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NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

FAC-003-2 Transmission Vegetation Management

Web Seminar - March 18, 2010

Project 2007-07

Chairman - Richard Dearman, TVA

to ensure the reliability of the bulk power system

AGENDA

- Introduction: Third posting version of FAC-003-2
- Results-Based Initiative
- What Changed From Current Version 1
- Where We Are Today
- Questions and Answers

Intro: 3rd posting version of FAC-003-2

This 3rd posting version of FAC-003-2:

- Applies the “results-based” approach to support an effective defense-in-depth strategy
- Utilizes a revised format proposed by the NERC Standards Committee Process Subcommittee
- Considers the industry’s comments from the previous posting

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Attributes

- Process for drafting standards
- Create a portfolio of performance, risk, and competency-based requirements
- Defense-in-depth strategy
- Clear and measurable expected outcomes
- Requirements structured in the form of *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome*

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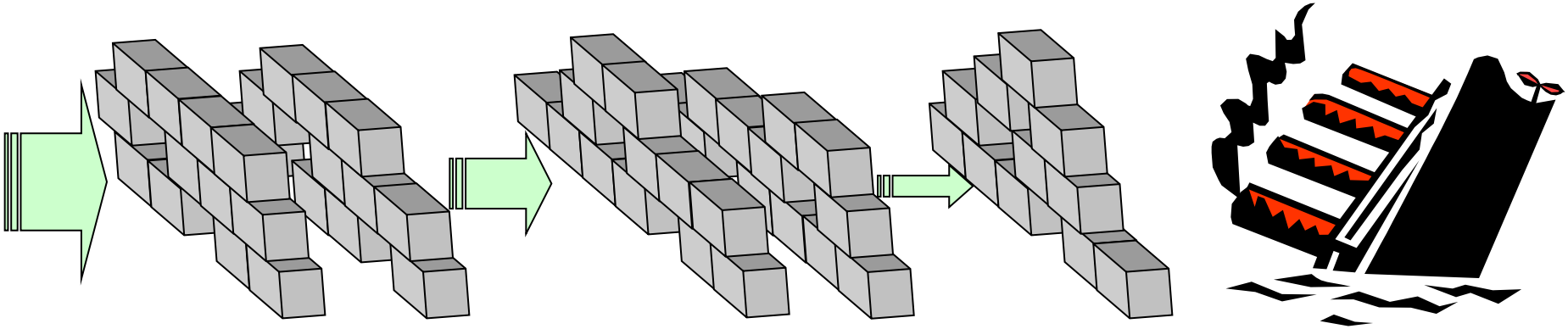
Defense in Depth Strategy
Building Barriers to Failure

Competency-Based Requirements

Risk-Based Requirements

Performance-Based Requirements

Failure Avoided



Tools
Communications
Personnel Qualifications
Security

Maintenance
Testing
Modeling
Simulation
Analysis
Vegetation Management

Bulk Power System Measures

Results-based Initiative

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Current Format

Administrative Information
- Schedule, definitions

Introduction
- Title, number, purpose, Applicability, effective dates

Requirements
Measures
Compliance Information
Variances
Interpretations
Version History

Proposed Format

Administrative Information
- Schedule, definitions, effective dates, version history

Introduction
- Title, number, objectives, applicability, background

Requirements & Measures
- Requirements, rationale, measures

Compliance Information
Administrative Procedure
Variances
Interpretations
Guidelines and Technical Basis

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What the Results-based Initiative does not intend to do ...

- Reduce the number of requirements to a predetermined number of key reliability requirements
- Reduce obligations for a reliable bulk power system
- Water down standards to least common denominator
- Reduce number of requirements for sake of reducing the number

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Next steps

- Continue to educate the industry on the value of results-based standards
- Finalize proof of concept
  - Project 2007-07 Vegetation Management (FAC-003-2)
  - Revised format of standard proposed by the Standards Committee Process Subcommittee
- Prioritize development of results-based standards
  - Identify additional projects for near-term development
- Develop training program and train drafting teams

What Changed From Current Version 1

- Drivers for changes to date:
  - The SAR which includes FERC Order 693 directives
    - Added Compliance Elements (VRF/VSL)
  - Results-based approach
    - Applied RBS criteria, incorporate revised format
  - Industry comments
    - Double jeopardy, eliminate Clearance 2, force majeure, applicability

What changed due to RBS

- Paired Requirements and Measures
- New Effective Dates Table
- Added Rationale text boxes and Background Section
- Removed prescriptive text (focus on what rather than how)

What changed due to comments

- Definitions (revised Vegetation Inspection, added Active Transmission Line ROW)
- Revised applicability section (new acquisitions, RRO/PC, stations, underground lines and Federal lands et al, etc.)
- Replaced footnoted exemptions with force majeure section.
- Combined R4, R5, R6, and R7 of previous posted version into 2 new Requirements R1 and R2 (double jeopardy)
- VRFs assigned based on IROL/WECC Major Transfer Path
- Replaced Clearance 2 with MVCD

Where We Are Today

Standards Committee Authorized:

- discontinuing work on formal responses to comments from the second formal posting of August 2009,
- posting a summary of considerations in lieu of formal responses,
- using this approach for next posting, and
- conducting a formal 45-day comment period in parallel with formation of ballot pool.

Current Comment Period closes on March 31, 2010 8PM EDT.

Questions & Answers

Additional Reference Links

- Project web page:

  http://www.nerc.com/filez/standards/Vegetation-Management_Project_2007-7.html
- Results-based Initiative web page:

  http://www.nerc.com/filez/standards/Project2010-06_Results-based_Reliability_Standards.html
- First Comment Period Mapping:

  http://www.nerc.com/docs/standards/sar/Mapping_FAC-00_%20rev_2_changes%20_2008Oct22.pdf
- Second Comment Period Mapping:

  http://www.nerc.com/docs/standards/sar/FAC-003-2_Standard_Mapping_2010March1.pdf
- Technical Reference document:

  http://www.nerc.com/docs/standards/sar/FAC-003-2_White_Paper_2009Sept9.pdf

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