

## Standard Authorization Request Form

Title of Proposed Standard: Violation Risk Factor Development  
FAC-003-1 - Transmission Vegetation Management Program - (all requirements)  
COM-002-2 - Communication and Coordination - Requirement 2  
PRC-005-1 - Transmission and Generation Protection System Maintenance and Testing - Requirement R2.1

Request Date: March 14, 2007

### SAR Requester Information

Name: Gerry Adamski	SAR Type (Check one box.)
Company: NERC	<input type="checkbox"/> New Standard
Telephone: 609-452-8060	<input checked="" type="checkbox"/> Revision to Existing Standard
Fax: 609-452-9550	<input type="checkbox"/> Withdrawal of Existing Standard
E-mail: gerry.adamski@nerc.net	<input checked="" type="checkbox"/> Urgent Action

Purpose (Describe the purpose of the proposed standard – what the standard will achieve in support of reliability.)

The purpose of the request is to assign violation risk factors to the requirements contained in FAC-003-1, COM-002-2 and PRC-005-1. This will provide required components to support compliance and enforcement actions relative to these requirements once standards become mandatory and enforceable.

Industry Need (Provide a detailed statement justifying the need for the proposed standard, along with any supporting documentation.)

In order to enforce standards in the era of mandatory standards and enforcement, each requirement in a standard must be assigned a violation risk factor. In its October 2006 notice of proposed rulemaking relative to NERC standards application, FERC identified 83 standards it intends to approve. The final rule is expected to be issued on March 15 that sets the platform for mandatory standards. Each of the requirements identified in this request are included in 1 of the 83 standards and have not been assigned violation risk factors. Therefore, violation risk factors must be assigned in a manner that comports with the June, 2007 target date for the implementation of mandatory standards. These three standards would be incomplete and insufficient for enforcement without this Urgent Action.

**Standards Authorization Request Form**

Brief Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Define violation risk factors for these standards consistent with the risk factor definitions contained in the Reliability Standards Development Procedure.

For the development of violation risk factors for the FAC-003-1 requirements, consider the approved risk factors that were assigned to the version 0 version of the standard – FAC-003-0.

The project is requested to developed in accordance with the urgent action process contained in the Reliability Standard Development Procedure with the following specific timeline:

30 Day Pre-Ballot Review/Comment Period: March 15-April 13, 2007

Initial 5 Day Ballot: April 16-20, 2007

Recirculation Ballot: April 23-27, 2007

Our goal is to present these violation risk factors for NERC BOT approval at its May 2, 2007 meeting.

**Reliability Functions**

The Standard will Apply to the Following Functions ( <b>Check all applicable boxes.</b> )		
<input type="checkbox"/>	Reliability Coordinator	Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view.
<input type="checkbox"/>	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time.
<input type="checkbox"/>	Interchange Coordinator	Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas.
<input type="checkbox"/>	Planning Coordinator	Assesses the longer-term reliability of its Planning Coordinator Area.
<input type="checkbox"/>	Resource Planner	Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area.
<input type="checkbox"/>	Transmission Planner	Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area.
<input type="checkbox"/>	Transmission Service Provider	Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff).
<input type="checkbox"/>	Transmission Owner	Owns and maintains transmission facilities.
<input type="checkbox"/>	Transmission Operator	Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area.
<input type="checkbox"/>	Distribution Provider	Delivers electrical energy to the End-use customer.

**Standards Authorization Request Form**

<input type="checkbox"/>	Generator Owner	Owns and maintains generation facilities.
<input type="checkbox"/>	Generator Operator	Operates generation unit(s) to provide real and reactive power.
<input type="checkbox"/>	Purchasing-Selling Entity	Purchases or sells energy, capacity, and necessary reliability-related services as required.
<input type="checkbox"/>	Market Operator	Interface point for reliability functions with commercial functions.

**NOTE: This process does not change the existing applicability requirements contained in the existing versions of the standard.**

**Reliability and Market Interface Principles**

Applicable Reliability Principles <i>(Check all boxes that apply.)</i>	
x	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.
x	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
x	7. The reliability of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.
<input type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
Does the proposed Standard comply with all of the following Market Interface Principles? (Select 'yes' or 'no' from the drop-down box.)	
Recognizing that reliability is an essential requirement of a robust North American economy:	
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes	
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes	

**Standards Authorization Request Form**

---

3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes

4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a standard based on this description.)

***Considering the request for urgent action, please refer to the attached file containing the recommended assignment of violation risk factors for the 30-day pre-ballot/comment review period.***

***Related Standards***

Standard No.	Explanation

***Related SARs***

SAR ID	Explanation

***Regional Variances***

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
RFC	
SERC	
SPP	
WECC	