

## Consideration of Comments Submitted with Initial Ballots for FAC-008-2 — Project 2006-09

**Summary Consideration of Comments:** The SDT made the following corrections and clarifications to the standard following the initial ballot, before the recirculation ballot:

- The SDT corrected a format error that appeared in the version of the standard that was posted for pre-ballot review. This error made it appear that there was no text associated with R2.1.1 and this has been corrected.
- Balloters indicated that the Moderate and High VSLs for R1 could be misinterpreted and suggested replacing the phrase, “does not identify how either” with the phrase, “is missing identification of how both” for clarity. The SDT adopted this clarification.
- Balloters also indicated that the VSLs for R3 could be interpreted as having a gap without clarity when the methodology was made available on the 30<sup>th</sup> day, the 45<sup>th</sup> day, and the 60<sup>th</sup> day. For clarity, the SDT added the phrase, “or equal to,” to the VSLs.
- Balloters indicated that when a schedule is late by 15 days, without adding some words to the Lower VSL, some entities could interpret this as either a Lower or a Moderate VSL. The SDT added the phrase, “but less than” to clarify that if the schedule is 15 days late, this is a Moderate VSL.

There were several stakeholders who indicated that the standard should not include Requirement R7 either because it does not seem to have an apparent reliability benefit or because it seems to be more related to a planning standard.

Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the following directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Here is the directive:

- For each facility, identify the limiting component, and, for critical facilities, the resulting increase in rating if that component is no longer limiting.

The drafting team worked with FERC staff to develop language to minimize the applicability of the resulting requirement so that it only applies to those few occasions when all of the following conditions have been met:

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- The transmission facility rating is a thermal rating and is limited by equipment other than the conductor, **and**
- The requester provides evidence that the facility rating is one of the following:
  - o Used to develop an Interconnection Reliability Operating Limit
  - o A limitation of Total Transfer Capability
  - o An impediment to generation deliverability
  - o An impediment to service to major cities or load pockets

Note that when the standard is filed for approval, NERC, with assistance from the drafting team, will document stakeholders objections to the requirement.

There were several stakeholders who indicated that the generator should not be required to document its facility rating methodology because the generator verifies its capabilities under the MOD standards. MOD-011-0 is a “fill in the blank” standard that was not approved by FERC. Related MOD-010 requiring submittal of modeling and simulation data based on MOD-011-0 was FERC approved. Such data is “expected” data for studies and has no requirement for technical analysis or verification support. MOD-024-1 and MOD-025-1 require each region to have “verification” and reporting methodologies. (Note that MOD-024-1 and MOD-025-1 were not approved by FERC.) MOD-026-1 and MOD-027-1 are still under development, and the exact language that will be included in the final version of these standards is unclear.

The intent of FAC-008-2 is to establish the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to verify ratings. As a portfolio of verifications and performance tracking is developed, MOD-024-1 and MOD-025-1 may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a Facility Rating – realizing that a generator’s capability is a family of data. The approved definition for Facility Rating is: “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.” At best, a single verification by itself following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2.

FAC-008-2 covers associated transmission facilities owned by (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.

When MOD-010-0, MOD-011-0, MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly eliminated and replaced with a “rating guidelines” a.k.a. “best practice” type document. The existence of MOD-010-1,

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MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.

Some balloters disagreed with using percentages for VSLs that categorize noncompliant performance relative to having facility ratings that were not developed according to the facility ratings methodology. The drafting team does not have any control over the number of ratings that will be reviewed during a compliance audit. Had the drafting team used a number of inaccurate ratings to differentiate the VSL categories, the same situation would have occurred – where an entity with 300 facilities and one error would have been found to be at the same level of noncompliance as the entity with only 5 facilities and one error. And owners with large fleets may have claimed that the use of whole numbers was unfair to them.

Several balloters asked that the standard become effective at the same time throughout the continent. The SDT cannot identify a reliability-related reason to delay implementation of the standard while waiting for all regulatory authorities.

Several balloters questioned the level of documentation needed to show that it had “considered” the items identified in R1. The subrequirements in R1 identify elements that must be considered in the methodology. Each Generator Owner’s methodology must identify how each of the subrequirements has been considered. 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.”

<b>Segment:</b>	1
<b>Organization:</b>	Ameren Services
<b>Member:</b>	Kirit S. Shah
<b>Comment:</b>	<p>1. We do not agree that the proposed new R7 requirement to provide the second limiting element information upon request by RC, TO, TP, or PC within 30 days is needed to maintain reliability. This information is valuable when considering system upgrades, and can be made available through the various other planning processes, but it should not be included as part of this Standard.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop</p>

a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.

2. We have concerns for the VSL for R5. If only a limited number or spot checks of transmission facility ratings are reviewed, how is the VSL going to accurately determine the percentage of the ratings that are inconsistent with the rating methodology? For example 1 inconsistency among 2, 5 and 50 spot checked would give significantly total percentages.

**Response:** The drafting team does not have any control over the number of ratings that will be reviewed during a compliance audit. Had the drafting team used a number of inaccurate ratings to differentiate the VSL categories, the same situation would have occurred – where an entity with 300 facilities and one error would have been found to be at the same level of noncompliance as the entity with only 5 facilities and one error. And owners with large fleets may have claimed that the use of whole numbers was unfair to them.

3. We do not believe 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.

**Response:** The intent of R2.2 is to identify topics that must be included in identifying how the equipment rating was developed. Underlying assumptions is a separate topic, for example, from identifying how the entity considered use of manufacturer's ratings. R2.2 is not expecting the responsible entity to include the underlying assumptions of the manufacturer's ratings – it is expecting the responsible entity to include underlying assumptions that it has determined on its own, and an indication of how it considered use of manufacturer's ratings. The intent is not for the responsible entity to re-create the manufacturer's assumptions.

4. We do not agree that Operating limitations (see 2.2.4) should be limited to temporary deratings of impaired equipment. The 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.

**Response:** The Operating limitations are not limited to temporary deratings of impaired equipment. The footnote uses the phrase "such as" to be clear that the example provided is just that – one example of what may be an operating limitation.

5. We have concerns for the need to retain equipment ratings for the previous three years. Why is it needed and how would this information be used to demonstrate compliance?

**Response:** The data retention periods in the standard were established with the support of the compliance program with a goal of ensuring that the responsible entity retains sufficient data to demonstrate compliance.

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	As envisioned, to assess compliance with Requirement R5, the compliance enforcement authority would compare the facility ratings developed and the methodology used to develop those ratings to determine if the ratings were developed according to the methodology.
<b>Segment:</b>	1
<b>Organization:</b>	Avista Corp.
<b>Member:</b>	Scott Kinney
<b>Comment:</b>	<p>Requirement 7 does not belong in the standard. It may be a good idea to considered your next limiting facility but this should not be a requirement in the standard.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	1
<b>Organization:</b>	Baltimore Gas & Electric Company
<b>Member:</b>	John J. Moraski
<b>Comment:</b>	<p>1) Section R2.1.1. Comments: R2.1.1. has been assumed to be the following: "Ratings provided by the equipment manufacturers or obtained from the equipment manufacturer specifications such as nameplate rating." Is this a correct assumption? If so, the way the text is positioned is misleading because the requirement is located above its corresponding title making it appear to be part of R2.1. This also makes R2.1.1. appear to be blank.</p> <p><b>Response:</b> This is a typographical error and has been corrected. The standard should read:</p> <p style="padding-left: 40px;">R2.1.1 Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications such as nameplate rating.</p> <p>2) Sections R5 and R6 Comments: What kinds / types of facilities are expected / intended to be covered by a jointly owned facility? Should a definition be added to the standard and glossary of terms to assist the user</p>

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	<p>community?  <b>Response:</b> Jointly owned Facilities are those Facilities that have more than one legal owner. This could be a Transmission Line, generator or other Facility.</p> <p>3) VSL – R3 Section Comments: The wording of the VSL’s for R3 violations could use some clarification. The lower level violation is defined as, "a time period greater than 21 calendar days but less than 30 calendar days," which can be interpreted as <math>30 &gt; \text{time period} &gt; 21</math>. The moderate level violation is defined as, "a time period greater than 30 calendar days but less than 45 calendar days," which can be interpreted as <math>45 &gt; \text{time period} &gt; 30</math>. It is unclear whether the 30th day is included as part of a lower level violation or a moderate violation. It is also unclear if the 45th day is incorporated with the moderate or high level violation for the same reason.  <b>Response:</b> The SDT added a couple of words to improve the clarity.</p> <p>3) VSL – R6 Section Comments: The wording of the VSL’s for R6 violations could use some clarification. The lower level violation is defined as, "up to 15 calendar days," which can be interpreted as <math>15 = \text{time period}</math>. The moderate level violation is defined as, "15 calendar days or more, but less than 30 calendar days," which can be interpreted as <math>30 &gt; \text{time period} = 15</math>. It is unclear because the 15th day is included as part of a lower level violation and the moderate level violation.  <b>Response:</b> The intent was to include the 15<sup>th</sup> day in the Moderate VSL. The SDT added a couple of words to ensure this is clear.</p> <p>3) Section F Comments: Has the standards development committee given consideration to listing / referencing other applicable standards in FAC-008-2 since a Section F is included in the proposed document?  <b>Response:</b> In the future we do anticipate populating Section F with a list of related documents, including related standards – but until we complete the ‘clean-up’ of Version 0 standards, the list of related standards is not stable, and maintaining Section F would be very challenging.</p>
<b>Segment:</b>	1, 3, 4, 5, 6
<b>Organization:</b>	FirstEnergy Energy Delivery, First Energy Solutions, Ohio Edison Company, FirstEnergy Solutions
<b>Member:</b>	Robert Martinko, Joanne Kathleen Borrell, Douglas Hohlbaugh, Kenneth Dresner, Mark S Travaglianti
<b>Comment:</b>	<p>FAC-008-2 Facility Rating Ballot, FirstEnergy Comments FirstEnergy appreciates the efforts of the drafting team in developing this standard; however, we find we cannot support its approval as written and are voting NEGATIVE on this proposed standard development project.</p> <p>Requirement R7 requires the development of the "hypothetical increase in the Facility’s ratings if the most limiting Equipment" component were ignored as the limiting component. Reliability standards must be based on and sanctionable only on real aspects of operating the BES not hypothetical situations. We recognize that</p>

this situation was included at the direction of FERC Order 693. We would offer that the potential relief in resolving the most limiting equipment rating is more efficiently and appropriately addressed in the transmission tariff and RTO market processes.

**Response:** Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.

We recommend that the reference to Generator Owner be struck from Requirement R2 since its inclusion causes confusion as to what is Generator Owner Facilities. The facilities being addressed by R2 appear to be non-generator Bulk Electric System facilities and if owned by a non-traditional transmission company (i.e. Generator Owner, Merchant Transmission Company, etc.) would warrant such company to register as a Transmission Owner. This is really a registration issue that is presently being address by the industry. We refer the drafting team to the recent NERC conducted "Generator Owner/ Operator -- Transmission Owner/Operator Interface Stakeholder Survey" which concluded on October 30, 2008. If the drafting team retains the Generator Owner in Requirement R2, we believe the drafting team needs to be clear in what they consider a "generating unit Facility". The drafting team crafted Requirement R1 to require Facility Ratings for "generating unit Facilities." Requirement R2 was requires facility ratings for "solely and jointly owned Facilities (except for those generating unit Facilities addressed in Requirement R1)." The drafting team appears to have a clear idea of what they would consider to be "generating unit Facilities," however no definition was provided by the team. We suggest that the team should record their definition of "generating unit Facilities" to improve clarity, remove ambiguity, and enhance the measurability of both Requirement R1 and Requirement R2. It is FirstEnergy's opinion that the generating unit facility would include the electric generator and associated plant electrical equipment that transport the electric power from the generating unit to the point of interconnection to the transmission system; typically the high-side of the generator step-up transformer.

**Response:** There is an industry debate going on with respect to the 'fine line' between the 'generation' and 'transmission' 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. At this time, there are some facilities that are owned by a Generator Owner that are not classified as "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.

We have the following additional comments related to Requirement R1:

1. It is unclear if the rating methodology implemented for a generator Facility Rating is intended to be on a unit basis or a plant basis. R1 does not appear to account for situations where multiple units may share common electrical plant infrastructure.

**Response:** The definition of a Facility is: A set of electrical equipment that operates as a single Bulk Electric System Element (e.g., a line, a generator, a shunt compensator, transformer, etc.) Thus, the expectation is that the methodology will be implemented on a unit basis.

2. The Generator Owner's methodology is required to identify how various factors (R1.1 through R1.5) are considered in the determination the generator unit Facility Rating. Related to these factors, we would appreciate clarification from the drafting team to our questions as described in items "2a" and "2b" below.

a) One of the factors for consideration is the facility commissioning data as stated in R1.1. What if commissioning data is no longer available for a legacy plant? Is it sufficient to indicate to a compliance auditor that the commissioning data does not exist and therefore not pertinent to the unit's facility rating?

**Response:** The responsible entity is not required to use "commissioning data" if that data is no longer available. Under such a circumstance, the methodology could include a statement to indicate that commissioning data is not available and was not used to establish a facility rating – this would meet the intent of R1.1.

b) As written, R1 appears to allow flexibility for the Generator Owner to determine how each of the factors (R1.1 through R1.5) are or are not used in the rating of the generator unit. Therefore, it is our interpretation that for a legacy generator unit whose design is unchanged a methodology that relies solely on R1.2 which permits a rating based on performance history or rating verification would be a sufficient means to rate the facility. Is this a correct interpretation?

It is FirstEnergy's continued opinion that FERC in paragraph 765 of Order 693 supported this position when it stated "The Commission agrees with Xcel that an actual test could be used as a substitute for a mathematical calculation of capability, and we ask the ERO to consider these comments in its Reliability Standards development process." We support the detailed equipment component rating verification of a transmission circuit, because there is no analogous process to the generator verification that can be performed for a given transmission circuit. However, a generator rating verification based on actual performance tracking or verification test should suffice as a qualified generator rating. The generator unit facility rating is often limited based on non-electrical component factors such turbine limitations, environmental factors etc. and the more limited rating should be the reference rating in planning and real-time system models. It is difficult to

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	<p>conceive a situation where a test or performance tracking would overstate a unit's capability.  <b>Response:</b> Almost – to be fully compliant, the methodology would need to indicate how each of the subrequirements was considered – thus if the facility ratings were based solely on R1.2, the methodology would still need to indicate how the responsible entity “considered” the other subrequirements. For R1.1, this can be as simple as including a statement to indicate that commissioning data was not used. A similar statement would need to address each of the subrequirements.</p>
<b>Segment:</b>	1, 3
<b>Organization:</b>	Hydro One Networks, Inc.
<b>Member:</b>	Ajay Garg, Michael D. Penstone
<b>Comment:</b>	<p>Hydro One Networks Inc. casts a Negative vote with the FAC-008-2 Standard. In support of our negative vote we offer the following comments:</p> <p>1. Although in the current version of the standard, Requirements R3 and R4 obligate TOs to subject their rating calculation methodologies to inspection and review by their RC, TOP, TP or PC. While we agree that TOs could share this material, we do not consider that a technical review and obligation to respond to comments should take place. Ratings are the sole prerogative of the asset owners and the decision on how to manage the life cycle of their assets and how they are going to be operated cannot be taken away from them. The overriding principle is that asset owners must have the final say on the ratings of the equipment they own.  <b>Response:</b> We agree that the overriding principle is that asset owners must have the final say on the ratings of the equipment they own. This “peer review” process is intended to motivate owners to make voluntary corrections when a technical flaw or an inappropriate or inconsistent assumption was used in a methodology.</p> <p>2. Requirement R7 obligates TOs to provide, within 30 days of a request of the RC, TOP, TP or PC, (a) the identification of the most limiting Equipment that comprises a Facility, or (b) the hypothetical increase in the Facility's Rating if that most limiting Equipment that comprises that Facility were not considered in the development of that Facility Rating. Provision of this information does not contribute to the reliability of the BES. Inclusion of the requirement in the standard seems to be solely to meet a FERC directive and the SDT should have considered other means of responding to such directive. This requirement does not belong in the standard.  <b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team</p>

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	<p>was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>3. We believe there is a fundamental issue related with effective dates, that is, the dates in which Reliability Standards become effective and enforceable. In principle, the effective date of standards must be the same for all jurisdictions in North America. It does not make sense that there is a period of time when a standard is effective only in some jurisdictions while not in others. The words inserted in the Effective Date of the Standard as well as in the Implementation Plan document permit that this Standard becomes effective in some jurisdictions before it does in others. The Standard should be modified to ensure that it becomes effective in all jurisdictions at the same time, including those where such regulatory approval is not required that is, only when all regulatory approvals have been obtained.</p> <p><b>Response:</b> The drafting team does not see the impact to reliability of implementing this standard at different times in different jurisdictions.</p>
<b>Segment:</b>	1, 3, 5, 6
<b>Organization:</b>	Manitoba Hydro
<b>Member:</b>	Michelle Rheault, Ronald Dacombe, Mark Aikens, Daniel Prowse
<b>Comment:</b>	<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. A Severe Violation Severity Level should be limited to situations where rating data is not provided (ie. 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><b>Response:</b> 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> <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</p>

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	<p>provided to the operators.  <b>Response:</b> 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 that the methodology is intended to ensure that the owner has a technically sound basis for rating its Facilities.</p>
<b>Segment:</b>	1, 3, 5
<b>Organization:</b>	New York Power Authority
<b>Member:</b>	Ralph Rufrano, Michael Lupo, Gerald Mannarino
<b>Comment:</b>	<p>Identification of the most limiting Equipment list of elements that comprises a Facility, or the hypothetical increase in the Facility's Rating if that most limiting element of the facility were not to be considered in the development of that Facility Rating and what the next limit would be does not belong in this standard.  <b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>Also there is an outstanding implementation issue with the standard taking effecting in the US before it does in Canada and this issue has been pointed out to NERC before and with standards such as ratings, it becomes even more important that the standard become "effective" concurrently throughout the Continent.  <b>Response:</b> The drafting team does not see the impact to reliability of implementing this standard at different times in different jurisdictions.</p>
<b>Segment:</b>	1
<b>Organization:</b>	Northeast Utilities
<b>Member:</b>	David H. Boguslawski
<b>Comment:</b>	Northeast Utilities makes the following comments regarding FAC-008-2. These comments did not reach our threshold for a NO vote; however, we believe they should be held for consideration during the next FAC-008

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	<p>review cycle.</p> <p>- VSLs for R1 – We believe use in the moderate and high categories of the word “either”, in the phrase “...does not identify how ‘either’ of the following ...” means “both”; but could be read to mean “one”. Suggest clarification.</p> <p><b>Response:</b> Your interpretation is correct. The SDT revised the VSLs to make this clearer.</p> <p>R7 – The TO should have some input into the presumably longer timeframe allowed for responding to a request regarding conductor ratings. The evaluation could take significantly longer than 30 days, realistically 180 days.</p> <p><b>Response:</b> Since the entity must develop its facility rating by considering the most limiting element that comprises the facility, the identification of the most limiting element has already been done. It should not take the Transmission Owner longer than 30 days to develop the ‘theoretical’ rating.</p> <p>- Correct the formatting in R2.1.1. Should be corrected in this cycle as “errata”.</p> <p><b>Response:</b> This is a typographical error and has been corrected. The standard should read:</p> <p style="padding-left: 40px;">R2.1.1 Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications such as nameplate rating.</p>
<b>Segment:</b>	1
<b>Organization:</b>	Pacific Gas and Electric Company
<b>Member:</b>	Chifong L. Thomas
<b>Comment:</b>	<p>PG&amp;E agrees with the proposed changes. However, we disagree with inclusion of R.7 in the proposed standard. R.7 is not related to reliability and can be misleading. R.7 requires the determination of “[T]he hypothetical increase in the Facility’s Rating if that most limiting Equipment that comprises that Facility were not considered in the development of that Facility Rating”. Only the rating of the most limiting Equipment should be used in specifying a Facility Rating to ensure reliability of the transmission system. Any investigation into hypothetical rating increases should be part of the studies covered in other NERC Standards, such as the TPL standards, and should not part of Standard FAC-008.</p> <p><b>Response:</b> Per David Cook, NERC’s Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team</p>

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	<p>was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	1
<b>Organization:</b>	PP&L, Inc.
<b>Member:</b>	Ray Mammarella
<b>Comment:</b>	<p>Percentages in the VSLs to judge a fleet of generators or transmission lines should not be used. Other SDTs have successfully used other measurement methods to avoid unfairness on small fleet entities.</p> <p><b>Response:</b> The drafting team does not have any control over the number of ratings that will be reviewed during a compliance audit. Had the drafting team used a number of inaccurate ratings to differentiate the VSL categories, the same situation would have occurred – where an entity with 300 facilities and one error would have been found to be at the same level of noncompliance as the entity with only 5 facilities and one error. And owners with large fleets may have claimed that the use of whole numbers was unfair to them.</p> <p>In addition, there are potential conflicts with requirements that are applicable to GOs in the MOD-024 &amp; MOD-025 standards. If you verify ratings a methodology is not required.</p> <p><b>Response:</b> MOD-024-1 and MOD-025-1 require each region to have "verification" and reporting methodologies. The intent of FAC-008-2 is to <b>establish</b> the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to <b>verify</b> ratings. As a portfolio of verifications and performance tracking is developed, they may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a facility rating - realizing that a generator's capability is a family of data. The approved definition for Facility Rating is: "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." At best, a single verification by itself, following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly eliminated and replaced with a "rating guidelines" a.k.a. "best practice" type document. The existence of</p>

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	MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.
<b>Segment:</b>	1
<b>Organization:</b>	Puget Sound Energy, Inc.
<b>Member:</b>	Catherine Koch
<b>Comment:</b>	<p>The language in R7 does not improve the reliability of the system. Requirements R1 through R6 do enforce the reliability of the system. Determining hypothetical increases in Facility Rating as proposed in R7 is a radical departure from well established processes whereby a single most limiting equipment rating is understood to be the norm by the utility industry. Such increases should remain a function and part of the OASIS Transmission Request and Study process, and not circumvent it. The utility industry has not looked at and identified the impacts of R7 from a market perspective. Since the intended reliability purpose of FAC-008-2 can be meet without R7, we recommend a re-issue of the standard with R7 removed.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	1
<b>Organization:</b>	Sacramento Municipal Utility District
<b>Member:</b>	Dilip Mahendra
<b>Comment:</b>	<p>In R1, the proposed standard adds a requirement to address facility rating based on:</p> <ul style="list-style-type: none"> <li>a) Field Commissioning Data and</li> <li>b) Performance History or Rating Verification, in addition to manufacturers specification.</li> </ul> <p>Addressing these would require significant new work and would not add any benefit to our methodology using only manufacturers specification. It would be beneficial if these items were offered as options in lieu of manufacturers specification, but the draft is written requiring them as additional work. Although, the language for the requirement calls for the methodology to identify "how each of the following were considered", the</p>

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	<p>corresponding VSL for R1 assigns a "High VSL" if: "The Generator Owner's Facility Ratings Methodology for generating unit Facilities, does not identify how either of the following were considered: Facility commissioning data. (R1.1) Performance history or rating verification accompanied by engineering analysis. (R1.2)". The VSL appears to be more conservative than the requirement.</p> <p><b>Response:</b> Requirement R1 does not state, ". . . field commissioning data and" the requirement does not include the word, "and." The drafting team revised this requirement several times in support of generator owners who asked for latitude in using different methods to establish facility ratings – some owners, for example, will no longer have ratings provided by equipment manufacturers. As written, the standard allows such a generator owner to include a statement in its methodology to indicate that it no longer has the ratings provided by equipment manufacturers and thus, these were not used in the development of the facility ratings.</p> <p>The subrequirements in R1 identify elements that must be considered – ambient conditions is one of the elements. Each Generator Owner's methodology must identify how each of the subrequirements has been considered. 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>
<b>Segment:</b>	1, 3, 5, 6
<b>Organization:</b>	Salt River Project
<b>Member:</b>	Robert Kondziolka, John T. Underhill, Glen Reeves, Mike Hummel
<b>Comment:</b>	<p>SRP believes that Requirement 7 does not provide an enhancement to Bulk Electric System reliability. It appears to be a requirement associated with Open Access Transmission Tariffs. We recommend that Requirement 7 be eliminated from the Standard and be considered in the appropriate venue.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	1

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<b>Organization:</b>	Sierra Pacific Power Co.
<b>Member:</b>	Richard Salgo
<b>Comment:</b>	<p>The major objection to this draft Standard is the addition of R7. There appears to be no reliability basis for this requirement. This is already in essence an OATT provision for any FERC jurisdictional Transmission Provider. It doesn't warrant inclusion in a reliability standard.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>Secondly, there are some parts of R1 and R2 that are unclear. It would appear that these two requirements could be merged into one, or alternatively, separate R1 to deal specifically with Generation facilities applicable to GO, and R2 to deal with Transmission facilities applicable to TO.</p> <p><b>Response:</b> When FAC-008-1 was originally developed, there was a single requirement for the Generator Owner and the Transmission Owner to each have a facility rating methodology – however during the development of the second version of the standard generator owners indicated they needed their own set of requirements for rating their generating unit facilities – and the drafting team split the initial requirement into two requirements in support of those stakeholder comments.</p> <p>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.</p> <p>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>
<b>Segment:</b>	1

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<b>Organization:</b>	Tri-State G & T Association Inc.
<b>Member:</b>	Keith V. Carman
<b>Comment:</b>	<p>R6: Interpretation of “new” facilities is unclear, and may include planned facilities. I think the standard should 1) apply only to facilities that are connected to the BES, and 2) refer to MOD-010 for ratings of planned facilities.</p> <p><b>Response:</b> The intent of Requirement R6 is to ensure that the facility owner knows when it must update its ratings. A “planned” facility is not a “new” facility. A “new” facility is a facility that is being placed into service for the first time.</p> <p>R7: Is apparently trying to get at terminal facility ratings. It should be restated. The condition that response is only required for Facilities that limit IROLs, TTCs, etc. seems unnecessary. Any TP/PA/TOP etc. should be able to inquire about the next limiting terminal element rating for any facility.</p> <p><b>Response:</b> Requirement R7 is trying to identify the element that is limiting a facility rating. The proposed language was taken from FERC Order 693 and has been used to limit, to the extent practical, the scope of theoretical ratings that must be developed.</p>
<b>Segment:</b>	2
<b>Organization:</b>	Alberta Electric System Operator
<b>Member:</b>	Anita Lee
<b>Comment:</b>	<p>The Alberta Electric System Operator (AESO) has some concerns on Requirement #7 as to its impacts on Transmission Owners in the Alberta Balancing Authority Area. The AESO will consult with Transmission Owners on these concerns when assessing this reliability standard for adoption in Alberta.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	2
<b>Organization:</b>	Midwest ISO, Inc.

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<b>Member:</b>	Terry Bilke
<b>Comment:</b>	<p>While we agree that GOs need to provide basic data to their TOP/RC/PC, it appears that the reliability standards process is being used to meet comparability objectives. It also appears administratively burdensome to GOs and also the Regions that will now have to audit thousands of generators on volumes of information. It is also not clear what it means to have a ratings methodology for power plant equipment. While parts of the standard imply this deals with substation equipment, there does not appear to be a reason to provide ambient conditions, performance history, etc., unless the standard is to include equipment in the plant. While this standard does not directly apply to us, several of our members have stated concerns that comments submitted on this standard have not been addressed.</p> <p><b>Response:</b> The intent of the subrequirements (such as identification of how ambient conditions were considered in the development of the facility rating) is to ensure that the rating is technically sound – the results are used in power flows and stability studies. There was no intent to require that the ratings meet some “comparability” objective.</p>
<b>Segment:</b>	2
<b>Organization:</b>	PJM Interconnection, L.L.C.
<b>Member:</b>	Tom Bowe
<b>Comment:</b>	<p>PJM does not believe that percentages should be used in the VSLs to judge a fleet of generators or transmission lines. Other SDTs have successfully used other methods to avoid unfairness on small fleet entities.</p> <p><b>Response:</b> The drafting team does not have any control over the number of ratings that will be reviewed during a compliance audit. Had the drafting team used a number of inaccurate ratings to differentiate the VSL categories, the same situation would have occurred – where an entity with 300 facilities and one error would have been found to be at the same level of noncompliance as the entity with only 5 facilities and one error. And owners with large fleets may have claimed that the use of whole numbers was unfair to them.</p> <p>PJM also believes that the generator section should be removed because it conflicts with MOD-024. We believe there is no need to develop a rating methodology that will be replaced with a verification standard. If you verify, you don't need a ratings methodology.</p> <p><b>Response:</b> MOD-024-1 and MOD-025-1 require each region to have "verification" and reporting methodologies. The intent of FAC-008-2 is to <b>establish</b> the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to <b>verify</b> ratings. As a portfolio of verifications and performance tracking is developed, they may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a</p>

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	<p>facility rating – realizing that a generator’s capability is a family of data. The approved definition for Facility Rating is: “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.” At best, a single verification by itself, following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly eliminated and replaced with a “rating guidelines” a.k.a. “best practice” type document. The existence of MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.</p>
<b>Segment:</b>	3
<b>Organization:</b>	Arizona Public Service Co.
<b>Member:</b>	Thomas R. Glock
<b>Comment:</b>	<p>Requirement 7 is not necessary and provides minimal, if any, benefit. The lack of benefit does not warrant the effort it would take to conduct the evaluations.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>The drafting team does not believe that it will take a significant effort to comply with Requirement R7. The responsible entity will have identified the most limiting element when determining the Facility Rating, and the requirement was developed to limit the facilities subject to review to the more critical facilities, thus minimizing any burden.</p>
<b>Segment:</b>	3, 5
<b>Organization:</b>	Entergy Services, Inc.

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<b>Member:</b>	Matt Wolf, Stanley M Jaskot
<b>Comment:</b>	<p>FAC-008 establishes facility ratings for Transmission Owners and Generator Owners. Facility/Unit ratings for Generators Owners are already addressed in MOD-010/MOD-024 and MOD-025. In fact, these other standards look at all of the limiting issues, not just electrical. The electrical limiting issues in FAC-008 are worthless if some other issue besides electrical is the limiting factor. This standard should only apply to Transmission owners and if something is important to be added for Generation Owner, then it should be added to the other standards.</p> <p><b>Response:</b> MOD-010-0 requires submittal of modeling and simulation data based on MOD-011-0. Such data is "expected" data for studies and has no requirement for technical analysis or verification support. MOD-024-1 and MOD-025-1 require each region to have "verification" and reporting methodologies. (Note that MOD-024-1 and MOD-025-1 were not approved by FERC.) The intent of FAC-008-2 is to <b>establish</b> the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to <b>verify</b> ratings. As a portfolio of verifications and performance tracking is developed, they may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a facility rating - realizing that a generator's capability is a family of data. The approved definition for Facility Rating is: "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." At best, a single verification by itself, following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-010-0, MOD-011-0, MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly eliminated and replaced with a "rating guidelines" a.k.a. "best practice" type document. The existence of MOD-010-1, MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.</p>
<b>Segment:</b>	3
<b>Organization:</b>	Florida Power & Light Co.
<b>Member:</b>	W. R. Schoneck
<b>Comment:</b>	<p>I do not agree with the second requirement of R7. It totally unnecessary and a burden to determine this "hypothetical increase". It would require very time consuming detailed engineering studies and be contrary to ensuring the reliability of the BES.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the</p>

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	<p>time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>The drafting team does not believe that it will take a significant effort to comply with Requirement R7. The responsible entity will have identified the most limiting element when determining the Facility Rating, and the requirement was developed to limit the facilities subject to review to the more critical facilities, thus minimizing any burden.</p>
<b>Segment:</b>	3, 5, 6
<b>Organization:</b>	Louisville Gas and Electric Co.
<b>Member:</b>	Charles A. Freibert, Charlie Martin, Daryn Barker
<b>Comment:</b>	<p>As it reads, R1 is not clear that the intent is only to "consider" the 5 subparts. (Based on prior replies from NERC to prior utility comments.) As it reads, an auditor could interpret that one's rating has to be based on all 5 sub-parts.</p> <p><b>Response:</b> Because Requirement R1 does use the word "consider," the SDT believes the intent is clear.</p> <p>Also, on R3, most requests have a 30-day turnaround; whereas this only has a shorter 21-day turnaround. With respect to R3 – if an entity believes that there is a possible "error" in a facility rating methodology, and asks to see that methodology, the 21 day period was selected to try and balance the need to protect reliability (in the event that the methodology does include an error) with the need to give the facility owner time to assemble the documentation associated with the methodology.</p>
<b>Segment:</b>	4
<b>Organization:</b>	Alliant Energy Corp. Services, Inc.
<b>Member:</b>	Kenneth Goldsmith
<b>Comment:</b>	R2.3 should be deleted. The Facility Rating (as stated in R5) is designed to produce the most limiting element. An entity can have all the information within the methodology, but if no "statement" is written, they will not be compliant.

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	<b>Response:</b> This subrequirement was included to protect the facility
<b>Segment:</b>	4
<b>Organization:</b>	Consumers Energy
<b>Member:</b>	David Frank Ronk
<b>Comment:</b>	<p>R1.1 - It is not reasonable to require documentation of "Facility commissioning data" for Generating Stations which have been in service any length of time.  <b>Response:</b> The standard does not "require" use of Facility commissioning data – the standard requires the facility owner to identify, in its facility rating methodology, how it 'considered' commissioning data in the development of its facility ratings. If the responsible entity did not use commissioning data in its methodology because the data was not available, the methodology can include a statement to indicate that commissioning data was not available and thus was not used.</p> <p>R1.4 - Further discussion/clarification of "Ambient conditions" needs to be contained in the Standard.  <b>Response:</b> The drafting team believes that there is a common understanding of what constitutes, "ambient conditions" and it is unclear what clarification is needed.</p> <p>R2.1.1 - Needs to be removed as there is no requirement specified.  <b>Response:</b> This is a typographical error and has been corrected. The standard should read:</p> <p style="padding-left: 40px;">R2.1.1 Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications such as nameplate rating.</p> <p>R2.4.1 - In the cases where the Generator Owner is not the Transmission Owner, the rating methodology should not require evaluation of transmission conductors.  <b>Response:</b> If the facility owner does not own transmission conductors, the owner can include a statement in its methodology to identify that it does not own any transmission conductors.</p>
<b>Segment:</b>	4
<b>Organization:</b>	Illinois Municipal Electric Agency
<b>Member:</b>	Bob C. Thomas
<b>Comment:</b>	In general, the Illinois Municipal Electric Agency (IMEA) favors this proposed standard since it condenses the existing FAC-008-1 and FAC-009-1; however, we are voting Negative to support vetting of the need for R7. The IMEA questions the need for such a "What if?" type requirement since it seems to go beyond the purpose of a reliability standard. Also, Other than R7, the proposed standard does not appear to add any additional TO requirements. However, the IMEA requests that all proposed standards that revise or retire an existing

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	<p>standard(s) include a mapping table to facilitate analysis of impacts on exiting requirements and establishment of new requirements. As far we could tell, such a mapping table was not provided with this proposed standard revision. It may not seem necessary for some proposed standards, but the sheer volume of standards developments would justify a routine practice of a mapping table being provided by the SDT to facilitate assessment of proposed revisions to a standard(s).</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>The drafting team will pass on the suggestion for mapping documents to NERC staff.</p>
<b>Segment:</b>	4
<b>Organization:</b>	Madison Gas and Electric Co.
<b>Member:</b>	Joseph G. DePoorter
<b>Comment:</b>	<p>MG&amp;E does not agree with the content of FAC-008-2 as it is written.</p> <p>R1.2, "and supplemental engineering analysis" should be deleted. If an entity "verified" the equipment rating, isn't that an analysis?</p> <p><b>Response:</b> The two words, "verify" and "analysis" are not synonyms for one another. To "verify" means to "confirm" something (there is an expected outcome) – and an "analysis" is a study to determine something. The words 'and supplemented by engineering analysis' were intended to make it clear that a methodical process was undertaken.</p> <p>R2.3 should be deleted. The Facility Rating (as stated in R5) is designed to produce the most limiting element. An entity will have all the information within the Methodology, but if no "statement" is written, then non compliance would occur.</p> <p><b>Response:</b> This subrequirement was included to protect the facility.</p> <p>R4 does not support reliability, it is a peer review, thus it should be deleted.</p> <p><b>Response:</b> The overriding principle is that asset owners must have the final say on the ratings of the</p>

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	equipment they own. This "peer review" process is intended to motivate owners to make voluntary corrections when a technical flaw or an inappropriate or inconsistent assumption was used in a methodology. This does support reliability.
<b>Segment:</b>	5
<b>Organization:</b>	Amerenue
<b>Member:</b>	Sam Dwyer
<b>Comment:</b>	<p>General note: The revised R1 and R2 sets of Requirements are now too overlapping and redundant with the use of different undefined terms such as "practice" (R2.1.3), "underlying assumptions" (R2.2), "design criteria" (R2.2) and "methods" (R2.2). These are all mandatory and result in Requirements that are virtually impossible to understand and interpret in their entirety. Unfortunately, that means individual auditors will be left to their own interpretation of exactly what is required and what does, or does not, meet each Requirement. Of course, this defeats the entire purpose of Standards which should be precise, readily understood and consistently interpreted. R1.4 should be qualified to exempt a Facility that does not have a manufacturer's ambient temperature rating. R1.5 should be qualified to exempt Facilities that do not have manufacturer's instruction books that identify the industry standards used in their design (generally due to age).</p> <p>We are concerned that use of the term Facility Rating in R5 may extend equipment subject to this Standard inside the Plant on the turbine side of the generator and beyond. Can the Drafting Group clarify this is absolutely not the intent of the wording?</p> <p><b>Response:</b> With respect to R1.4 and R1.5 – In its methodology, the responsible entity must identify how it 'considered' each of the subrequirements. 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> <p>With respect to R5 - There is an industry debate going on with respect to the 'fine line' between the 'generation' and 'transmission' 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. At this time, there are some facilities that are owned by a Generator Owner that are not classified as "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.</p> <p>R7 should note upfront that this applies to TOs only, not GOs or GOPs.</p> <p><b>Response:</b> The drafting team agrees that in the ideal situation the responsible entity should appear at the</p>

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	beginning of the requirement. This is a very complex requirement and the drafting team tried several different versions before this version, and most stakeholders seem to support this version.
<b>Segment:</b>	5
<b>Organization:</b>	Colmac Clarion/Piney Creek LP
<b>Member:</b>	Harvie D. Beavers
<b>Comment:</b>	Still does not specifically recognize existing contract limits that are in place for many IPP/NUG units, as well as contract requirements for shorter reporting cycles (semi annual) with specific report requirements. It will be a nite mare to rewrite such existing documents and obtain state PUC approval for same in some markets <b>Response:</b> The standard does not have anything to do with contracts. The focus of the standard is on the rating methodology and the establishment of limits based on the methodology. Facility ratings and "deliverability" are two different concepts.
<b>Segment:</b>	5
<b>Organization:</b>	Consumers Energy
<b>Member:</b>	James B Lewis
<b>Comment:</b>	R1.1 Seems to require documentation of "Facility commissioning data". Such documentation is not reasonable or usefull for facilities that have been in service for more than 20 years. We are operating several 50 + year old units and I'm uncertain that these documents even exist. <b>Response:</b> The standard does not "require" use of Facility commissioning data – the standard requires the facility owner to identify, in its facility rating methodology, how it 'considered' commissioning data in the development of its facility ratings. If the responsible entity did not use commissioning data in its methodology because the data was not available, the methodology can include a statement to indicate that commissioning data was not available and thus was not used.  R1.4 Further clarification of "Ambient conditions" needs to be contained in the Standard. <b>Response:</b> The drafting team believes that there is a common understanding of what constitutes, "ambient conditions" and it is unclear what clarification is needed.  R2.1.1 Remove as there seems to be no requirement specified. <b>Response:</b> This is a typographical error and has been corrected. The standard should read:  R2.1.1 Ratings provided by equipment manufacturers or obtained from equipment manufacturer specifications such as nameplate rating.  R2.4.1 As not all Generator Owners are Transmission Owners, the rating methodology should not require evaluation of transmission conductors. The Generator Owner is unlikely to have any knowledge of them.

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	<b>Response:</b> If the facility owner does not own transmission conductors, the owner can include a statement in its methodology to identify that it does not own any transmission conductors.
<b>Segment:</b>	5
<b>Organization:</b>	Dynegy
<b>Member:</b>	Greg Mason
<b>Comment:</b>	<p>The SDT continues to fail to recognize the fact that the radial "transmission" facilities that connect the unit to the grid are an integral part of the generating facility Plant and that unit testing verifies that the rating of these facilities is greater than or equal to the tested capability of the unit. R2 and its sub requirements should not apply to Generation Owners.</p> <p><b>Response:</b> There is an industry debate going on with respect to the 'fine line' between the 'generation' and 'transmission' 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. At this time, there are some facilities that are owned by a Generator Owner that are not classified as "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.</p>
<b>Segment:</b>	5
<b>Organization:</b>	Ontario Power Generation Inc.
<b>Member:</b>	Colin Anderson
<b>Comment:</b>	<p>There are a number of issues with this standard including but not limited to: - R7 is unnecessary. The limiting items implies that they will need to be removed, which may not be practical.</p> <p><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p> <p>Note that there is nothing in the standard that requires removing the most limiting element.</p>

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	<p>R1 and R2 begin to contemplate "how" elements as opposed to "what" elements. This standard should go back to the drafting team for reconsideration.</p> <p><b>Response:</b> Please be more specific in identifying exactly which elements you believe are addressing "how" rather than "what". The intent of the methodology is to require the facility owner to have a technical basis for its facility ratings.</p>
<b>Segment:</b>	5
<b>Organization:</b>	PPL Generation LLC
<b>Member:</b>	Mark A. Heimbach
<b>Comment:</b>	<p>Percentages in the VSLs to judge a fleet of generators or transmission lines should not be used. Other SDTs have successfully used other measurement methods to avoid unfairness on small fleet entities.</p> <p><b>Response:</b> The drafting team does not have any control over the number of ratings that will be reviewed during a compliance audit. Had the drafting team used a number of inaccurate ratings to differentiate the VSL categories, the same situation would have occurred – where an entity with 300 facilities and one error would have been found to be at the same level of noncompliance as the entity with only 5 facilities and one error. And owners with large fleets may have claimed that the use of whole numbers was unfair to them.</p> <p>In addition, there are potential conflicts with requirements that are applicable to GOs in the MOD-024 &amp; MOD-025 standards. If you verify ratings a methodology is not required.</p> <p><b>Response:</b> MOD-024-1 and MOD-025-1 require each region to have "verification" and reporting methodologies. The intent of FAC-008-2 is to <b>establish</b> the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to <b>verify</b> ratings. As a portfolio of verifications and performance tracking is developed, they may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a facility rating – realizing that a generator's capability is a family of data. The approved definition for Facility Rating is: "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." At best, a single verification by itself a single verification by itself, following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly</p>

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	eliminated and replaced with a "rating guidelines" a.k.a. "best practice" type document. The existence of MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.
<b>Segment:</b>	5
<b>Organization:</b>	Reliant Energy Services
<b>Member:</b>	Thomas J. Bradish
<b>Comment:</b>	<p>I respectfully voted negative because we believe that this standard should not apply to a Generator Owner because this is a duplication of the requirements of MOD-011, 024, 025, 026 and 027. In fact MOD-024, 025, 026 and 027 require an actual verification of the unit ratings based on actual data or a verification test. Requiring a generator to comply with FAC-008 will just expose the generator to additional compliance risk without any reliability benefit. There are no standards similar to MOD- 024 through 027 that apply to a TO. A TO does not have to verify the transfer capability of a transmission line and rightly so, how could one safely conduct such a verification? Because of this limitation it is logical to apply FAC-008 to the TO but not the GO.</p> <p><b>Response:</b> MOD-011-0 is a "fill in the blank" standard that was not approved by FERC. Related MOD-010 requiring submittal of modeling and simulation data based on MOD-011 was FERC approved. Such data is expected data for studies and has no requirement for technical analysis or verification support. MOD-024-1 and MOD-025-1 require each region to have "verification" and reporting methodologies. (Note that MOD-024-1 and MOD-025-1 were not approved by FERC.) MOD-026-1 and MOD-027-1 are still under development, and the exact language that will be included in the final version of these standards is unclear. The intent of FAC-008-2 is to <b>establish</b> the facility ratings using a technically sound methodology. This is needed until the generator has been put into operation and performance tracking can begin. MOD-024-1 deals with MW only and MOD-025-1 deals with MVAR only. MOD-024-1 and MOD-025-1 are used to <b>verify</b> ratings. As a portfolio of verifications and performance tracking is developed, they, may be used to assist in meeting FAC-008-2 under Requirement R1.2. (R1.2 allows the use of either performance history or rating verification supplemented by engineering analysis as a method of developing a generating unit Facility Rating.) Capability verification testing under a specific set of conditions is not the same as a facility rating - realizing that a generator's capability is a family of data. The approved definition for Facility Rating is: "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." At best, a single verification by itself, following what is required in MOD-024-1 and MOD-025-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-010-0, MOD-011-0, MOD-024-1 and MOD-025-1 are further developed and revised they could be simplified, or possibly eliminated and replaced with a "rating guidelines" a.k.a. "best practice" type document.</p>

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	<p>The existence of MOD-010-1, MOD-024-1 and MOD-025-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.</p> <p>There is an industry debate going on with respect to the ‘fine line’ between the ‘generation’ and ‘transmission’ categories. At this time, there are some facilities that are owned by a Generator Owner that are not classified as “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.</p>
<b>Segment:</b>	5
<b>Organization:</b>	U.S. Bureau of Reclamation
<b>Member:</b>	Martin Bauer
<b>Comment:</b>	<p>R1. Reclamation is concerned that the criteria for what is sufficient consideration may not be adequately defined. Previously, Reclamation believed it was at the owners discretion as long as it was documented. Reclamation has since been advised that this may not be so.</p> <p><b>Response:</b> The standard does not include the word, “sufficient.” The SDT assumes the comment is in reference to the amount of detail required in an audit – and the SDT has no control over this.</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 construct new transmission capacity or generation capacity.” 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><b>Response:</b> Per David Cook, NERC's Vice President and General Counsel, if FERC issues a directive and the time for a rehearing has passed, the drafting team is to comply with the directive provided the directive is not detrimental to reliability, regardless of the opinion of the drafting team or the industry as to its perceived reliability benefit. In such cases, the drafting team has a choice of either meeting the directive by developing</p>

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	<p>a requirement as noted in the Order, or meeting the intent of the directive through an equally efficient and effective method acceptable to both stakeholders and FERC. In the Case of FERC Order 693, NERC did not ask for rehearing during the 30-day period when a request for rehearing was allowed, thus the drafting team was left with a choice of either developing a requirement that met the intent of the directive, or achieving the intent of the directive in an equally efficient and effective manner. In the case of Requirement R7, the team could not identify an alternate approach that would meet the directive from Order 693 but was able to develop a requirement that met the intent of the directive without being too onerous. Please see the summary consideration for a review of the directive and the associated requirement.</p>
<b>Segment:</b>	8
<b>Organization:</b>	ICF Consulting
<b>Member:</b>	Jim Stanton
<b>Comment:</b>	<p>FAC-008-2 should not apply to Generator Owners as the requirements are clearly targeted towards transmission systems. Periodic capability tests of the generator are superior measures of ratings and will reflect any limiting element.</p> <p><b>Response:</b> MOD-024-1 requires each region to have a "verification" and reporting methodology. At best, a single verification by itself, following what is required in MOD-024-1 would be a subset of what is required in complying with FAC-008-2. FAC-008-2 covers associated transmission facilities owned (or considered part of) the generator, as well as the peer review concepts and the requirement to provide the ratings to interested parties.</p> <p>When MOD-024-1 is further developed and revised it could be simplified, or possibly eliminated and replaced with a "rating guidelines" a.k.a. "best practice" type document. The existence of MOD-024-1 does not allow the generator exemption from FAC-008-2 since each of the standards, although related, have a different focus and purpose.</p>