revised as follows: 771. Accordingly, as discussed in the responses to comments above, the Commission approves FAC-008-1 as mandatory and enforceable. In addition, we direct the ERO to develop modifications to FAC-008-1 through its Reliability Standards development process requiring transmission and generation facility owners to: (1) document underlying assumptions and methods used to determine normal and emergency facility ratings; (2) develop facility ratings consistent with industry standards developed through an open, transparent and validated process and (3) for each facility, identify the limiting component and, for critical facilities, the resulting increase in rating if that component is no longer limiting.</p>
We Energies	<p>We are strongly opposed to removing the generator size from the applicability section. The previous versions limited the applicability of this standard to units connected directly to the BES, or facilities above 300 MVA. Applying this standard to small generating units will be very significant in terms of dollars and time. The resulting benefit will be negligible. For example, we have numerous hydro units rated 6 MVA or less which are connected at 69 kv. We have other even smaller generator connected directly to the 25 kv distribution systems. The effort required in resources to make these units compliant with this standard are enormous, for very little benefit.</p>
	<p>Response: The drafting team was advised that without a technical justification for specifying a generator size, modifications to the applicability section are not acceptable to FERC. The drafting team has no technical justification for specifying a generator size that is different from the size specified in the NERC compliance registry criteria.</p>
PJM	<p>R1 should be deleted. MOD-024 covers rating of generators by verification and may encompass the items listed as considerations.</p>
	<p>Response: MOD-024 was not approved by FERC and is not enforceable. The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 is a verification standard – it isn't a methodology for facility ratings.</p>
Constellation Energy Unregulated Affiliates	<p>In NERC's effort to provide compliance flexibility and not dictate the specific structure of how compliance with this standard should be demonstrated, along with little supplemental guidance from the Regions on necessary documentation for complete compliance demonstration, the generation community in large part has been left to guess what specific documentation is needed to demonstrate compliance with this standard. While the proposed modifications with this standard take a position step forward in providing this needed clarity, further clarity is needed: ?</p> <p>R1 & R2 - R2 states an exception for generating facilities addressed in R1 but R1 does not seem to exclude any facility from all the R2 requirements, perhaps should make this one item combining R1 and R2? R1.1?</p> <p>Need to better define facility commissioning data, I.e. does this include heat rate tests, factory tests, engineering documentation, design basis calculations turned over by the design engineering provider I.e. calculation sheets, system design diagrams such as electrical one line diagrams etc.?</p> <p>R1.2 not sure whether performance history is accompanied by engineering analysis or is just rating verification to be accompanied by engineering analysis?</p>

Organization	Question 2 Comments:
	<p>R1.4 needs more definition for ambient conditions, should this include altitude, humidity and wind velocity as well as temperature? I.e. use design ambient of 40 deg C or specific site weather data calculated average or peak ambient; conductor ratings can include design wind velocity. ?</p> <p>R1.5 equipment design standards may not specifically define themselves as Rating standards</p>
	<p>Response: Exemptions – the intent was to ensure there is a Facility Rating for the Generator Owner’s generating unit facilities and for all of the transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices owned by either the Generator Owner or the Transmission Owner.</p> <p>The drafting team included “commissioning data” to support instances where the Generator Owner may have a set of ratings provided for use when the generating unit was first put into operation.</p> <p>R1.2 – the drafting team modified the subrequirement in support of your comment – the revised requirement states:</p> <ul style="list-style-type: none"> • Either performance history or rating verification supplemented by engineering analysis. <p>R1.4 – the drafting team left “ambient conditions” open-ended to allow the broadest range of acceptable ambient conditions. These are very different for different geographic regions.</p> <p>R1.5 - design standards and rating standards are not the same thing</p>
ReliabilityFirst Corporation	Suggest to include some details in R1.4 the "Ambient conditions", these should include temperature, wind speed, cloud cover. These significantly effect the wind and solar resources.
	Response: R1.4 – the drafting team left “ambient conditions” open-ended to allow the broadest range of acceptable ambient conditions. These are very different for different geographic regions.
Independent Electricity System Operator — Ontario ISO/RTO Council	<p>We have the following comments on the Requirements and Measures:</p> <p>R4: We do not think this rises to the level of a reliability standard. This is an administrative process. Further, the TO and the GO owns their facilities and they provide these facilities for the GOP and TOP and other applicable entities to operate. The ratings they determine provide the upper bound that their facilities may be operated to, and hence should be totally at their own discretion. We do not believe other entities have the right to challenge the methods used or the level of the rating determined by the facility owners. Any such challenges, even applicable, should be addressed in the agreements among the owners and the users and outside of the reliability standard process. We suggest that this requirement be removed.</p> <p>R5: This requirement holds the facility owners responsible for determining the ratings for their solely and jointly owned facilities. The standard is silent on which methodology to use and how ratings of jointly owned facilities are determined. For example, there is no requirement on which method to choose among joint owners if the methods are different, and</p>

Organization	Question 2 Comments:
	<p>on using the more conservative of the two ratings where different. This needs to be provided.</p> <p>R7: We find the second condition in the Table unnecessary. This condition says: "It is limited by equipment other than the conductor". Often, when a requestor asks for identification of the most limiting Equipment that comprises a Facility, it has no preconceived notion of what is the limiting component. If it turns out that the conductor is the limiting component itself, then by virtue of the way this requirement is worded, the TO does not need to respond. In that case, the requestor will never be able to get the answer. We suggest this second condition be removed.</p> <p>M3, M4, M7 and M8 refer to provision of evidence (??Such as a copy of dated electronic note, or other comparable evidence?). For some reason not obvious to us, in M4 the words "or hard copy" were inserted. For consistency, these words should be either in all of the measures, or in none.</p> <p>M6 and M7: M6 says: "The Transmission Owner's and Generator Owner's set of Facility Ratings shall include ratings for its solely and jointly owned Facilities including new Facilities, existing Facilities, modifications to existing Facilities and re-ratings of existing Facilities. (Requirement 6)" There is nothing in R6 that requires the TO and GO to have their own sets that must include the listed facilities. Further, there are no VSLs developed for this Measure. If the standard is meant to require the TO and GO to provide all this information to the requesting entities according to their schedule, we suggest M6 and M7 be combined as follows to fully correspond to R6:</p> <p style="padding-left: 40px;">The Transmission Owner and Generator Owner shall each have evidence, such as a copy of a dated electronic note, or other comparable evidence to show that it provided its Facility Ratings which included all its solely and jointly owned Facilities including new Facilities, existing Facilities, modifications to existing Facilities and re-ratings of existing Facilities to its associated Reliability Coordinator(s), Planning Coordinator(s), Transmission Planner(s), and Transmission Operator(s) in accordance with Requirement 6.</p> <p>This will make it correspond to the VSLs for R6 which assess timeliness and completeness for both the entities to be responded to and of the information.</p>
	<p>Response: The intent of R4 is to provide peer review. This is an important concept in ensuring the technical accuracy of the rating methodology. Peers are more likely to have detailed knowledge of methodologies than auditors – and finding errors or questionable practices before the use of an unsound methodology results in inappropriate ratings is better than the alternative – which is to discover incorrect ratings during a system disturbance.</p> <p>R5 – the Facility Owner needs to have the final say on how its Facilities are rated as this is an economically-based decision.</p> <p>R7 – this requirement was developed solely to meet a FERC directive and the drafting team used as much of FERC's language from Order 693 as practical. The language in the first column of the table was taken directly from the language in Order 693.</p> <p>The 'hard copy' in M4 was intended to address the situation where an entity documents a phone call that may not be recorded. For the other requirements, there is an expectation that the evidence will be more formally documented.</p>

Organization	Question 2 Comments:
	<p>The drafting team envisions that Facility Ratings will not be provided as “sets” so the team revised the standard to eliminate M6. The intent of M6 is really covered in M7 (now M6).</p>
<p>Dominion Resources Services, Inc.</p>	<p>We struggled with the purpose/intent of requirement R7. We interpret this requirement to be applicable only to information needed to analyze and resolve transmission constraints. Therefore we suggest adding the word transmission before Facility to add clarity in requirement R7.</p> <p>As written, measurement M6 is simply a restatement of requirement R6. We suggest replacing the language in the current M6, with that in M7 and renumbering M8 to M7.</p> <p>We suggest that data retention be revisited. We question whether the intent is to retain data only related to compliance audits or to retain data associated with all processes identified in (section 1.3) of this standard.</p> <p>We also want to point out what we perceive as conflicting, or at the very least confusing, requirements in the data retention section of this, and other standards, when compared to the NERC Compliance Monitoring and Enforcement Program Processes at section 9.2 (Retention Requirements). This section states "The Compliance Enforcement Authority records management policy will require that information and data generated or received pursuant to Compliance Program activities, including Compliance Audits, Self-Certifications, Spot Checking, Compliance Violation Investigations, Self-Reporting, Periodic Data Submittals, Exception Reporting, and Complaints, as well as adhering process, will be retained for the longer of (i) five (5) years or (ii) any retention period specified in a Reliability Standard or by FERC or another Applicable Governmental Authority.</p> <p>The obligation to retain information and data commences upon the initiation of the Compliance Program activity that produces the data or information. If the information or data is material to the resolution of a controversy, the retention period for such data shall not commence until after the controversy is resolved." We suggest that data retention requirements be as consistent as possible between all standards, whether the data is used for Compliance Audits, Self-Certifications, Spot Checking, Compliance Violation Investigations, Self-Reporting, Periodic Data Submittals, Exception Reporting, or Complaints.</p>
	<p>Response: R7 was added to the standard to comply with one of the directives in Order 693. We have drafted several variants of the requirement, and the latest version seems to be acceptable to most commenters, so no change was made to the wording.</p> <p>The drafting team eliminated M6.</p> <p>The language quoted relative to retention requirements is clear that if a standard has a separate retention period for data, then the retention period in the standard is the retention period that will be used. Note that the VP, Director of Compliance assisted in developing a set of guidelines for data retention with a goal of having sufficient data for the Compliance Enforcement Authority to assess compliance – while at the same time not</p>

Organization	Question 2 Comments:
	<p>requiring so much evidence that the data retention requirements are burdensome.</p>
Allegheny Energy Supply	<p>It is recommended to remove Generator Owners from the applicability section and requirements of the standard. There are very distinct differences in the need for facility ratings if the elements are networked components of the transmission system as compared to radial elements of a generating station. For radial components to the BES, the verification of output capabilities of generating stations as required by Standards MOD-024 & MOD-025 is more relevant to BES reliability. MOD-024 & MOD-025 requires generating owners to verify that they can deliver what they claim is their output. The maintenance or justification of original commissioning data (which may not exist for older stations), for use as facility ratings documentation is not valuable for ensuring reliability of the BES. Multiple standards should not exist in parallel for generator owners to accomplish what is ultimately the same end result. Original commissioning may not be relevant to older generating stations. It is not useful to consider original documentation and specifications on older units established by engineering standards that existed a half century ago, when those same units have decades of successful operation history and are consistently demonstrating their present output capability. Also, it is unclear that the early reference to BES will establish the size and location of units pertaining to the Standard. If "Generator Owners" is kept in the applicability section of this standard, we recommend that a specific statement include reference to "generators connected to the BES".</p>
	<p>Response: The standard applies to all Generator Owners who register in the NERC Compliance Registry – this is not a change to this standard as the original version of this standard also applied to Generator Owners.</p> <p>Facility ratings are used in power flows and stability studies. MOD-024 and MOD-025 are verification standards – they aren't requiring methodologies for facility ratings. The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit.</p>
FirstEnergy Corp.	<p>1. We question the appropriateness of including the GO in a Facility Ratings standard. The information required in the generating unit Facility Ratings methodology (per Requirement R1) is more appropriately suited for MOD-024 and MOD-025 (Verification of Generator Real and Reactive Power Capability standards) which are currently being developed by NERC in Project 2007-09. The definition of Facility Rating is not technically similar to Ratings that are fundamental to generators. The true limiting factors in generator plants are not the electrical characteristics but in fact are related to the fuel quality, turbine condition and boiler related items. The summer limitation is related to air temperature and humidity along with river temperatures. The latter affects the plants more than any electrical item. MOD-024 and MOD-025 would more appropriately deal with all the above issues since they require the actual verification tests adjusted for ambient conditions. Therefore, we believe that the GO should be removed from this Facility Ratings standard, and suggest this standard be completed in parallel to the generator standards (per Project 2007-09) and be submitted to FERC as a group since they are inter-related.</p> <p>If the SDT is insistent upon keeping the GO as an applicable entity in this standard, we believe that the requirements in R2 should not be applicable to the GO since requirements applicable to the GO are already addressed by R1. Keeping R2 applicable to the GO can only lead to duplicative documentation and/or inconsistency since the elements for</p>

Organization	Question 2 Comments:
	<p>consideration in R1.1 through R1.5 are also required to be considered in the subrequirements of R2.1 and R2.2. Furthermore, the statement in parentheses in R2, "(except for those generating Facilities addressed in R1)" also begs the question of why the GO would need to be applicable to R2. What generating Facilities would not be addressed by R1.3.</p> <p>We believe that the VRF for requirements R1 and R2 should be changed back to "Lower". Per the NERC Standards Development Procedure, since "a Lower Risk Factor requirement is administrative in nature", and the "documentation" of Facility Ratings methodologies is administrative, then R1 and R2, are requirements "in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system."</p>
	<p>Response: The standard applies to all Generator Owners who register in the NERC Compliance Registry – this is not a change to this standard as the original version of this standard also applied to Generator Owners.</p> <p>Facility ratings are used in power flows and stability studies. MOD-024 and MOD-025 are verification standards – they aren't requiring methodologies for facility ratings. The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit.</p> <p>The Generator Owner is responsible for rating all the BES equipment it owns – either under R1 or under R2. There are some facilities that may be owned by a Generator Owner that are not "generating unit" facilities. These facilities that are owned by the Generator Owner but are not part of the "generating unit" include some of the facilities identified in Requirement R2. The standard was written to give the Generator Owner some flexibility in classifying its facilities. The language in R2, "except for those generating Facilities addressed in R1" was designed to make it clear that the Generator Owner is not required to have two methodologies addressing the same facilities.</p> <p>Although the actual methodology documentation may be "administrative" the intent of this requirement is not administrative – the intent is to have a methodology that has a technically sound basis. Facility ratings are used in power flows and stability studies – and some of the power flows are used in real-time operations.</p>
Pepco Holdings, Inc. Affiliates	<p>R1 is duplicative of MOD-024-1. Since MOD-024-1 is one of the "fill-in-the-blanks" standards mentioned in Order 693, MOD-024-1 should be retired when FAC-008-2 is effective. FAC-008-2 should be checked against MOD-024-1 to assure nothing has been overlooked. While MOD-024-1 includes requirements for information for auxiliary loads, it is unclear why this would be needed to report deliverable net energy from the generator.</p>
	<p>Response: MOD-024 and MOD-025 are verification standards – they aren't requiring methodologies for facility ratings. The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit.</p>
MRO NERC Standards	<p>Where and how are the dynamic ratings included in this standard? All references appear to imply thermal ratings. If</p>

Organization	Question 2 Comments:
Review Subcommittee	<p>this is not true, please advise which text would be considered as including thermal ratings? In the final order 693 paragraph 768, the commission recognizes the need for dynamic line ratings.</p> <p>Response: There was no directive in Order 693 mandating that the standard include dynamic ratings. The Order did include a directive to “consider” the comments of Valley Group that suggested modifying the standard to include requirements aimed at dynamic ratings. Please see the Consideration of Comments document that contains all the questions, comments and responses to the July 19 – August 17, 2007 posting of the proposed standard. Question 8 asked stakeholders if they felt the standard should be modified to include a requirement specific to dynamic ratings and the overwhelming response was “no.” The ambient conditions does not preclude the use of dynamic ratings.</p> <p>Compliance Monitoring Period and Reset Time frame,” is not applicable” an option? Suggest using ongoing.</p> <p>Response: Compliance Monitoring Period and Reset Time frame – the compliance staff has asked that SDTs use the phrase, “Not applicable”. Note that an earlier version of the Sanctions Table used the “compliance monitoring period and reset time frame” as one aspect of determining the size of a sanction. The Sanctions Table approved for use does not use the compliance monitoring period and reset time frame. When the Standards Process Manual is revised, the reference to this section of the standard will be eliminated, and the template for standards will be updated to remove this language.</p> <p>The NERC functional model version 4.0 has not been approved, yet; therefore, should the “Compliance Authority” Be used instead? D1.1 & D1.4?</p> <p>Response: The term, “Compliance Enforcement Authority” is the correct term as this is the term referenced in the ERO Rules of Procedure. This term is capitalized to match the spelling of the term when used in the ERO Rules of Procedure. See Appendix 4c, section 1.1.7:</p> <ul style="list-style-type: none"> • 1.1.7 Compliance Enforcement Authority: NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards. <p>This draft is proposing to replace defined entity names that appear in the NERC Glossary (and the approved Version 3 of the Functional Model) with entity names that are not in the NERC Glossary and still under consideration for use in Version 4 of the Functional Model. The MRO suggests that if the drafting team wants to use, and capitalize, these new entity names that they include them in this draft standard as proposed definitions. This approach will add them to the NERC Glossary, if the revised standard is approved</p> <p>The timeframe for establishing ratings may be weeks. Some of the ratings may be applicable for conditions that may occur on a real time basis, same-day, day-ahead, etc. The entity should have ratings that are applicable for various Operations and Planning time horizons "on hand" and readily available. Time Horizon: Operations Planning, Short-term</p>

Organization	Question 2 Comments:
	<p>Planning, Long-term Planning". These time horizons are appropriate for the "establish" ratings part. If the entity has its ratings "on hand" and readily available, then there is no need to list other time horizons, such as Same-day Operations or Real-time Operations. Suggest this text revision: "Time Horizon: Operations Planning, Long-term Planning". The time horizons associated with R1, R2, R3, & R4 should all match because they are all dealing with the development of the Facility Ratings Methodology.</p> <p>Response: The drafting team reviewed the time horizons for each of the requirements and confirmed that the proposed time horizons are correct. R1 through R4 are not all dealing with the development of Facility Ratings Methodologies – R1 and R2 require owners to have documented methodologies – R3 requires the owners to make the methodologies available within a specified time period – and R4 requires the owners to provide specific communication within a specified time period.</p> <p>R1, Please add the word "Generator" to the first sentence. The new sentence will read “The Generator Owner shall have a documented methodology for determining the GENERATOR Facility Ratings? This is implied in R2, but needs to be clearly stated in R1.R1, The last word of "considered" could imply that a GO considered a sub-requirement but elected not to use it. The intent of R1 should be that the GO has a methodology "consisting" of R1 sub-requirements. This would give a minimum standard format for all GOs to use in documenting their generator methodology. This would also give the GO, RC, TOP, TP, PC, and Regional Entity a standard format to ensure compliance and establish some uniformity within established methodologies.R1, Does not state what the GO is to accomplish by establishing a generator methodology.</p> <p>Response: The team deliberately refrained from adding the words, “generation” and “transmission” to R1 and R2 as qualifiers for the different types of Facilities – there is an industry debate going on with respect to the ‘fine line’ between these categories – and until there is resolution, the team believes it is best left to the Compliance Registry to define who is a Generator Owner and a Transmission Owner – and the requirements ensure that each Facility is rated by its owner.</p> <p>FAC-008-1, R1.1 stated that GOs had a "statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility". Proposed FAC-008-2, R1 just states we need a methodology based on five sub-requirements. By looking at these sub-requirements, R1.2 and R1.4 are the only sub-requirements that will actually impact the BES. The SDT should review the intent of R1 and what outcome it will provide that will support the BES. Clarify R1 - 'of its solely and jointly owned generating unit Facilities'. Does this include the other equipment - Transformers, breakers, CTs, switches, etc? Clarify R1 & R2 - R1, the difference between Generator Facility and R2, 'Everything else'. Inconsistency of wording between R1 - "each of the following were considered" and R2 - "that contains all of the following"R1.1, Should be removed. The SDT added "Facility commissioning data" but it is unclear how this impacts the Facility Methodology? R1, states "? How each of the following were considered:” Is the GO required to just have a statement of the "The Facility was commissioned on such date and it was considered in the methodology? The MRO believes that "Current Generator Facility Data" should be used.R1.4;</p>

Organization	Question 2 Comments:
	<p>Response: The information available to the Generator Owner is different from the information available to the Transmission Owner – thus there is a difference in the subrequirements for R1 and R2. The difference in wording was intentional. The intent of the subrequirements is to ensure that the rating is technically sound – the results are used in power flows and stability studies.</p> <p>The "Ambient conditions" sub-requirement is unclear. Does the GO state the ambient conditions during trials, tests, ect? The words "Ambient conditions" is not used anywhere within the NERC glossary. R1.5, the word "standard(s)" should be removed. NERC Glossary defines "Equipment Rating" only.</p> <p>Response: R1.4 – the drafting team left “ambient conditions” open-ended to allow the broadest range of acceptable ambient conditions. These are very different for different geographic regions. The SDT does not believe that there is confusion on the definition of “ambient.”</p> <p>The word, “standard” is the correct word. IEEE and other organizations publish “standards.”</p> <p>R2 - Suggest this text revision: "(except for the generating unit equipment addressed in R1)". The term "generating Facilities" can also refer to other generating unit facility equipment, such as the GSU transformer, circuit breakers, switches, and cable. Suggest this text revision: "? Ratings of the Equipment (including dynamic line ratings) that comprises?"</p> <p>Response: The SDT added the word “unit” to R2 to improve consistency between R1 and R2. The scope of equipment addressed in R2 is already clearly identified in R2.4.1.</p> <p>The consensus of stakeholders (from an earlier posting of the standard) was clear that there is no need to have a separate requirement or reference to “dynamic ratings”. The reference to ambient conditions already allows the use of dynamic ratings.</p> <p>R2.1 may be an appropriate place to fulfill the Order 693 directive to recognize dynamic line ratings.</p> <p>Response: There was no directive in Order 693 mandating that the standard include dynamic ratings. The Order did include a directive to “consider” the comments of Valley Group that suggested modifying the standard to include requirements aimed at dynamic ratings. Please see the Consideration of Comments document that contains all the questions, comments and responses to the July 19 – August 17, 2007 posting of the proposed standard. Question 8 asked stakeholders if they felt the standard should be modified to include a requirement specific to dynamic ratings and the overwhelming response was “no.” The ambient conditions does not preclude the use of dynamic ratings.</p> <p>R2.1.2 - Suggest this text revision: "one or more industry standards (e.g. equipment rating standards and equipment application standards) that are developed through?" This text would indicate at least two types of industry standards that</p>

Organization	Question 2 Comments:
	<p>could provide some basis for Equipment Rating methodology. Response: The term, 'equipment application standard' is unclear to the drafting team.</p> <p>R2.1.3 The MRO believes that MOD-024-1 and MOD-025-1 may overlap with FAC-008. Is either MOD-024-1 or MOD-025-1 a relevant way to meet this requirement? Response: The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 through MOD-027 are verification standards – they aren't methodologies for facility ratings.</p> <p>R2.1, It is unclear how R2.1 can be accomplished. R2.1 wants the GO and TO to use one of the it's sub-requirements, if R2.1.1 is selected (Nameplate rating) for determining a Facility methodology, then how are the sub-requirements of R2.2 to be applied to a Nameplate rating? Isn't R2.1.1 the same as R2.2.2? Response: Once you select one of the methods identified in R2.1, then you must identify how the rating "considered" the elements in R2 subrequirements. For example, if "nameplate rating is used for R2.1 then subrequirements such as "operating limitations" is not appropriate – and the methodology should include a statement to this in the methodology.</p> <p>R2.4 states "The process by which the Rating of equipment that comprises the Facility is determined". Process is an undefined term. This statement is unclear, there is no action verb. The SDT needs to state what the GO or TO is to accomplish. Do we need a documented process, an approved process, ect? Response: The action verb is in the leading requirement. The drafting team is using the collegiate definition of "process" and this does not need to be defined. This gives latitude to the responsible entity to determine the best method of accomplishing this without forcing entities to invest in new processes. The process is part of the methodology subject to peer review.</p> <p>R5 - Suggest this text revision: "shall each establish and have Facility Ratings?" The term "establish" should be added to be consistent with the wording that is used in FAC-014-1: R2, R3, and R4. R5 Is unclear. Please define "associated" Facilities Ratings Methodology, and "Methodology". Neither is defined in the NERC Glossary.R6, The last sentence should be reworded to state "upon request". As written, the GO and TO would not have to provide Facility Ratings unless it was on a schedule. Response: FAC-014 has been recommended for retirement. The word, 'establish' doesn't result in a different product – the word, "have" was allowed to have a contractor develop the ratings.</p> <p>R6 - Suggest this text revision: "Time Horizon: Operations Planning, Same-day Operations, Real-time Operations, Short-term Planning, Long-term Planning". Since the ratings need to be provided for short-term planning and long-term planning purposes as well, then it would be reasonable to also include these time horizons in the list. Response: The drafting team reviewed the requirements against the criteria for time horizons and believes the time horizons are correct.</p>

Organization	Question 2 Comments:
	<p>R7 - Clarify the table "If the Facility Rating meets both of the following" The wording is restrictive and would limit the sharing of the facilities ratings. For example, if you have a thermal rating that is not consistent and does not meet the qualifications of 'limited by equipment other than the conductor', that entity does not have to give the information. Is this correct? In the final order 693 paragraph 756 states limiting components for all facilities should be identified; thus, a generator owner entity should be added to R7. It should not be an exclusive requirement for a transmission owner.</p>
<p>Response: Embedded in Order 693 are other directives that provide specific recommendations for language to meet the FERC directive. The language adopted for R7 was taken from a set of recommendations contained within Order 693. The wording of R7 was intended to restrict the 'obligation' to share the information – however the language does not 'prohibit' an entity from sharing the information if chooses to do so. The drafting team does not believe that the Commission intended that R7 apply to Generator Owners.</p>	
CenterPoint Energy	<p>COMMENT: To provide consistency of terms between requirements and to align with the VSL wording, CenterPoint Energy recommends 'Nameplate rating' in R2.1.1 be changed to: "Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications" Which is the language used in R1.3, R2.2.2, and the VSL for R2.1.1.</p> <p>COMMENT: The VSLs are essentially the only compliance information shown in section D. Compliance? To determine a penalty range, a VSL must be accompanied by a VRF. For ease of reference, CenterPoint Energy recommends that VRFs be embedded in the VSL table.</p>
<p>Response: The SDT modified the language in the subrequirements as proposed for R2.1.1 and left "such as nameplate rating" as an example. VRFs will be added to all standards at a later time.</p>	
Western Area Power	<p>R7. This 'requirement' is a planning function and comes dangerously close to the specific limitation of the Energy Policy Act of 2005 which specifies:(3) The term 'reliability standard' means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cyber security protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. [Emphasis added]. This requirement is for Transmission Owners to identify what the Facility Rating might be with facility enlargement. This is cleverly couched as removal of a thermal rating limitation. The reality is the equipment must be upgraded to no longer be a thermal limit. This requirement should be eliminated from the standard and incorporated into a guideline for information that would be useful in grid planning. This requirement also seems to be encroaching on FERC Order 890 which requires public utility transmission providers to participate in open transmission planning at the local and regional level addressing coordination, transparency, and congestion studies.</p>

Organization	Question 2 Comments:
Duke Energy Corporation	<p>Response: R7 was added to the standard to comply with one of the directives in Order 693. We have drafted several variants of the requirement, and the latest version seems to be acceptable to most commenters.</p> <p>'Applicability' The standard should not be applicable to Generator Owners. MOD-024 and 025 require Generator Owners to provide the data required for Transmission Planners to reliably plan the transmission system. Demonstration of the amount of energy that can be reliably transferred to the transmission system by a generator, and its support equipment, is provided for transmission system modeling through the MOD standards. The generator facility rating data is added detail that only pertains to the design capability and is not a parameter that directly impacts the transmission system under normal or contingency conditions. ?</p> <p>Requirement R2.1.3? R2.1 has been revised to incorporate the previous footnote into the text of the requirement. For clarity, we believe the words 'justified by' should be inserted before the words 'engineering analysis' in R2.1.3?</p> <p>Requirement R6 and Measurement M7 & R6 requires the Transmission Owner and the Generator owner to provide ratings to requesting entities. M7 requires the Transmission Owner and Generator Owner to provide evidence that it complied with requests. We believe the requirement and measurement should be revised to indicate that documentation is not needed to demonstrate compliance with requests from affiliated entities (for example the Transmission Operator asking the affiliated Transmission Owner for a rating).</p>
	<p>Response: The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 through MOD-027 are verification standards – they aren't methodologies for facility ratings.</p> <p>The suggested modification to R2.1.3 does not lead to a significant improvement in clarity and was not adopted.</p> <p>The requirements are written for functional entities and don't look at affiliates.</p>
American Transmission Company	<p>A.5 - Suggest this text revision: "That is twenty four months beyond the date". This change is proposed to allow enough time to establish ratings that are consistent with the associated methodology, which may take significant time particularly for lines if Lidar data needs to be obtained and processed.</p> <p>Response: Entities should already have a methodology as FAC-009-1 was approved in June 2007 and is an enforceable standard that already requires the facility owner to develop ratings consistent with the owner's Facility Rating Methodology. The methodology may need updating, but the updating should not take longer than 12 months, and as envisioned, updating the methodology should not result in the need to develop a completely new set of Facility Ratings. Note that the standard does not require the use of Lidar data.</p> <p>R1 - Suggest this text revision: "solely and jointly owned generating unit equipment that identifies". This change would clarify that R1 refers to generating unit rating methodology. The term to "generating unit Facilities" can also refer to other facility equipment, such as the GSU transformer, circuit breakers, switches, cable, etc. Suggest this text revision: "Time</p>

Organization	Question 2 Comments:
	<p>Horizon: Operations Planning, Long-term Planning". The time horizons associated with R1, R2, R3, & R4 should all match because they are all dealing with the development of the Facility Ratings Methodology.</p> <p>R1.1 - Suggest this text revision: "Generating unit commissioning data." The term "Facilities" can also refer to other generating unit facility equipment, such as the GSU transformer, circuit breakers, switches, cable, etc.</p> <p>R1.5 - Suggest this text revision: "Generating unit standard(s)?" The term "Equipment" can also refer other generating unit facility equipment, such as the GSU transformer, circuit breakers, switches, and cable.R2 - Suggest this text revision: "(except for the generating unit equipment addressed in R1)". The term "generating Facilities" can also refer to other generating unit facility equipment, such as the GSU transformer, circuit breakers, switches, and cable.</p> <p>Response: The team deliberately refrained from adding the words, "generation" and "transmission" to R1 and R2 as qualifiers for the different types of Facilities – there is an industry debate going on with respect to the 'fine line' between these categories – and until there is resolution, the team believes it is best left to the Compliance Registry to define who is a Generator Owner and a Transmission Owner – and the requirements ensure that each Facility is rated by its owner.</p> <p>Suggest this text revision: "Time Horizon: Operations Planning, Long-term Planning". The time horizons associated with R1, R2, R3, & R4 should all match because they are all dealing with the development of the Facility Ratings Methodology.</p> <p>Response: The drafting team reviewed the time horizons for each of the requirements and confirmed that the proposed time horizons are correct. R1 through R4 are not all dealing with the development of Facility Ratings Methodologies – R1 and R2 require owners to have documented methodologies – R3 requires the owners to make the methodologies available within a specified time period – and R4 requires the owners to provide specific communication within a specified time period.</p> <p>R2.1 - Suggest this text revision: "? Ratings of the Equipment (including dynamic line ratings) that comprises?" R2.1 may be an appropriate place to fulfill the Order 693 directive to recognize dynamic line ratings.</p> <p>Response: There was no directive in Order 693 mandating that the standard include dynamic ratings. The Order did include a directive to "consider" the comments of Valley Group that suggested modifying the standard to include requirements aimed at dynamic ratings. Please see the Consideration of Comments document that contains all the questions, comments and responses to the July 19 – August 17, 2007 posting of the proposed standard. Question 8 asked stakeholders if they felt the standard should be modified to include a requirement specific to dynamic ratings and the overwhelming response was "no." The ambient conditions does not preclude the use of dynamic ratings.</p> <p>R2.1.2 - Suggest this text revision: "one or more industry standards (e.g. equipment rating standards and equipment application standards) that are developed through?" This text would indicate at least two types of industry standards that could provide some basis for Equipment Rating methodology.</p> <p>Response: The term, 'equipment application standard' is unclear to the drafting team.</p>

Organization	Question 2 Comments:
	<p>R3 - Suggest this text revision: "Time Horizon: Operations Planning, Long-term Planning". The time horizons associated with R1, R2, R3, & R4 should all match because they are all dealing with the development of the Facility Ratings Methodology. Response: The drafting team reviewed the time horizons for each of the requirements and confirmed that the proposed time horizons are correct. R1 through R4 are not all dealing with the development of Facility Ratings Methodologies – R1 and R2 require owners to have documented methodologies – R3 requires the owners to make the methodologies available within a specified time period – and R4 requires the owners to provide specific communication within a specified time period.</p> <p>R4 - Suggest this text revision: "Time Horizon: Operations Planning, Long-term Planning". The time horizons associated with R1, R2, R3, & R4 should all match because they are all dealing with the development of the Facility Ratings Methodology. Response: The drafting team reviewed the time horizons for each of the requirements and confirmed that the proposed time horizons are correct. R1 through R4 are not all dealing with the development of Facility Ratings Methodologies – R1 and R2 require owners to have documented methodologies – R3 requires the owners to make the methodologies available within a specified time period – and R4 requires the owners to provide specific communication within a specified time period.</p> <p>R5 - Suggest this text revision: "? Shall each establish and have Facility Ratings?" The standard should add the word 'establish', to be consistent with the wording that is using in R2, R3, & R4 of FAC-014-1, the System Operating Limit standard. The term "establish" acknowledges that it takes time to develop and approve Facility ratings. Response: FAC-014 has been recommended for retirement. The word, 'establish' doesn't result in a different product – the word, "have" was allowed to have a contractor develop the ratings.</p> <p>R6 - Suggest this text revision: "Time Horizon: Operations Planning, Same-day Operations, Real-time Operations, Short-term Planning, and Long-term Planning". Since the ratings need to be provided for short-term planning and long-term planning purposes as well, then it would be reasonable to also include these time horizons in the list. Response: The drafting team reviewed the requirements against the criteria for time horizons and believes the time horizons are correct.</p> <p>D 1.1 - Suggest this text revision: "Regional Reliability Organization". This draft is proposing to replace defined entity names that appear in the NERC Glossary (and the approved Version 3 of the Functional Model) with entity names that are not in the NERC Glossary and still under consideration for use in Version 4 of the Functional Model. If the drafting team wants to use these new entity names, they should include them in this draft standard as proposed definitions and capitalize the names. Response: The term, "Compliance Enforcement Authority" is the correct term as this is the term referenced in the ERO</p>

Organization	Question 2 Comments:
	<p>Rules of Procedure. This term is capitalized to match the spelling of the term when used in the ERO Rules of Procedure. See Appendix 4c, section 1.1.7:</p> <ul style="list-style-type: none"> 1.1.7 Compliance Enforcement Authority: NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards. <p>D 1.2 - Suggest that text be include that calls for monitoring of "establish, have, and provision of" Facility Ratings every year (e.g. self certification) and for monitoring of "documenting, making available, and responding to requests" related to the Facility Rating Methodology every three years (e.g. compliance audit). Response: The compliance program has recommended that certain processes be used and has asked that drafting teams refrain from adding modifications to the processes. This allows the compliance program to make adjustments, where needed, without going through the entire standards development process.</p> <p>D 1.4 - Suggest deleting the text: "The Compliance Enforcement Monitor shall?" because Standard requirements cannot be applied to RROs. (See also comment for D 1.1.) Response: This is not a reliability requirement – it is a compliance element. The CEA is the typically the RE, and is acting under delegation agreements.</p>
	<p>Response: Please see the responses to each comment above.</p>
US Bureau of Reclamation	<p>General Comment: There does not appear to be a requirement for coordinated rating between the Generator Owner/Operator and Transmission Owner/Operator or Balancing Authority. If the Transmission Owner methodology results in de-rating of transmission elements used by the Generator Owner, it would be prudent for that information to be communicated to the Generator Owner. This should be addressed in the standard.</p> <p>R1. The standard requires the Generator Owners to develop a methodology for determination of facility ratings. The modification now requires the Generator Owners to document how each of five specific possible rating information sources was used. The additional documentation does not appear to add to system reliability. In fact it implies that all could be used or should be used. Not all sources of information are applicable to generator rating. Generator Owners are in the best position to determine the safe facility and reliable rating of the facilities. Requiring a methodology and documentation of the methodology is adequate. The rating of the facility can be the result of many variables. It does not add to system reliability to try to capture the scenarios that can result in a generator rating. The requirement should be limited to furnishing the generator rating and the basis for it by the Generator Owner as well as a periodic review of rating.</p> <p>R1. and R2. The Violation Risk Factor rating of medium is unrealistic for this standard. This requirement is for the documentation. The lack of documentation will not cause the equipment to be any less reliable. In most cases the ratings have already been established and communicated under interconnection agreements to the Transmission</p>

Organization	Question 2 Comments:
	<p>Operator or Balancing Authority. It is inconceivable that a Transmission Operator would allow a Generator to interconnect without knowledge of the generation capacity of the facility. This requirement to develop a documentation of how the capacity was determined is a sort of reverse engineering.</p> <p>R 2.1.2 Acronyms need to be spelled out. If the term is used only once, there is no need for the acronym. In the case of this standard, both terms are not used again and therefore there is no need for the acronyms.</p> <p>R7. This 'requirement' is a planning function and comes dangerously close to the specific limitation of the Energy Policy Act of 2005 which specifies:(3) The term 'reliability standard' means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cyber security protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, BUT THE TERM DOES NOT INCLUDE ANY REQUIREMENT TO ENLARGE SUCH FACILITIES OR TO CONTRUCT NEW TRANSMISSION CAPACITY OR GENERATION CAPACITY. [Emphasis added]. This requirement is for Transmission Owners to identify what the Facility Rating might be with facility enlargement. This is cleverly couched as removal of a thermal rating limitation. The reality is the equipment must be upgraded to no longer be a thermal limit. This requirement should be eliminated from the standard and incorporated into a guideline for information that would be useful in grid planning. This requirement also seems to be encroaching on FERC Order 890 which requires public utility transmission providers to participate in open transmission planning at the local and regional level addressing coordination, transparency, and congestion studies.</p>
	<p>Response: The proposed new requirement for communication between owners is beyond the scope of the SAR for this project. R1 does not require that Generator Owner to “use” each of the items listed in the associated subrequirements, R1 requires that the Generator Owner document how it “considered” each of the listed items – the words “use” and “consider” are not the same.</p> <p>R1 and R2 VRFs - Facility ratings are used in power flows and stability studies. The Medium VRFs recognize that the intent of the associated requirements is to ensure that the owner has a technical basis for the method it uses to rate its facilities.</p> <p>R2.1.2 – Agreed – the drafting team revised the language in the standard to “spell out” the titles of the organizations for IEEE and CIGRE.</p> <p>R7 - R7 was added to the standard to comply with one of the directives in Order 693. We have drafted several variants of the requirement, and the latest version seems to be acceptable to most commenters.</p>
AEP	AEP would like some guidance as to the difference between R1 and R2 for the Generator Owner. Is R2 intended to only apply to transmission facilities that the Transmission Owner and/or Generator Owner may own?
	<p>Response: The generator owner is responsible for rating all the BES equipment it owns – either under R1 or under R2. The standard was written to give the Generator Owner some flexibility in classifying its facilities. The language in R2, “except for those generating Facilities addressed in R1” was designed to make it clear that the Generator Owner is not required to have two methodologies addressing the same facilities.</p>

Organization	Question 2 Comments:
PPL Supply	<p>The PPL Supply group appreciates the opportunity to provide comments on this draft standard revision. PPL Supply requests that the SDT clarify the relationship between this Facility Ratings standard and standards under development that require facility verification of generator capability; e.g. MOD-024 & 025. NERC and the RROs are currently developing standards to require generator capability verification that will likely result in generator data that is different from the facility rating data. What is the relationship, if any, between these different ratings and how will it impact audits? The operating data will provide valuable information to ensure reliable operation of the BES. Is it necessary to produce original design data in addition to currently capability data? Can a GO choose to use actual operating data as a methodology? Is the intent of FAC-008 to require an "engineering design rating" of a facility? PPL Supply requests that the SDT clearly define the boundaries of the generating facility to be anything up to the GO point of the interconnect.</p>
<p>Response: The drafting team agrees that when the MOD standards become enforceable, R1 may be revisited. Until then, there is no requirement in place for the Generator Owner to have a methodology for rating its generating unit. MOD-024 through MOD-027 are verification standards – they aren't methodologies for facility ratings.</p>	
PacifiCorp	No other comments.