

Standard Authorization Request Form

Title of Proposed Standard	Replace Levels of Non-compliance with Violation Severity Levels (Project 2007-23)
Request Date	June 27, 2007

SAR Requester Information	SAR Type (<i>Check a box for each one that applies.</i>)
Name Stephen Crutchfield	<input type="checkbox"/> New Standard
Primary Contact Stephen Crutchfield	<input checked="" type="checkbox"/> Revision to existing Standard
Telephone 609-651-9455 Fax	<input type="checkbox"/> Withdrawal of existing Standard
E-mail Stephen.crutchfield@nerc.net	<input type="checkbox"/> Urgent Action

<p>Purpose (Describe what the standard action will achieve in support of bulk power system reliability.)</p> <p>The FERC, in the Order on Compliance Filing dated June 7, 2007 (Docket #RR06-1-007), directed NERC to replace the 'Levels of Non-compliance' (in the 83 standards it approved) with 'Violation Severity Levels.'</p>
<p>Industry Need (Provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)</p> <p>NERC, as the ERO, is required to comply with FERC directives. By replacing the existing 'Levels of Non-compliance' with 'Violation Severity Levels' the ERO's Sanctions Guidelines can be used as designed. The Sanctions Guidelines use 'Violation Severity Levels' as an element in determining the size of a sanction.</p>
<p>Brief Description (Provide a paragraph that describes the scope of this standard action.)</p> <p>Replace Levels of Non-compliance with Violation Severity Levels in the 83 standards approved by FERC.</p> <p>Obtain stakeholder consensus on the criteria used for assignment of violation severity levels.</p>
<p>Detailed Description (Provide a description of the proposed project with sufficient details</p>

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for the standard drafting team to execute the SAR.)

The drafting team will work with stakeholders to establish criteria for assignment of violation severity levels that support the ERO Sanctions Guidelines and the Reliability Standards Development Procedure.

Existing drafting teams will develop proposed 'Violation Severity Levels' in accordance with Attachment 1 and the applicable section of the "Drafting Teams Guidelines" document (also attached). Where no team is currently active to address specific standards, a new team will be assigned to develop the violation severity levels.

When violation severity levels are developed for a particular set of standards, the existing version of the standards will be balloted with the violation severity levels included in order to be responsive to the March 2008 deadline.

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Reliability Functions — Not Applicable

The Standard will Apply to the Following Functions <i>(Check box for each one that applies.)</i>		
<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 Authority	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.
<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.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission service (and reliability-related services) to serve the End-use Customer.

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Reliability and Market Interface Principles – Not Applicable

Applicable Reliability Principles <i>(Check box for all that apply.)</i>	
<input type="checkbox"/>	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.
<input type="checkbox"/>	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.
<input type="checkbox"/>	7. The security 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? <i>(Select 'yes' or 'no' from the drop-down box.)</i>	
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	
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	

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Related Standards

Standard No.	Explanation
	See Attachment 1

Related SARs

SAR ID	Explanation
	N/A

Regional Variances

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
SERC	
RFC	
SPP	
WECC	

Attachment 1

**Violation Severity Level SAR
Regulatory Approved NERC Standards
Team assignments**

Standard	Title	Project
BAL-001-0	Real Power Balancing Control Performance	2007-18
BAL-002-0	Disturbance Control Performance	2007-05
BAL-003-0	Frequency Response and Bias	2007-18
BAL-004-0	Time Error Correction	2007-05
BAL-005-0	Automatic Generation Control	2007-05
BAL-006-1	Inadvertent Interchange	2007-05
COM-001-1	Telecommunications	2007-02
COM-002-2	Communications and Coordination	new
CIP-001-1	Sabotage Reporting	new
EOP-001-0	Emergency Operations Planning	new
EOP-002-1	Capacity and Energy Emergencies	new
EOP-003-1	Load Shedding Plans	new
EOP-004-1	Disturbance Reporting	new
EOP-005-1	System Restoration Plans	2006-03
EOP-006-1	Reliability Coordination - System Restoration	2006-03
EOP-008-0	Plans for Loss of Control Center Functionality	2006-04
EOP-009-0	Documentation of Blackstart Generating Unit Test Results	2006-03
FAC-001-0	Facility Connection Requirements	new
FAC-002-0	Coordination of Plans for New Facilities	new
FAC-003-1	Vegetation Management Program	2007-07
FAC-008-1	Facility Ratings Methodology	2006-09
FAC-009-1	Establish and Communicate Facility Ratings	2006-09
FAC-013-1	Establish and Communicate Transfer Capabilities	2006-09
INT-001-2	Interchange Information	new
INT-003-2	Interchange Transaction Implementation	new
INT-004-1	Dynamic Interchange Transaction Modifications	new
INT-005-1	Interchange Authority Distributes Arranged Interchange	new
INT-006-1	Response to Interchange Authority	new

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Standard	Title	Project
INT-007-1	Interchange Confirmation	new
INT-008-1	Interchange Authority Distributes Status	new
INT-009-1	Implementation of Interchange	new
INT-010-1	Interchange Coordination Exemptions	new
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	2006-06
IRO-002-1	Reliability Coordination – Facilities	2006-06
IRO-003-2	Reliability Coordination – Wide Area View	2006-06
IRO-004-1	Reliability Coordination - Operations Planning	2006-06
IRO-005-1	Reliability Coordination – Current Day Operations	2006-06
IRO-006-3	Reliability Coordination – Transmission Loading Relief	2006-08
IRO-014-1	Procedures, Process or Plans to Support Coordination Between Reliability Coordinators	2006-06
IRO-015-1	Notifications and Information Exchange Between Reliability Coordinators	2006-06
IRO-016-1	Coordination of Real-time Activities Between Reliability Coordinators	2006-06
MOD-006-0	Procedures for Use of CBM Values	2006-07
MOD-007-0	Documentation of the Use of CBM	2006-07
MOD-010-0	Steady-State Data for Transmission System Modeling and Simulation	new
MOD-012-0	Dynamics Data for Transmission System Modeling and Simulation	new
MOD-016-1	Documentation of Data Reporting Requirements for Actual and Forecast Demands, Net Energy for Load, and Controllable Demand-Side Management	new
MOD-017-0	Aggregated Actual and Forecast Demands and Net Energy for Load	new
MOD-018-0	Reports of Actual and Forecast Demand Data	new
MOD-019-0	Forecasts of Interruptible Demands and DCLM Data	new
MOD-020-0	Providing Interruptible Demands and DCLM Data	new
MOD-021-0	Accounting Methodology for Effects of Controllable DSM in Forecasts	new
PER-001-0	Operating Personnel Responsibility and Authority	2007-03
PER-002-0	Operating Personnel Training	2006-01
PER-003-0	Operating Personnel Credentials	2007-04

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Standard	Title	Project
PER-004-1	Reliability Coordination – Staffing	2006-06
PRC-001-1	System Protection Coordination	2007-06
PRC-004-1	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	2007-06
PRC-005-1	Transmission and Generation Protection System Maintenance and Testing	2007-17
PRC-007-0	Assuring Consistency with Regional UFLS Programs	2007-01
PRC-008-0	Underfrequency Load Shedding Equipment Maintenance Programs	2007-01
PRC-009-0	UFLS Performance Following an Underfrequency Event	2007-01
PRC-010-0	Assessment of the Design and Effectiveness of UVLS Program	2007-02
PRC-011-0	UVLS System Maintenance and Testing	2007-02
PRC-015-0	Special Protection System Data and Documentation	2007-06
PRC-016-0	Special Protection System Misoperations	2007-06
PRC-017-0	Special Protection System Maintenance and Testing	2007-17
PRC-018-1	Disturbance Monitoring Equipment Installation and Data Reporting	2007-11
PRC-021-1	Under-Voltage Load Shedding Program Data	2007-02
PRC-022-1	Under-Voltage Load Shedding Program Performance	2007-02
TOP-001-1	Reliability Responsibilities and Authorities	2007-03
TOP-002-2	Normal Operations Planning	2007-03
TOP-003-0	Planned Outage Coordination	2007-03
TOP-004-1	Transmission Operations	2007-03
TOP-005-1	Operational Reliability Information	2007-03
TOP-006-1	Monitoring System Conditions	2007-03
TOP-007-0	Reporting SOL and IROL Violations	2007-03
TOP-008-1	Response to Transmission Limit Violations	2007-03
TPL-001-0	System Performance Under Normal Conditions	2006-02
TPL-002-0	System Performance Following Loss of a Single BES Element	2006-02
TPL-003-0	System Performance Following Loss of Two or More BES Elements	2006-02
TPL-004-0	System Performance Following Extreme BES Events	2006-02
VAR-001-1	Voltage and Reactive Control	new

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Standard	Title	Project
VAR-002-1	Generator Operation for Maintaining Network Voltage Schedules	new

Attachment 2

Violation Severity Level SAR

Excerpt from Reliability Standards Development Procedure Manual, page 9

Violation Severity Levels	Defines the degree to which compliance with a requirement was not achieved. The violation severity levels, are part of the standard and are balloted with the standard, and developed by the NERC compliance program in coordination with the standard drafting team.
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Excerpt from ERO Sanctions Guidelines, page 13

4.1.2 Violation Severity Level

Violation severity levels (VSLs) are defined measurements of the degree to which a violator violated a requirement of a reliability standard. Whereas violation risk factors are determined pre-violation and indicate the relative potential impacts that violations of each standard could pose to the reliability of the bulk power system, the violation severity level is assessed post-violation and is an indicator of how severely the violator actually violated the standard(s) requirement(s) in question.

These guidelines utilize the violation severity levels that have been established by NERC for requirements of the reliability standards. Up to four levels can be defined for each requirement; the levels have been designated as: Lower, Moderate, High, and Severe.