

## Consideration of Comments on Initial Ballot of Version 1 Risk Factors – Interconnection Reliability Operations

**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>	Dairyland Power Coop.
<b>Member:</b>	Robert W. Roddy
<b>Comment:</b>	Please confirm that this is an initial work effort and that there will be an opportunity to make modifications to the Violation Risk Factors in the 3 year work plan. If you could confirm that, we would consider voting "yes" on the re-circulation ballots.
<b>Response:</b> The violation risk factors will be reviewed in the future as part of the Reliability Standards Development Plan 2007-2009.	
<b>Organization:</b>	Dominion Virginia Power
<b>Member:</b>	William L. Thompson
<b>Comment:</b>	Same comments as PJM: The following four requirements should be HIGH instead of MEDIUM: R1; R1.1; R1.2; R1.3
<b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. While the drafting team received several suggestions for changes to individual ratings, there was no consensus to change any single rating.	
<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 VRFs during the public comment period. The VRFs 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 VRFs identified in the comments you submitted.	
<b>Organization:</b>	Great River Energy
<b>Member:</b>	Gordon Pietsch
<b>Comment:</b>	GRE feels that many of the violation risk factors are not based on the risk as currently defined, but rather on the importance of the requirements. GRE would consider voting affirmatively on the re-circulation ballot if the committee confirms that review/modification of the risk factors can occur in the future.
<b>Response:</b> The violation risk factors will be reviewed in the future as part of the Reliability Standards Development Plan 2007-2009.	

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<b>Organization:</b>	Minnesota Power, Inc.
<b>Member:</b>	Carol Gerou
<b>Comment:</b>	For the entire Interconnection reliability Operations standard set the assigned violation risk factor were inconsistent with the VRF criteria. For example, IRO-014-7 R1.1.5 was assigned "Lower" but looking at the current VRF criteria a "medium" should have been assigned. This miss-assignment happened 10 times, if you want other miss-assignments just let me know.
<b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period.	
<b>Organization:</b>	PP&L, Inc.
<b>Member:</b>	Ray Mammarella
<b>Comment:</b>	The requirements of the standards should be ranked high to assure that the RC takes the appropriate actions to avoid potential cascading blackouts.
<b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. While the drafting team received several suggestions for changes to individual ratings, there was no consensus to change any single rating.	
<b>Organization:</b>	Independent Electricity System Operator
<b>Member:</b>	Don Tench
<b>Comment:</b>	IRO-016-1 standard is on coordination of real-time activities between RCs. We believe this is critical to interconnected system reliability (case in point the 2003 blackout) and therefore should be rated High.
<b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. While the drafting team received several suggestions for changes to individual ratings, there was no consensus to change any single rating.	
<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>	PJM Interconnection, L.L.C.
<b>Member:</b>	Tom Bowe
<b>Comment:</b>	For the IRO standards, the survey has these four requirements (and sub-requirements) ranked as MEDIUM. PJM believes that they should be ranked as HIGH. If the RC does not do what he has been asked to do then blackouts could occur.  IRO-016-1 R1. The Reliability Coordinator that identifies a potential, expected, or actual problem that requires the actions of one or more other Reliability Coordinators shall contact the other Reliability Coordinator(s) to confirm that there is a problem and then discuss options and decide upon a solution to prevent or

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	<p>resolve the identified problem.</p> <p>IRO-016-1 R1.1. If the involved Reliability Coordinators agree on the problem and the actions to take to prevent or mitigate the system condition, each involved Reliability Coordinator shall implement the agreed upon solution, and notify the involved Reliability Coordinators of the action(s) taken.</p> <p>IRO-016-1 R1.2. If the involved Reliability Coordinators cannot agree on the problem(s) each Reliability Coordinator shall re-evaluate the causes of the disagreement (bad data, status, study results, tools, etc.).</p> <p>IRO-016-1 R1.3. If the involved Reliability Coordinators cannot agree on the solution, the more conservative solution shall be implemented.</p>
<p><b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. While the drafting team received several suggestions for changes to individual ratings, there was no consensus to change any single rating.</p>	
<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.
<p><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.</p>	
<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.
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<b>Organization:</b>	Dairyland Power Coop.
<b>Member:</b>	Warren Schaefer
<b>Comment:</b>	Please confirm that this is an initial work effort and that there will be an opportunity to make modifications to the Violation Risk Factors in the 3 year work plan. If you could confirm that, we would consider voting "yes" on the re-circulation ballots.
<p><b>Response:</b> The violation risk factors will be reviewed in the future as part of the Reliability Standards Development Plan 2007-2009.</p>	
<b>Organization:</b>	PPL Generation LLC
<b>Member:</b>	Mark A. Heimbach
<b>Comment:</b>	For the IRO standards, the survey has these four requirements (and sub-requirements) ranked as MEDIUM. I believe that they should be ranked as HIGH. If the RC does not do what he has been asked to do then blackouts could occur.

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<p><b>Response:</b> The VRFs posted for ballot represented the consensus of stakeholders, based on the ratings selected by stakeholders during the public comment period. While the drafting team received several suggestions for changes to individual ratings, there was no consensus to change any single rating.</p>	
<p><b>Organization:</b></p>	<p>Constellation Energy Commodities Group</p>
<p><b>Member:</b></p>	<p>Donald Schopp</p>
<p><b>Comment:</b></p>	<p>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.</p>
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