

**Consideration of Comments on Initial Ballot of Interpretation of VAR-001-1 — Voltage and Reactive Control, Requirement R4 for Dynegy**

**Summary Consideration:** The drafting team did not make any changes to the interpretation based on stakeholder comments. Several commenters suggested that the interpretation process should not have been used to answer the question submitted. The Drafting Team believes that the interpretation process was properly followed. It also believes that the requestor should be given some insight into the rationale behind the response and related materials. Implied requirements are open to subjective interpretation without a firm basis and could lead to a variety of meanings. In this case, a SAR and the use of the approved open process is appropriate.

Voter	Entity	Segment	Vote	Comment
Terry Bilke	Midwest ISO, Inc.	2	Affirmative	We agree that the TOP should provide a technically sound set of limits and that the generator operator should be part of the process. However, the interpretation process should not be used to change or add to a standard.
Response: Thank you for your input. The Interpretation Team believes that the process was properly followed and the interpretation did not change or add to a standard.				
Bruce Merrill	Lincoln Electric System	3		LES agrees with the Interpretation, however, this once again appears to be an unnecessary Interpretation. Dynegy expresses some potential concerns, but these would be better addressed in a SAR rather than an Interpretation. NERC should use some discretion in issuing Interpretations as the current volume of Interpretations is troubling. A formal Interpretation should not be needed to answer "is X a requirement of this standard". Additionally, Dynegy simplified their Interpretation Request into three questions. These three questions could have been addressed in a simplified manner making the Interpretation easier to understand. Suggested answers to Dynegy's questions: 1. No, this is not a Requirement of this standard. 2. No, this is not a Requirement of this standard. 3. The Measures are based on the Requirements, and this is not a Requirement of this standard. If Dynegy feels changes need made to the current standard the SDT recommends pursuing a SAR.
Eric Ruskamp		6	Negative	
Response: Thank you for your input. The Interpretation Team believes that the process was properly followed. It also believes that the requestor should be given some insight into the rationale behind the response and related materials.				

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James A. Maenner	Wisconsin Public Service Corp.	3	Negative	WPSC/UPPCCo agrees with the Interpretation, however, this appears to be an unnecessary Interpretation. Dynegy expresses some potential concerns, but these would be better addressed in a SAR rather than an Interpretation. NERC should use some discretion in issuing Interpretations; a formal Interpretation should not be necessary to answer whether a requirement is part of a standard.
Response: Thank you for your input. The Interpretation Team believes that the process was properly followed. It also believes that the requestor should be given some insight into the rationale behind the response and related materials.				
Ronald W. Bauer	Detroit Edison Company	5	Negative	We disagree with the interpretation. Actions taken by any entity to comply with specific NERC Standard requirements should always be consistent with good utility practices. R1 of VAR-001-1 requires "...that formal policies and procedures are developed, maintained, and implemented for monitoring and controlling voltage levels.." Therefore Transmission Owners should be expected to have clear procedures in place in how it controls voltage levels. Therefore, in our opinion, when the Transmission owner specifies a Reactive Power schedule it is implied that it is reasonable and practical for the Generator to maintain.
Response: Thank you for your input. As the commenter states "it is implied" and not a stated requirement that can be objectively measured. Implied requirements are open to subjective interpretation without a firm basis and could lead to a variety of meanings. In this case, a SAR and the use of the approved open process is appropriate.				
Larry Brusseau	Midwest Reliability Organization	10	Negative	The MRO agrees with the Interpretation, however, this once again appears to be an unnecessary Interpretation. Dynegy expresses some potential concerns, but these would be better addressed in a SAR rather than an Interpretation. NERC should use some discretion in issuing Interpretations as the current volume of Interpretations is troubling. A formal Interpretation should not be needed to answer "is X a requirement of this standard". Additionally, Dynegy simplified their Interpretation Request into three questions. These three questions could have been addressed in a simplified manner making the Interpretation easier to understand. Suggested answers to Dynegy's questions: 1. No, this is not a Requirement of this standard. 2. No, this is not a Requirement of this standard. 3. The Measures are based on the Requirements and this is not a Requirement of this standard. If Dynegy feels changes need to be made to the current standard, MRO recommends pursuing a SAR.
Response: Thank you for your input. The Interpretation Team believes that the process was properly followed. It also believes that the requestor should be given some insight into the rationale behind the response and related materials.				
Charles H. Yeung	Southwest Power Pool	10	Affirmative	NERC should consider other possible ways to respond to such questions. A more interactive approach may be more helpful to this requestor since the requirement(s) they seek do not exist in the current NERC standards. Discussion at a NERC committee or a web-based forum may have sufficed.
Response: Thank you for you input. If asked for an informal response to a question about a standard, NERC will provide an informal response.				