

**Consideration of Comments on Initial Ballot of Version 1 Risk Factors – Facility Ratings**

**Summary Consideration:** While several commenters made suggestions to change one or more of the ratings, there was no consensus to change any one of the ratings, therefore, no changes were made to the violation risk factors for this set of requirements.

<b>Organization:</b>	Baltimore Gas & Electric Company
<b>Member:</b>	John J. Moraski
<b>Comment:</b>	BGE feels that the structure of the voting on risk factors needs to be changed to allow voting on each factor, as opposed to the grouping of the factors as presented. If we disagree with a single factor, we are forced to vote negative on all factors.
<b>Response:</b> Most stakeholders seemed to support the format of the ballot. This comment does not identify any violation risk factor that you feel needs to be modified.	
<b>Organization:</b>	Entergy Corporation
<b>Member:</b>	George R. Bartlett
<b>Comment:</b>	Entergy Transmission believes that several of the VFRs have been rated too high. HIGH should be given to Requirements that directly impact the real-time operations of the bulk electric system. MEDIUM should pertain to those Requirements that prepare an entity for real-time operation, and LOWER for those that are of a reporting nature. The V1 VFRs for the Requirements for which we have concerns were listed in our comments to the ballot pool on 2-9-07. Thank you.
<b>Response:</b> The drafting team reviewed all the comments submitted with the V1 VFRs during the public comment period. The VFRs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. There was no consensus to modify the VFRs identified in the comments you submitted.	
<b>Organization:</b>	Sierra Pacific Power Co.
<b>Member:</b>	Richard Salgo
<b>Comment:</b>	Vote would have been affirmative but for the following: FAC-008 R1.3 is Low, yet the list of items that must be considered in the sub-requirements are Medium. FAC-011 R3.4 and FAC-012 R1.2 and R2.2 have missing VRF's.
<b>Response:</b> One of the sub-requirements under FAC-008-1 R1.3 (R1.3.5) is 'lower'. FAC-011 R3.4 and FAC-012 R1.2 and R2.2 are missing VRF's - there was an error on the form used to collect stakeholder feedback on the V1 VRFs and insufficient data was collected to develop an accurate VRF. These VRFs will need to be added when the standards are revised as part of the Three-year Plan for Standards Development.	
<b>Organization:</b>	British Columbia Transmission Corporation
<b>Member:</b>	Phil Park
<b>Comment:</b>	BCTC Comments on Violation Risk Factors for FAC Version 1 Standards 23 February 2007 Standard Requirement NERC VRF BCTC VRF Explanation of BCTC  VRF FAC-010-1 R1 Medium Lower This requirement, in the context of other Requirements, only adds documentation of the Methodology. This is an administrative Requirement. The VRF should be LOWER.  FAC-010-1 R2 (including R2.1 to R2.5.1) Medium High This is the fundamental Requirement for Planning Authorities to determine SOLs according performance standards. If SOLs are not determined in accordance with performance standards, operators will not have the information necessary to monitor for SOL violations (Ref. IRO-002, 3, 4). This could directly contribute to widespread outage should a contingency occur.

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The VRF for FAC-010-1 R2 should be the same as IRO -001, 3, 4 and should be HIGH. FAC-011-1 R1 Medium Lower This requirement, in the context of other Requirements, only adds documentation of the Methodology. This is an administrative Requirement. The VRF should be LOWER.

FAC-011-1 R2(including R2.1 to R2.4) Medium High This is the fundamental Requirement for Reliability Coordinators to determine SOLs according performance standards.

As for FAC-010-1, if SOLs are not determined in accordance with performance standards, this could directly contribute to widespread outage should a contingency occur. Determination of SOLs should have the same VRF as the use of SOLs, HIGH.

FAC-013-1 R1 Medium High Same as for SOLs, if Transfer Capabilities are not determined, operators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur. The VRF should be HIGH.

FAC-013-1 R2 to R2.2 Medium High If Transfer Capabilities are not communicated, operators and Reliability Coordinators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur. The VRF should be HIGH.

FAC-014-1 R1 Medium High If SOLs and IROs are not established, operators and Reliability Coordinators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur, and the VRF should be HIGH.

FAC-014-1 R2 Medium High If SOLs and IROs are not established, operators and Reliability Coordinators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur, and the VRF should be HIGH.

FAC-014-1 R3 Medium High If SOLs and IROs are not established consistent with the SOL methodology, operators and Reliability Coordinators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur and the VRF should be HIGH.

FAC-014-1 R4 Medium High These are the SOLs to be provided under FAC-014-1 R5. If SOLs and IROs are not established consistent with the SOL methodology, operators and Reliability Coordinators will not have reliable information necessary to monitor violations. This could directly contribute to widespread outage should a contingency occur. The VRF should be HIGH.

FAC-014-1 R5 to R5.4 Medium High If SOLs and IROs are not communicated, entities with a reliability based need will not have information necessary to ensure reliability. This could directly contribute to widespread outage should a contingency occur. The VRF should be HIGH.

FAC-014-1 R6 to R6.1 Medium High Without the stability limits of credible multiple contingencies known to RC, the system could be operated unsafely and resulting in instability and potential collapse should the contingency occur. The VRF should be HIGH.

**Response:** The drafting team posted the VRFs that were selected by stakeholders during the two public posting periods. While the drafting team received several suggestions for modifying one or more of the ratings, there

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was no consensus to change any one rating.	
<b>Organization:</b>	Independent Electricity System Operator
<b>Member:</b>	Don Tench
<b>Comment:</b>	R1 of FAC-008-1 is rated Lower but some of its sub-requirements are rated Medium. This is inconsistent with the general philosophy that the main requirement cannot have a lower rating than its sub-requirements.
<b>Response:</b> The drafting team posted the VRFs that were selected by stakeholders during the two public posting periods.	
<b>Organization:</b>	Midwest ISO, Inc.
<b>Member:</b>	Terry Bilke
<b>Comment:</b>	We want the ERO to be successful and have the tools necessary for a quality compliance program. We agree with the NERC Operating Committee that that the risk factors are weighted too highly. The survey mechanism and current process really are more a measure of perceived importance of the standard that the true risk to the Interconnection. Risk factors were also applied to explanatory text that was never intended to be measured. The standards need to be reformatted to separate the true core requirements from the administrative and explanatory text. Risk factors need to be assigned based on risk of causing cascading failures.
<b>Response:</b> This comment does not identify any violation risk factor that you feel needs to be modified. The violation risk factors will be reviewed in the future as part of the Reliability Standards Development Plan 2007-2009.	
<b>Organization:</b>	Constellation Energy
<b>Member:</b>	Carolyn Ingersoll
<b>Comment:</b>	In our review of these Version 1 VRF we have found instances where we feel that the ratings inappropriately group certain requirements into the Medium or High risk factor subgroups, and in light of the fact that the ratings applied to each Requirement cannot be voted on individually we voted against the entire package of standards. In conclusion, we are requesting that the standards drafting team allow participants to vote on individual requirements.
<b>Response:</b> Most stakeholders seemed to support the format of the ballot. This comment does not identify any violation risk factor that you feel needs to be modified.	
<b>Organization:</b>	Xcel Energy, Inc.
<b>Member:</b>	Michael Ibold
<b>Comment:</b>	The facility rating standard doesn't adequately address (from a wording standpoint) the requirements for substations that have a ring or a breaker and a half installation. It's clear if you have a straight bus, but not clear for more complex substations. The groups working on this noted that they guessed at was needed. I'd like to see a better definition before approving this (R1.1).
<b>Response:</b> This ballot is not related to a modification of any of the requirements in the standards – the requirements were not modified. This ballot only addresses the addition of violation risk factors to the requirements.	
<b>Organization:</b>	Seminole Electric Cooperative, Inc.
<b>Member:</b>	Steven R. Wallace
<b>Comment:</b>	While I am voting in the affirmative, I do not think the "medium" requirements in the planning time frame are as significant as the "medium" requirements in the operating time frame. In other words, the planning time frame requirements should be "lower".
<b>Response:</b> The drafting team did not modify the definitions used to distinguish between 'high', 'medium' and 'lower' violation risk factors. The definitions are included in the ERO Rules of Procedure	

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and in the Reliability Standards Development Procedure, and making modifications to these definitions is outside the scope of work assigned to this drafting team.	
<b>Organization:</b>	Constellation Generation Group
<b>Member:</b>	Michael F. Gildea
<b>Comment:</b>	In our review of these Version 1 VRF we have found instances where we feel that the ratings inappropriately group certain requirements into the Medium or High risk factor subgroups, and in light of the fact that the ratings applied to each Requirement cannot be voted on individually we voted against the entire package of standards. In conclusion, we are requesting that the standards drafting team allow participants to vote on individual requirements.
<b>Response:</b> Most stakeholders seemed to support the format of the ballot. This comment does not identify any violation risk factor that you feel needs to be modified.	
<b>Organization:</b>	Constellation Energy Commodities Group
<b>Member:</b>	Donald Schopp
<b>Comment:</b>	In our review of these Version 1 VRF we have found instances where we feel that the ratings inappropriately group certain requirements into the Medium or High risk factor subgroups, and in light of the fact that the ratings applied to each Requirement cannot be voted on individually we voted against the entire package of standards. In conclusion, we are requesting that the standards drafting team allow participants to vote on individual requirements.
<b>Response:</b> Most stakeholders seemed to support the format of the ballot. This comment does not identify any violation risk factor that you feel needs to be modified.	
<b>Organization:</b>	Manitoba Hydro
<b>Member:</b>	Daniel Prowse
<b>Comment:</b>	Generally – Don't agree with medium VRFs for FAC-008 and FAC-010. These should be lower.
<b>Response:</b> The drafting team posted the VRFs that were selected by stakeholders during the two public posting periods.	
<b>Organization:</b>	Massachusetts Department of Telecommunications and Energy
<b>Member:</b>	Donald E. Nelson
<b>Comment:</b>	1. Facility Ratings (FAC-008-1 through FAC-014-1) AFFIRMATIVE with Comments Violation of R2.2 of FAC-011-1 that requires that following the single Contingencies the system shall demonstrate transient, dynamic and voltage stability, and that all Facilities shall be operating within their Facility Ratings and within their thermal, voltage and stability limits, and that Cascading Outages or uncontrolled separation shall not occur, may potentially result in the events that meet the definition of the HIGH Violation Risk Factor. However, R2.2, as well as the main requirement R2, are rated MEDIUM. MA DTE believes that the requirement R2.2 should be rated HIGH. Since the main requirement cannot have a lower rating than its sub-requirement, R2 should be rated HIGH as well.
<b>Response:</b> The drafting team posted the VRFs that were selected by stakeholders during the two public posting periods. There is no rule that states a main requirement cannot have a lower rating than any one of its sub-requirement.	