

## Meeting Notes Five-Year Review of FAC Standards

June 17, 2013 | 1-5 p.m. Eastern  
June 18, 2013 | 8 a.m.-5 p.m. Eastern  
June 19, 2013 | 8 a.m.-Noon Eastern

NERC's DC Office  
1325 G Street NW, Suite 600  
Washington, DC 20005

### Administrative

#### 1. Introductions

Standards Developer Mallory Huggins initiated the meeting and reviewed the NERC Antitrust Compliance Guidelines, Public Announcement, Participant Conduct Policy, and Email List Policy. She thanked all members and observers for participating in the call and led group introductions. The following members and observers were in attendance:

Name	Company	Member/ Observer	In-Person/ Conference Call
John Beck (Chair)	Consolidated Edison of New York	M	In-Person
Mike Steckelberg (Vice Chair)	Great River Energy	M	In-Person
Brian Dale	Georgia Power Company	M	Conference Call
Ruth Kloecker	ITC Holdings	M	In-Person
Stewart Rake	Luminant Generation Company	M	Conference Call
Ganesh Velummylum	Northern Indiana Public Service Co.	M	Conference Call
Steven Belle	SCE&G	O	Conference Call
William Berry	Owensboro Municipal Utilities	O	Conference Call
Mark Bruckner	Entergy	O	Conference Call
Mark Cole	Autry, Horton, & Cole	O	Conference Call
Connie Davis	DPU – Cleveland Public Power	O	Conference Call
Robert DeMelo	Seminole Electric Cooperative	O	Conference Call

<b>Name</b>	<b>Company</b>	<b>Member/ Observer</b>	<b>In-Person/ Conference Call</b>
David Dockery	Associated Electric Cooperative	O	Conference Call
Paul Dux	WAPA	O	Conference Call
Bret Galbraith	Seminole Electric	O	Conference Call
Kenneth Goldsmith	Alliant Energy	O	In-Person
Hamid Hamadani	Hydro One	O	Conference Call
Vic Howell	WECC	O	Conference Call
Randy Hubbert	Southern Company	O	Conference Call
Jose Landeros	IID	O	Conference Call
Chuck Lawrence	ATC	O	Conference Call
Larisa Loyferman	CenterPoint Energy	O	Conference Call
Pamalet Mackey	PGE	O	Conference Call
David Marshall	Southern Company	O	Conference Call
Chuck Matthews	BPA	O	Conference Call
Jean Mueller	Colorado Springs Utility	O	Conference Call
Kevin Ninceheler	Westar Energy	O	Conference Call
John Pearson	ISO New England	O	Conference Call
Bob Pierce	Duke Energy	O	Conference Call
Eric Senkowicz	FRCC	O	Conference Call
Jason Snodgrass	Georgia Transmission Corporation	O	Conference Call
Dede Subakti	CAISO	O	Conference Call
Jane Watkins	Arizona Public Service Company	O	Conference Call
Ken Wilson	WECC	O	Conference Call
Zach Zornes	Chelan PUD	O	Conference Call
Kumar Agarwal	FERC	O	In-Person
Mallory Huggins	NERC	M	In-Person
Sean Cavote	NERC	M	In-Person

## 2. Review Meeting Agenda and Objectives

Chair John Beck reviewed the agenda and objectives. He reminded the group that the goal of the meeting was to develop draft recommendations (Affirm, Revise, Retire) for each of the FAC standards and a plan for moving forward and refining those draft recommendations.

### Agenda Items

#### 1. Review of FAC Standards

- a. On June 17, 2013, John led the group in a high-level brainstorming session on opportunities for consolidation and retirement for the FAC standards – initially suggesting a possible retirement of FAC-001-1 and merger of FAC-010-2.1, FAC-011-2, and FAC-013-2 – along with more specific discussion about the issues associated with individual standards. On June 18, 2013, the FYRT discussed each standard in detail in order to develop draft recommendations. The following summarizes the key discussion points and minority opinions for each standard:

- i. **FAC-001-1:**

At John's suggestion, FYRT members discussed the possibility of retiring FAC-001-1 for being too administrative. Additionally, members pointed out that all of the requirements covered in FAC-001 are typically already covered in tariffs or similar documents. Though the team considered this fact, FERC Observer Kumar Agarwal reminded members that the requirement for Open Access Transmission Tariffs or ISO/RTO requirements varies from region to region, and that OATT (which is pursuant to FPA section 205) covers only a subset of power companies covered by FPA section 215. In other words, section 215 applies to many more companies such as federal entities and munis, and OATTs are generally not applicable to them. Ultimately, the team agreed that facility connection requirements should continue to be explicitly addressed in NERC standards.

In addition to considering the retirement of FAC-001-1, the FYRT considered the possibility of merging it with FAC-002-1. After further discussion about clarifying changes/P81 changes required for each standard, however, the FYRT team determined that it is clearest if the standards remain separate, because they have distinct purposes. For FAC-001-1, the team determined that R4 was unnecessary: the first sentence is redundant with R1 after the addition of the verb "update" in R1, and the second sentence is more like a measure and is covered in NERC's Rules of Procedure, Section 1600.

Some FYRT members were concerned about the interpretation of the word "publish" in R1. Most team members agreed that the term is clear and implies posting facility connection requirements on a public Internet site, but Mallory committed to raising this possible concern with NERC's legal staff.

Additionally, the team determined that most of the subparts in R3 are not related to reliability (e.g., the references to grounding and safety and power quality), and in general, the list is too prescriptive to be appropriate for a mandatory and enforceable requirement. The purpose of the standard is that entities establish facility connection requirements; the purpose is not to spell out exactly what must be in those requirements. And R3.1 adds confusion both structurally and content-wise, since it references the planning horizon and system performance, which have more to do with the TPL standards than a standard on facility connection requirements. The FYRT decided to recommend retaining R3 and R3.1.1 and R3.1.2, as they relate to third-party impact, which is not addressed elsewhere. The additional items in the list in R3 should be moved to a guidance document of some kind.

Alongside these proposed requirement changes, the FYRT proposed changes to the VRFs (reducing them to Lower because they are administrative in nature and in the planning horizon, consistent with a Lower VRF for documentation requirement R3 in FAC-003-2) and added time horizons. VSLs, Measures, and boilerplate compliance language will also need to be updated.

ii. **FAC-002-1**

While the FYRT determined that FAC-002-1 R1 is necessary for reliability, members decided that it could be split into different requirements to add clarity and better distinguish among the required actions. Additionally, some of the original R1 subparts read like measures rather than requirements. Thus, the team decided to split R1 into three requirements: one requiring the Transmission Planner and Planning Authority to conduct assessments (new R1), one requiring Generator Owners to coordinate and cooperate (new R2), and one requiring Transmission Owners, Distribution Providers, and Load-Serving Entities to coordinate and cooperate (new R3). The requirements will now be ordered so that R1, which focuses on what needs to be included in an assessment, will come before R2 and R3, which focus on the entities that need to coordinate and cooperate with the entities conducting the assessments.

The FYRT will recommend moving R1.1-1.5 under the new R1, with deletion of most of R1.3. R1.3 read like more of a measure for the new R2 and R3, but the last sentence of original R1.3 was worked into new R1.1 to ensure that some reference to coordinating with third parties was included. One team member expressed concern about ensuring that this kind of joint evaluation and coordination is required and acknowledged, possibly in more detail than currently suggested. (Further detail is included in TPL-001-4). The FYRT also will recommend the modification of R1.4 and R1.5 to make them read more like subparts of a requirement and less like measures (for instance, the team will recommend that phrases like “evidence that...” be deleted).

The FYRT also discussed the reference to the TPL standards in original R1.4. One member pointed out that standards should be able to stand alone, but the FYRT and Kumar determined that FERC does not expressly forbid referencing one standard in another standard. Thus, the TPL reference will be retained to provide the detail of assessment needed, and it will be updated to refer to TPL-001-4, which is pending at FERC.

Alongside these changes, the team developed Time Horizons and confirmed that it supports the current VRFs – in the standards related to coordination in TPL-001-4, many of the Time Horizons are Long-term Planning but the VRFs are Medium. VSLs, Measures, and boilerplate compliance language will also need to be updated.

iii. **FAC-003-3**

No concerns were raised on FAC-003-3, with the exception of comments submitted from PSEG suggesting that a reference to “Bulk Electric System” be added to the Applicability section. Mallory reported that NERC’s legal staff had already given guidance to the standards team that it is not necessary to add additional “Bulk Electric System” references to standards.

iv. **FAC-008-3**

The FYRT agreed that the reference to “terminal equipment” in R2.4.1 and R3.4.1 is unclear without additional description, such as the explanation provided in CAN-0018: *“terminal equipment” (referenced in R2.4.1 and R3.4.1) refers to wave traps, current transformers, disconnect switches, breakers, primary fuses, and any piece of series-connected equipment that comprises a Facility and that could have the most limited applicable Equipment Rating.*

Some concern was also expressed about the references to “ratings provided by equipment manufacturers” in R3. There was concern that auditors could request ratings from equipment manufacturers even in cases where the ratings are no longer available (for instance, because the equipment is 75 years old and the manufacturer no longer exists). All team members will explore whether there seems to be widespread misapplication of this issue, and NERC staff will discuss the concern with NERC compliance staff, review comments from the development process that may relate to the issue, and review the Compliance Analysis Report for FAC-008 and FAC-009 for any discussion of the topic. Mallory cautioned that editing a standard is not usually the best way to address an issue with auditing, and encouraged the FYRT to consider an alternative solution.

v. **FAC-010-2.1, FAC-011-2, and FAC-014-2**

The FYRT team agreed that FAC-010-2.1, FAC-011-2, and FAC-014-2 could need revision, but that it’s not appropriate to revise them when the standards they might

overlap with – the revised TOP and TPL standards – are not yet approved. The team also agreed that the definition of SOL could use a thorough examination before the standards themselves are revised. In addition to proposing these future changes, the FYRT acknowledged a few issues: the intended interpretations of SOL in the operations and the planning horizons need to be clarified; FAC-010 has significant potential for overlap with TPL-001-4 because it is in the planning horizon, but it does address unique items, like the need to document a methodology for determining an SOL; and FAC-011-2 and FAC-014-2 are more likely to overlap with the TOP standards.

vi. **FAC-013-2**

Bob Pierce, who was the chair of the FAC-013-2 standard drafting team (SDT) and a member of the SDT that revised the TPL standards, indicated that FAC-013-2 redundancy with TPL-001-4 had been thoroughly considered by the FAC-013-2 SDT. Some possible redundancies were identified, but ultimately the SDT and FERC agreed that transfer capability stress tests were not explicitly addressed in TPL-001-4, and thus FAC-013-2 is still necessary for addressing a reliability gap. The FAC FYRT agreed that while consolidation of FAC-013-2 and TPL-001-4 could be worth considering in the future, an important reliability gap is being addressed by FAC-013-2 as is, and the standard should be affirmed.

vii. **FAC-501-WECC-1**

Because no FYRT team members are in the WECC region, FYRT leadership will coordinate with NERC staff and WECC to encourage consideration of a five-year review for this standard. As part of this coordination with WECC staff, NERC staff and FYRT leadership will further explore the possibility of eliminating the WECC regional differences from FAC-010 and FAC-011.

## 2. Draft FAC FYRT Recommendations

a. After the detailed discussions summarized above, the team developed draft recommendations for each FAC standard:

i. **FAC-001-1: Revise**

The team recommends retiring R3.1, R3.1.3 through R3.1.16, and R4. The team also recommends modifying R1 to incorporate part of R4. Alongside these changes, the team recommends lowering the VRFs from Medium to Lower, adding Time Horizons to each requirement, and updating the VSLs, Measures, Purpose statement, and compliance elements as needed.

ii. **FAC-002-1: Revise**

The team recommends splitting R1 into three requirements to add clarity and better delineate the responsibilities of different entities. Alongside these changes, the team

recommends adding Time Horizons to each requirement and updating the VSLs, Measures, Purpose statement, and compliance elements as needed.

iii. **FAC-003-3: Affirm**

iv. **FAC-008-3: Affirm**

The FYRT will continue to look into the R3 issue related to Facility Ratings and equipment manufacturers. The team recommends affirming the standard as is, so long as some clarification on the meaning of “terminal equipment” is made in a footnote or RSAW update.

v. **FAC-010-2.1, FAC-011-2, and FAC-014-2: Revise**

The team recommends revisiting and revising the definition of SOL (and with it, possibly the definitions of IROL, IROL  $T_v$  – which includes a 30-minutes time frame that may not be appropriate – Transfer Capability, TTC, and Facility Ratings) and revisiting and revising all of these standards once revisions to the TOP and TPL standards have been approved.

vi. **FAC-013-2: Affirm**

The FYRT recommends affirming this standard, with the acknowledgement that at some point in the future, a FAC-013-2/TPL-001-4 review or consolidation may be prudent.

vii. **FAC-501-WECC-1: Review will be conducted in coordination with WECC, if WECC determines that a review is necessary.**

### 3. Informal Outreach

- a. Mallory noted that the FYRT would be holding a webinar during its posting period, possibly in the first or second week of August. She encouraged members to discuss FAC FYR issues with their entities and to continue thinking about whether informal outreach needs to be conducted with any particular industry group.

### 4. Next Steps

- a. **Mallory** will circulate meeting notes and all working documents to the FYRT.
- b. **Mallory** will begin to transfer the recommendations into the FYR template and begin refining them.
- c. **Mallory** will clean up the redlines for FAC-001/FAC-002, update the standards’ measures, VSLs, purpose statements, and boilerplate language (including in the compliance section) as needed, and ask NERC legal if there is any concern about the interpretation of the term “publish” in FAC-001-1 R1.

- d. **NERC staff** will attempt to clarify FAC-008-3, R3.2.2 (or the inactive FAC-008-1, R1.3.1) from a compliance standpoint; **all FYRT members** will attempt to get more information about whether this subpart is being misapplied.
- e. **Ganesh** will refine the draft recommendation from Vic Howell regarding the definition of System Operating Limit (SOL) and suggested next steps for FAC-010, FAC-011, and FAC-014
- f. **All FYRT members** will work to identify any internal issues with the definition of SOL.
- g. **Mallory** will determine whether there are any active projects that are reviewing the SOL definition, look into a possible WECC Reliability Standards Committee white paper on the SOL definition, and reach out to the Standards Developers for the TOP and TPL standard revisions to confirm their support of the FYRT's proposed next steps with FAC-010, FAC-011, and FAC-014.
- h. **Mallory** will coordinate with NERC staff, FYRT leadership, the WECC SC representative, and WECC FYRT observers on eliminating regional differences in FAC-010 and FAC-011 and conducting a five-year review of FAC-501-WECC-1.
- i. **Mallory** will determine whether all references to "Planning Authority" need to be changed to references to the "Planning Coordinator."

## 5. Future Meeting Dates

- a. July 11, 2013, noon-4 p.m. Eastern, Conference Call
- b. July 17, 2013, noon-4 p.m. Eastern, Conference Call
- c. In-Person Meeting in September TBD

## 6. Adjourn

- a. The meeting was adjourned at 11:50 a.m. Eastern on June 19, 2013.