

Summary Consideration of Comments:

The Drafting Team has reviewed the comments and made some changes to the standard to address these comments.

1. Based on industry comments, as well as those of the Functional Model Working Group, the Planned Resource Sharing Group (PRSG) has been eliminated. To address regional CBM processes, the Resource Planner was added as an applicable entity. Entities still may elect to register as a Joint Registration Organization (JRO), as well as delegate tasks.
2. The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.
3. The requirement to waive timing and ramping requirements was modified to have a VRF of medium, as it has a direct impact on current-day operations and can result in the inadvertent denial of an interchange transaction needed to maintain reliability.
4. The requirement for a Transmission Service Provider to approve transactions using CBM if the CBM is available was modified to apply additional criteria to the evaluation for approval.
5. A more graded approach was applied to the VSLs where appropriate.

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Gerry Adamski at 609-452-8060 or at gerry.adamski@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.

Consideration of Comments on Initial Ballot of MOD-004

Entity	Comment
Bonneville Power Administration	The purpose statement for MOD-004 should be expanded, to describe the timeframe for which CBM is to be activated so as not to conflict with TRM, to include a statement that "CBM is to be scheduled by the Energy Deficient Entity experiencing a declared NERC Energy Emergency Alert (EEA) 2 or higher only in the hour following a generation forced outage event."
<p>Response: The drafting team disagrees with this interpretation. TRM may be used within the current hour for reserve sharing, but is a margin used to respond to events. CBM may be used at any point, and for a period longer than the current hour, subject to existing scheduling rules and requirements.</p>	
CenterPoint Energy	ERCOT's filed comments to the SDT that ATC, TTC, CBM, and TRM are not applicable within ERCOT operations and that these Standards should have provisions that make it clear that these requirements apply only within market structures in which they are pertinent were ignored by the SDT. These standards should not apply to ERCOT, thus our negative vote.
<p>Response: The drafting team believes that the standards as written do largely exempt ERCOT if ERCOT does not use CBM. However, ERCOT is still required, if providing service related to another entity's use of CBM, to waive timing and ramping requirements if such waiver can be provided reliably.</p>	
Consolidated Edison Co. of New York	PSRG is not an entity defined in the NERC functional Model, too many changes to requirements from last draft - this is not following standards development process - standard should be out for comments again, not up for approval vote.
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
Exelon Energy	R1.5. A statement should be added to confirm that it shall use assumptions in calculating CBM that are consistent with those assumptions that are used in the Transmission planning process "
<p>Response: The drafting team believes that CBM can be based on studies and requirements outside the scope of the Transmission planning process defined in the TPL standards.</p>	
FirstEnergy Energy Delivery	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. We offer the following general comments in addition to our specific standard comments presented below.</p> <p>CBM & TRM - MARKET AREAS: FE supports the drafting team's approach of three ATC methodologies presented in MOD-028, MOD-029 and MOD-030 to account for differences in calculating ATC in various geographic areas of the bulk electric system. However, the use of a single standard methodology for CBM and TRM as currently written does not meet the needs for entities operating within a market area such as MISO, PJM etc. FE suggests that various requirements in the proposed standards that are currently applicable to the TP and TOP are actually handled by the RTO and within a market area would more appropriately be assigned to the Planning Coordinator (PC) and Reliability Coordinator (RC), respectively. This change would allow the proposed standards for CBM and TRM to be used largely "as is" within both market and non-market areas as the PC and RC would be appropriate in both.</p> <p>Our comments below on specific MOD standards elaborate on this point and provide examples where we feel the applicability is inappropriately assigned to TP or TOP responsible entities within a transmission market construct.</p> <p>DECISION TO BALLOT: While the MOD standards presented are improving in content FE believes the standards should have been issued for one more comment period prior to ballot per the NERC Standard Development Procedures (SDP). In many cases this is only the 2nd draft version being reviewed by industry. The objective during the "Solicit Public Comments on Draft</p>

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Entity	Comment
	<p>Standard (Step 6)" of the NERC SDP is to "Receive stakeholder inputs on the draft standard for the purpose of assessing consensus on the draft standard, and modifying the draft standard as needed to improve consensus." Based on the 200+ pages of comments of the prior draft version it is hard to conclude that the industry was near consensus. Additionally, per the SDP, now that the standards have gone to First Ballot (Step 9), the standard drafting team is not permitted to make any changes to the standards based on comments received during this First Ballot. The drafting team will now be required to rely on their responses to industry feedback to try and improve consensus during a re-circulation ballot. FE has concerns with the consequences of this decision with regard to the integrity of the standard development process and substantive registered entity perspectives.</p> <p>Response: The standards are being posted for comment.</p> <p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. However, at this time, FE is voting Negative to this standard with the following comments and suggestions:</p> <ul style="list-style-type: none"> - The Planning Coordinator (PC) should replace the Transmission Planner (TP) as the applicable entity. The requirements in R5 and R7 should be the ultimate responsibility of the PC who works with his associated TP to obtain the necessary information. Per the NERC functional model, the PC "coordinates and collects data for system modeling from the Transmission Planner and "coordinates total transfer capability with Transmission Planners. <p>Response: The drafting team agrees with the descriptions given from the functional model. However, we believe that the coordination functions of the Planning Coordinator do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <ul style="list-style-type: none"> - This standard is too prescriptive with the detail into how CBM should be calculated across all interconnections and does not take into account all the different calculation methods currently used by various entities in the industry. It is suggested that the standard be more general and that some of the information contained is better suited with a guideline document for calculating CBM. <p>Response: The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p>
	<p>Response: Please see in-line responses.</p>
Great River Energy	<p>GRE agrees with the PJM and MISO recommendation that the standard needs an additional commenting period based on the significance of the comments submitted during the previous commenting periods.</p>
	<p>Response: The drafting team is posting the standard for comment.</p>
Hydro One Networks, Inc.	<p>Hydro One Networks Inc. is casting a negative vote on the 6 MOD standards (MOD-001, MOD-004, MOD-008, MOD-28, MOD-029 and MOSD-030) We believe there is a fundamental issue related with effective dates, that is, the dates in which Reliability Standards become effective and enforceable. In principle, the effective date of standards must be the same for all jurisdictions in North America. It does not make sense that there is a period of time when a standard is effective only in some jurisdictions while not in others. This is particularly important in the MOD Standards in ballot as they have implications on neighboring areas. The words inserted in the Effective Date of the Standards as well as in the Implementation Plan document permit that</p>

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	<p>these Standards are effective in some jurisdictions and not others. These Standards should be modified to ensure that they become effective in all jurisdiction at the same time, including those where such regulatory approval in not required that is, only when all regulatory approvals have been obtained,</p> <p>Response: The drafting team does not believe that it is necessary for all entities to implement this standard at the same time, because there are no interdependencies between entities implementing CBM.</p> <p>In addition we offer the following comments to the specific Standard MOD-004-1:</p> <p>(a) Requirement 1.1 introduces the concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>(b) Requirements have been introduced for the first time in this version. None of these revisions have yet been posted for comments by the industry. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This bypasses the intent of the ANSI approved NERC RS process.</p> <p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>
<p>Response: Please see in-line responses.</p>	
<p>Hydro-Quebec TransEnergie</p>	<p>Requirement 1.1 adds the concept of Planned Resource Sharing Group. This entity is not defined and is not currently in NERC Functional Model (v.3). Adding entity is risky and raises the issue of registration. Should such a Planned Resource Sharing Group register even if it's not an entity defined in NERC Functional Model</p> <ul style="list-style-type: none"> - If not, what are the consequences - It seems that the idea was to address the situation where an ISO, for example, would do it for other entities. We oppose the idea of introducing new entities in a standard. Moreover, many requirements are introduced for the first time in this version. None of these have thus been circulated for comment in the previous rounds. New requirements can't be introduced in the final version of a standard. It doesn't respect the voting process.
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
<p>Kansas City Power & Light Co.</p>	<p>The CBM calculation should not be applicable to the LSE. Suggest removing LSE from applicability.</p>
<p>Response: Load Serving Entities have certain reliability obligations if they wish to use CBM. The standard describes those responsibilities, and the LSE is expected to meet those obligations.</p>	
<p>Municipal Electric Authority of Georgia</p>	<p>The Requirement R.8 implies that this standard would require TSPs to furnish CBM to "entities" that never requested or funded CBM. This unreasonable interpretation is expected to cause reliability problems for LSEs that currently rely on CBM. From the proposed standard, some may even infer that all "entities" affiliated with the TSP's BA have an entitlement to use the TSP's CBM even if, for example, such "entities" have no transmission service contract with the TSP or such "entities" are insolvent. An obvious alternative interpretation, consistent with the terminology used in R.10, is that TSPs may reasonably conclude that CBM is not AVAILABLE to entities that have not made a valid CBM request (except to extent CBM capacity is</p>

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	<p>released and purchased non-firm).</p> <p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area. Issues related to creditworthiness are not within the scope of NERC.</p> <p>Furthermore, the standard is silent on whether a TSP may prioritize competing requests to use CBM. Is the CBM first come, first served without any consideration of whether the requestor complied with the TSP's CBMID? If an LSE that reserved CBM loses a generator after all the CBM is in use by other "entities" that never requested CBM, does the TSP deny CBM to the LSE that requested and paid for it? Undoubtedly, if this standard is approved without changes, it would have to raise questions if the drafting team's interpretation comports with the Takings Clause of the Fifth Amendment to the U.S. Constitution.</p> <p>Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p> <p>Finally, while some may argue that the drafting team's interpretation will improve reliability for customers of systems that are short on installed capacity (and this may be the case in the short-run), the unintended consequence is that entities that may already be irresponsibly under-resourced may further reduce their installed capacity investments once they learn they can free ride on their neighbors' CBM.</p> <p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area.</p>
<p>Response: Please see in-line responses.</p>	
National Grid	<p>This standard has added in the applicability section, an entity referred to as a Planned Resource Sharing Group. Requirement 1.1 adds this concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the latest approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>Additionally and more importantly, requirements have been introduced for the first time in this version of the standard. None of these revisions have yet been circulated for comment. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This, in our view bypasses the intent of the ANSI approved NERC RS process.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
New Brunswick Power Transmission Corporation	<p>There are new requirements introduced in this version that have not been circulated for comment. Requirement 1.1 adds and entity that has not been defined and is not in the current version of the NERC Functional model.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	

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New York Power Authority	<p>Problems were found with the applicability section as it pertains to the planned resource sharing group. Requirement 1.1 adds this concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the latest approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>Additionally, requirements have been introduced for the first time in this version. None of these revisions have yet been circulated for comment. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This, in the view of the RSC bypasses the intent of the ANSI approved NERC RS process.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
Northeast Utilities	<p>The Applicability - Functional Entity section identifies the Planned Resource Sharing Group, which is not a functional entity identified in the latest version of the NERC Functional Model. Additionally, a number of requirements were added after the last posting which were not reposted for comments, and therefore bypassed the established standard development process.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
Potomac Electric Power Co.	<p>Potomac Electric agrees with the comments of PJM distributed to the ballot body. I will not repeat them here, but do include the headings:</p> <ul style="list-style-type: none"> I. The ATC MOD standards should have been sent out for comment not pre-ballot posting. II. Depth of the ATC MOD standards is excessive. III. Determining Violation Risk Factors is incorrect. IV. Determining Violation Severity Levels is incomplete.
<p>Response: Please see response to PJM.</p>	
Public Service Electric and Gas Co.	<p>PSE&G votes NO for the reasons expressed in PJM's comments.</p>
<p>Response: Please see response to PJM.</p>	
Santee Cooper	<p>The drafting team's response to Entergy regarding MOD-004-1 Requirement 8 implies that this standard would require a Transmission Service Provider to furnish CBM to any LSE or "entity" that never requested or funded CBM. Another unintended consequence of Requirement 8 is that entities (some that may already be irresponsibly under-resourced) may further reduce their installed capacity investments once they learn they can free ride on their neighbors' CBM.</p>
<p>Response: Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area.</p>	
Sierra Pacific Power Co.	<p>I respectfully abstain from this ballot, as CBM is not currently a product that is utilized within our environment. Nonetheless, I would point out that there is no Reliability impact of any of the Requirements in the Standard.</p>
<p>Response: CBM itself is a margin established for reliability purposes. To the extent entities utilize it to meet reliability objectives, it has reliability</p>	

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Entity	Comment
<p>impact. Note that entities not using CBM are largely exempted from the standard.</p>	
<p>Southern Company Services, Inc.</p>	<p>We applaud the great work of the standard drafting team. While the current version is "workable" by Industry, it is recommended that only the LSE be applicable. There is not a PRSG function for which NERC can audit compliance. Additionally, the PRSG is a business arrangement and is not considered a reliability issue.</p>
<p>Response: The drafting team has removed the PRSG from the standard. However, the drafting team does believe entities other than the LSE are applicable.</p>	
<p>Westar Energy</p>	<p>Why not applicable to Planning Authority –</p> <p>Response: The drafting team believes that the coordination functions of the Planning Coordinator/Planning Authority do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <ul style="list-style-type: none"> – R1.4 and 4.2.1 and 4.2.2 ATC or AFC should NEVER be allowed to be less than zero. <p>Response: The drafting team has removed this language to address the commenter's concerns.</p> <ul style="list-style-type: none"> – R3.1 should be Planning Authority instead of Transmission Planner. <p>Response: The drafting team believes that the coordination functions of the Planning Coordinator/Planning Authority do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <ul style="list-style-type: none"> – R3.2 Every 31 days not needed for many LSEs, this is onerous - <p>Response: The drafting team has removed this requirement.</p>
<p>Response: Please see in-line responses.</p>	
<p>Western Area Power Administration</p>	<p>Only those that post CBM need to document it. No Western office utilizes CBM.</p>
<p>Response: The standard does not require entities that do not use CBM to document anything.</p>	
<p>Independent Electricity System Operator</p>	<p>In the applicability section, there is an entity - "Planned Resource Sharing Group" that is not a defined term in the latest version of the Functional Model.</p> <p>Additionally, there are a number of changes that have been made to the draft standard which have not been vetted with the industry but instead the SDT decided to go straight to the ballots instead. Hence we decided to vote against this standard</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	

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Entity	Comment
ISO New England, Inc.	<p>The applicability section indicates a planned resource sharing group which is not a functional entity identified in the latest version of the NERC Functional Model. Therefore, this Standard is not enforceable.</p> <p>Also, a number of requirements were added after the last posting which were not reposted for comments. WE believe this is a violation of the established standard development process.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
New York Independent System Operator	<p>The NYISO does not use CBM and interprets the revised "Applicability" provision of MOD-004 as confirming that it will not be required to have or maintain a CBMID so long as that is the case. Nevertheless, the NYISO is voting against MOD-004 for the "general" reasons specified in its response to MOD-001, namely the fact that the proposed standard is overly detailed and addresses areas that are better left to NAESB or to the individual practices of individual practices of Reliability Coordinators, Transmission Operators, Transmission Service Providers, Transmission Planners, etc.</p> <p>The NYISO also agrees with the NPCC that the latest version of MOD-004 inappropriately adds a new entity, and new requirements. Both additions raise issues that should be discussed more fully in comments before they are approved by NERC.</p>
<p>Response: The drafting team agrees that Transmission Service Providers not using CBM are largely exempted from the standard (with the exception of R11). However, CBM itself is a margin established for reliability purposes. To the extent entities utilize it to meet reliability objectives, it has reliability impact, and is appropriate to be included in NERC's body of reliability standards. The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p> <p>The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
PJM Interconnection, L.L.C.	<p>MOD-004 Specific Comments: The ATC MOD standards should have been sent out for comment not pre-ballot posting.</p> <p>Response: The drafting team is posting the standard for comment.</p> <p>The SDT recognized that there were 3 different ways of calculating ATC and wrote MOD028-1, MOD029-1, and MOD030-1 as individual standards for each method. The SDT should be consistent in its approach and develop a second standard for CBM and cover both of the existing methods.</p> <p>MOD004 as written assumes individual LSEs determine their emergency generation requirements and manage them with requests to the TSP. The standard was modified to recognize aggregating LSEs termed Planned Resource Sharing Group to recognize a different method of implementing CBM. This change falls short in that requirements still exist that are unique to the LSE method such as the processing of individual requests. The standard fails to recognize that individual instances of load import emergencies may be met through other means.</p> <p>A second CBM standard should be written to represent the wider implementation of CBM on a regional basis and recognize the current practices used by ISO/RTOs or other regional entities. ISOs may manage the load emergencies using remote generation within its zone. This standard assumes all LSE GCIR is from outside the TSP zone by requiring the LSE to specify the GCIR and to match the request with transmission service set aside as CBM (imported from external resources). A single approach to CBM would result in a required methodology which does not represent how operations are conducted in large parts of the system.</p>

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	<p>Response: The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p> <p>PJM believes no requirement from the set of ATC standards should have an assigned Risk Factor exceeding "Lower". A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.</p> <p>Response: The drafting team disagrees. While the majority of the requirements have a Violation Risk Factor of "Lower," R11 and R12 deal explicitly with the requirements for approving request for Interchange that use CBM. Such requests are made in response to an EEA 2, a reliability condition. Denial of such a request can have direct reliability implications; hence, the drafting team has set the VRFs for these requirements at "medium."</p> <p>Requirement 1</p> <ul style="list-style-type: none"> - R1.3 should not be applicable in the event that a BA manages utilization of the transmission system and manages imports in emergency conditions on behalf of LSEs. <p>Response: This sub-requirement has been deleted.</p> <ul style="list-style-type: none"> - R1.4. A statement of whether the Transmission Service Provider allows ATC or AFC to be less than zero due to CBM has no meaning outside of R4.3 and should not be an independent requirement. <p>Response: This sub-requirement has been deleted.</p> <p>Requirement 3</p> <ul style="list-style-type: none"> - R3 The timelines specified should be superseded by PRSG agreements. Existing processes should not be modified simply to meet requirements specified by this standard when reliability shortcomings do not exist. These timelines are best left as NAESB scope. - <p>Response: These requirements have largely been eliminated from the standard.</p> <ul style="list-style-type: none"> - R3.1.1.1 is an awkward way of saying provide monthly values if your procedures are based on a monthly process or provided yearly if it's based on a yearly paradigm. Again this should be considered NAESB scope. ISOs that find it prudent to determine CBM on a planning timeline should not be required to respond to CBM changes on a short term basis. CBM should be determined on a timeline that allows the entities to respond to a condition of insufficient import capability. Building new infrastructure requires planning several years out. CBM could be evaluated on a short term basis to be released to the market for sale but this is NAESB scope. A second CBM standard should contain requirements that recognize this planning timeline focused method, or this requirement should be removed.

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	<p>Response: This sub-requirement has been deleted.</p> <ul style="list-style-type: none"> - R3.1.1.4 There are probabilistic methods that don't use a prescribed source for the evaluation. In ISOs the load requirements may be met by a mix of a number of generation sources several busses away. This standard should not restrict methods currently implemented that do not require the generator to be specified. Such a requirement may restrict markets and is not in line with NERC or FERC's intent in developing standards. <p>Response: This sub-requirement has been deleted.</p> <ul style="list-style-type: none"> - R3.1.2.1 This requirement recognizes there may be different implementations other than the requirement in R3.1.1. This underscores the fact that these requirements are written to achieve an objective, which is a calculated and respected CBM value verses a required process of exactly 'How' CBM must be calculated. <p>Response: This sub-requirement has been deleted.</p> <ul style="list-style-type: none"> - R3.2 In the context described above this monthly requirement is inappropriate. This requires a monthly re-evaluation of a yearly margin determined 5 years ago. If the requirement is to ensure a release of CBM to the market if the margin is not used then that is NAESB scope. <p>Response: This sub-requirement has been deleted.</p> <p>Requirement 4</p> <ul style="list-style-type: none"> - R4 The timelines specified should not apply to entities with existing processes that determine CBM on a Planning timeframe. These timelines should be eliminated or a second CBM standard would address the appropriate timelines for such entities. <p>Response: The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p> <ul style="list-style-type: none"> - R4.3.1, R4.3.2 This is a procedure and doesn't belong in a standard. This appears to codify a business practice regarding the treatment of a negative ATC if CBM is applied. <p>Response: This sub-requirement has been deleted.</p> <p>Requirement 6</p> <ul style="list-style-type: none"> - R6 is inappropriate for BAs that manage emergency situations by redirecting or redispatching within their network. R6 should be eliminated. <p>Response: R6 has been greatly simplified and replaced with R7 and R8.</p>

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	<p>Requirement 8</p> <ul style="list-style-type: none"> - R8 - A BA is not required to schedule energy. A BA may manage the import of energy during load emergencies. This requirement should be modified if a second CBM standard is not written. <p>Response: The requirement has been modified to remove the word "schedule" and references to Interchange.</p>
<p>Response: Please see in-line responses.</p>	
Alabama Power Company	<p>We applaud the great work of the standard drafting team. While the current version is "workable" by Industry, it is recommended that only the LSE be applicable. There is not a PRSG function for which NERC can audit compliance. Additionally, the PRSG is a business arrangement and is not considered a reliability issue.</p>
<p>Response: The drafting team has removed the PRSG from the standard. However, the drafting team does believe entities other than the LSE are applicable.</p>	
Bonneville Power Administration	<p>The purpose statement for MOD-004 should be expanded, to describe the timeframe for which CBM is to be activated so as not to conflict with TRM, to include a statement that "CBM is to be scheduled by the Energy Deficient Entity experiencing a declared NERC Energy Emergency Alert (EEA) 2 or higher only in the hour following a generation forced outage event."</p>
<p>Response: The drafting team disagrees with this interpretation. TRM may be used within the current hour for reserve sharing, but is a margin used to respond to events. CBM may be used at any point, and for a period longer than the current hour, subject to existing scheduling rules and requirements.</p>	
Consolidated Edison Co. of New York	<p>PSRG is not an entity defined in the NERC functional Model.</p>
<p>Response: The drafting team has removed the PRSG from the standard.</p>	
Dominion Resources, Inc.	<p>In support of PJM and NPCC comments</p>
<p>Response: Please see responses to PJM and NPCC.</p>	
FirstEnergy Solutions	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. We offer the following general comments in addition to our specific standard comments presented below.</p> <p>CBM & TRM - MARKET AREAS: FE supports the drafting team's approach of three ATC methodologies presented in MOD-028, MOD-029 and MOD-030 to account for differences in calculating ATC in various geographic areas of the bulk electric system. However, the use of a single standard methodology for CBM and TRM as currently written does not meet the needs for entities operating within a market area such as MISO, PJM etc.</p> <p>FE suggests that various requirements in the proposed standards that are currently applicable to the TP and TOP are actually handled by the RTO and within a market area would more appropriately be assigned to the Planning Coordinator (PC) and Reliability Coordinator (RC), respectively. This change would allow the proposed standards for CBM and TRM to be used largely "as is" within both market and non-market areas as the PC and RC would be appropriate in both.</p>

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	<p>Our comments below on specific MOD standards elaborate on this point and provide examples where we feel the applicability is inappropriately assigned to TP or TOP responsible entities within a transmission market construct.</p> <p>DECISION TO BALLOT: While the MOD standards presented are improving in content FE believes the standards should have been issued for one more comment period prior to ballot per the NERC Standard Development Procedures (SDP). In many cases this is only the 2nd draft version being reviewed by industry. The objective during the "Solicit Public Comments on Draft Standard (Step 6)" of the NERC SDP is to "Receive stakeholder inputs on the draft standard for the purpose of assessing consensus on the draft standard, and modifying the draft standard as needed to improve consensus." Based on the 200+ pages of comments of the prior draft version it is hard to conclude that the industry was near consensus. Additionally, per the SDP, now that the standards have gone to First Ballot (Step 9), the standard drafting team is not permitted to make any changes to the standards based on comments received during this First Ballot. The drafting team will now be required to rely on their responses to industry feedback to try and improve consensus during a re-circulation ballot. FE has concerns with the consequences of this decision with regard to the integrity of the standard development process and substantive registered entity perspectives.</p> <p>Response: The drafting team is posting the standard for comment.</p> <p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. However, at this time, FE is voting Negative to this standard with the following comments and suggestions:</p> <p>The Planning Coordinator (PC) should replace the Transmission Planner (TP) as the applicable entity. The requirements in R5 and R7 should be the ultimate responsibility of the PC who works with his associated TP to obtain the necessary information. Per the NERC functional model, the PC "coordinates and collects data for system modeling from the Transmission Planner" and "coordinates total transfer capability with Transmission Planners".</p> <p>Response: The drafting team agrees with the descriptions given from the functional model. However, we believe that the coordination functions of the Planning Coordinator do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <p>This standard is too prescriptive with the detail into how CBM should be calculated across all interconnections and does not take into account all the different calculation methods currently used by various entities in the industry. It is suggested that the standard be more general and that some of the information contained is better suited with a guideline document for calculating CBM.</p> <p>Response: The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p>
<p>Response: Please see in-line responses.</p>	
<p>Florida Municipal Power Agency</p>	<p>We believe this standard needs an additional commenting period.</p>

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<p>Response: The drafting team is posting the standard for comment.</p>	
<p>Georgia Power Company</p>	<p>We applaud the great work of the standard drafting team. While the current version is "workable" by Industry, it is recommended that only the LSE be applicable. There is not a PRSG function for which NERC can audit compliance. Additionally, the PRSG is a business arrangement and is not considered a reliability issue</p>
<p>Response: The drafting team has removed the PRSG from the standard. However, the drafting team does believe entities other than the LSE are applicable.</p>	
<p>Gulf Power Company</p>	<p>We applaud the great work of the standard drafting team. While the current version is "workable" by Industry, it is recommended that only the LSE be applicable. There is not a PRSG function for which NERC can audit compliance. Additionally, the PRSG is a business arrangement and is not considered a reliability issue.</p>
<p>Response: The drafting team has removed the PRSG from the standard. However, the drafting team does believe entities other than the LSE are applicable.</p>	
<p>Hydro One Networks, Inc.</p>	<p>Hydro One Networks Inc. is casting a negative vote on the 6 MOD standards (MOD-001, MOD-004, MOD-008, MOD-28, MOD-029 and MOSD-030) We believe there is a fundamental issue related with effective dates, that is, the dates in which Reliability Standards become effective and enforceable. In principle, the effective date of standards must be the same for all jurisdictions in North America. It does not make sense that there is a period of time when a standard is effective only in some jurisdictions while not in others. This is particularly important in the MOD Standards in ballot as they have implications on neighboring areas. The words inserted in the Effective Date of the Standards as well as in the Implementation Plan document permit that these Standards are effective in some jurisdictions and not others. These Standards should be modified to ensure that they become effective in all jurisdiction at the same time, including those where such regulatory approval in not required that is, only when all regulatory approvals have been obtained.</p> <p>Response: The drafting team does not believe that it is necessary for all entities to implement this standard at the same time.</p> <p>In addition we offer the following comments to the specific Standard MOD-004:</p> <p>(a) Requirement 1.1 introduces the concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>(b) Requirements have been introduced for the first time in this version. None of these revisions have yet been posted for comments by the industry. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This bypasses the intent of the ANSI approved NERC RS process.</p> <p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>
<p>Response: Please see in-line responses.</p>	
<p>Lincoln Electric System</p>	<p>LES agrees with the PJM and MISO recommendation that the standard needs an additional commenting period.</p>
<p>Response: The drafting team is posting the standard for comment.</p>	

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MidAmerican Energy Co.	I agree with the PJM that this standard needs another commenting period.
Response: The drafting team is posting the standard for comment.	
Mississippi Power	We applaud the great work of the standard drafting team. While the current version is "workable" by Industry, it is recommended that only the LSE be applicable. There is not a PRSG function for which NERC can audit compliance. Additionally, the PRSG is a business arrangement and is not considered a reliability issue.
Response: The drafting team has removed the PRSG from the standard. However, the drafting team does believe entities other than the LSE are applicable.	
Municipal Electric Authority of Georgia	<p>The drafting team's response to Entergy regarding MOD-004-1 requirement 8 implies that this standard would require TSPs to furnish CBM to "entities" that never requested or funded CBM. This unreasonable interpretation is expected to cause reliability problems for LSEs that currently rely on CBM.</p> <p>From the drafting team's reply some may even infer that all "entities" have an entitlement to use a TSP's CBM even if, for example, such "entities" have no transmission service contract with the TSP or such "entities" are insolvent. An obvious alternative interpretation, consistent with the terminology used in requirement 10, is that TSPs may reasonably conclude that CBM is not AVAILABLE to entities that have not made a valid CBM request (except to extent CBM capacity is released and purchased non-firm).</p> <p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area. Issues related to creditworthiness are not within the scope of NERC.</p> <p>Furthermore, the drafting team's interpretation raises questions not envisioned when we conducted our review of the draft standard. For example, the standard is silent on whether a TSP may prioritize competing requests to use CBM. Is the CBM first come, first served without any consideration of whether the requestor complied with the TSP's CBMID</p> <ul style="list-style-type: none"> - If an LSE that reserved CBM loses a generator after all the CBM is in use by other "entities" that never requested CBM, does the TSP deny CBM to the LSE that requested and paid for it? <p>Undoubtedly, if FERC approves this standard without changes, it would have to raise questions if the drafting team's interpretation comports with the Takings Clause of the Fifth Amendment to the U.S. Constitution.</p> <p>Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p> <p>Finally, while some may argue that the drafting team's interpretation will improve reliability for customers of systems that are short on installed capacity (and this may be the case in the short-run), the unintended consequence is that entities that may already be irresponsibly under-resourced may further reduce their installed capacity investments once they learn they can free ride on their neighbors' CBM.</p>

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	<p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area.</p>
	<p>Response: Please see in-line responses.</p>
<p>New York Power Authority</p>	<p>MOD-004-1--recommendation to vote NO not to accept. NPCC RSC found problems with the applicability section as it pertains to the planned resource sharing group. Requirement 1.1 adds this concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the latest approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>Additionally, requirements have been introduced for the first time in this version. None of these revisions have yet been circulated for comment. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This, in the view of the RSC bypasses the intent of the ANSI approved NERC RS process.</p>
	<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>
<p>PECO Energy and Exelon Co.</p>	<p>R1.5. A statement should be added to confirm that it shall use assumptions in calculating CBM that are consistent with those assumptions that are used in the Transmission planning process.</p>
	<p>Response: The drafting team believes that CBM can be based on studies and requirements outside the scope of the Transmission planning process defined in the TPL standards.</p>
<p>Public Service Electric and Gas Co.</p>	<p>PSE&G votes NO for the reasons expressed in PJM's comments.</p>
	<p>Response: Please see response to PJM.</p>
<p>Santee Cooper</p>	<p>The drafting team's response to Entergy regarding MOD-004-1 Requirement 8 implies that this standard would require a Transmission Service Provider to furnish CBM to any LSE or "entity" that never requested or funded CBM. Another unintended consequence of Requirement 8 is that entities (some that may already be irresponsibly under-resourced) may further reduce their installed capacity investments once they learn they can free ride on their neighbors' CBM.</p>
	<p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA 2 for which the CBM is being scheduled is within the Transmission Service Providers area.</p>
<p>Wisconsin Electric Power Marketing</p>	<p>GCIR definition - We are uncomfortable with the definition of GCIR, especially with no guidance on the determination or use of this quantity. Additionally it is not specified whether this is a maximum or average over the period in question.</p> <p>Response: The definition provides a general explanation of what GCIR is. R3 and R4 describe options for its calculation. It is expected that Transmission Service Providers or others may develop business practices that describe in more detail how GCIR is to be determined and/or used.</p> <p>PRSG definition - The definition states that this is an agreement to jointly meet a resource adequacy requirement, there are some PRSG's that are just doing a "joint study" to determine a requirement but how they meet that requirement may be</p>

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	<p>unique to the LSE. Response: The drafting team has removed the definition.</p> <p>R4.1.2 - The determination of the CBM seems to be disconnected from the current resource adequacy methodology processes that are being used in most RTO's. I.e. a difference in models could induce inconsistencies in the CBM that is actually available and the reserve margins identified in the resource adequacy studies. Response: The drafting team has modified the standard to be less prescriptive, allowing more flexibility for entities with regional processes for determining CBM, such as RTOs.</p> <p>R4.3 - It is difficult to tell whether the process is a "first come first served" process or whether all CBM requests are evaluated on a common basis. Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p> <p>R7 - There should be a consideration to providing these studies to LSE's to assist in coordination of methodologies etc. Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>Measures, M3 - The words "that wants CBM" could be better stated as "is requesting CBM to support the calculated reserve margin" Response: The drafting team has modified the language to eliminate the phrase "that wants CBM," and replaced it with "Each Load-Serving Entity that determined a need for Transmission Capacity to be set aside as CBM"</p>
	<p>Response: Please see in-line responses.</p>
Wisconsin Public Service Corp.	<p>WPSC agrees with the PJM and MISO recommendation that the standard needs an additional commenting period .</p>
	<p>Response: The drafting team is posting the standard for comment.</p>
Florida Municipal Power Agency	<p>We believe this standard needs an additional commenting period.</p>
	<p>Response: The drafting team is posting the standard for comment.</p>
Madison Gas	<p>We agree with the PJM and MISO recommendation that the standard needs an additional commenting period .</p>

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and Electric Co.	
	<p>Response: The drafting team is posting the standard for comment.</p>
Wisconsin Energy Corp.	<p>GCIR definition - We are uncomfortable with the definition of GCIR, especially with no guidance on the determination or use of this quantity. Additionally it is not specified whether this is a maximum or average over the period in question. The definition provides a general explanation of what GCIR is. R3 and R4 describe options for its calculation. It is expected that Transmission Service Providers or others may develop business practices that describe in more detail how GCIR is to be determined and/or used.</p> <p>PRSG definition - The definition states that this is an agreement to jointly meet a resource adequacy requirement, there are some PRSG's that are just doing a "joint study" to determine a requirement but how they meet that requirement may be unique to the LSE. Response: The drafting team has removed the definition.</p> <p>R4.1.2 - The determination of the CBM seems to be disconnected from the current resource adequacy methodology processes that are being used in most RTO's. I.e. a difference in models could induce inconsistencies in the CBM that is actually available and the reserve margins identified in the resource adequacy studies. Response: The drafting team has modified the standard to be less prescriptive, allowing more flexibility for entities with regional processes for determining CBM, such as RTOs.</p> <p>R4.3 - It is difficult to tell whether the process is a "first come first served" process or whether all CBM requests are evaluated on a common basis. Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p> <p>R7 - There should be a consideration to providing these studies to LSE's to assist in coordination of methodologies etc. Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>Measures, M3- The words "that wants CBM" could be better stated as "is requesting CBM to support the calculated reserve margin" Response: The drafting team has modified the language to eliminate the phrase "that wants CBM," and replaced it with "Each Load-Serving Entity that determined a need for Transmission Capacity to be set aside as CBM"</p>
	<p>Response: Please see in-line responses.</p>

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<p>WPS Resources Corp.</p>	<p>Standard MOD-004 is confusing in that it mixes the use of Generation Capability Import Requirement (GCIR) and CBM. If GCIR and CBM are intended to reflect different quantities, the standard should provide a definition for CBM. The standard needs to clearly reference GCIR and CBM throughout the document, consistent with their definitions.</p> <p>Response: The definition of CBM currently exists in the NERC glossary, and the drafting team is not suggesting modification to that definition. We have reviewed the standard to use these terms consistently.</p> <p>The definition of PRSG should reflect the intent of a PRSG - to collectively assess the resource adequacy of a group of LSEs. The current definition inappropriately refers to a "resource adequacy requirement" which EAct 2005 prohibits FERC and the ERO from establishing. Also, the current definition suggests a sharing of "planned resources" rather than a sharing of "planning reserves". Suggest the following definition for PRSG (consistent with MRO's approved Resource Adequacy Assessment standard): Planned Reserve Sharing Group ("PRSG") is defined as a group of Load Serving Entities ("LSEs") that agree to study their collective resources to assess the planned Resource Adequacy for the load of the PRSG as a whole.</p> <p>Response: The drafting team has eliminated this definition, and believes that it is not necessary to specify the structure of any JRO beyond that which is defined in the registration process.</p> <p>R2 - the CBMID should be made available to everyone, not just TOs, TPs, RCs, and transmission planners. In order to provide for transparency and consistency, the CBM Implementation Document should be available to all users, owners, and operators of the transmission system.</p> <p>Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>R7 - same comment as R2 - the allocation of CBM over different ATC/AFC paths must be available to all users, owners, and operators.</p> <p>Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>Requirement R3.1.2 references entities that do not have the ability to establish resource adequacy assessment requirements. Only the Regional Entities, through their ANSI approved standards setting process and delegated authority, can establish requirements for resource adequacy assessment. R3.1.2 should refer to FERC approved standards only.</p> <p>Response: The drafting team disagrees. REs are not the only entities that can establish resource adequacy assessment criteria. FERC has also indicated in Order 890 that it believes other entities have the ability to establish these criteria.</p> <p>R3.3 The request for CBM should be based on the resource adequacy assessment criteria of the REs only. Only the REs have the ANSI accredited processes and delegated authority to establish resource adequacy assessment criteria.</p> <p>Response: The drafting team disagrees. REs are not the only entities that can establish resource adequacy assessment</p>

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	<p>criteria. FERC has also indicated in Order 890 that it believes other entities have the ability to establish these criteria.</p> <p>R4.2.1 and R4.3.1 - both of these requirements allow the TP to unilaterally reduce the CBM requested by LSEs. While TPs should have the ability to post negative ATC/AFC as zero, the TP should not have the right to reduce the CBM of the LSEs. Response: The drafting team has eliminated this requirement. The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p> <p>M5 refers to "regional generation reliability criteria". Generation reliability criteria are different than resource adequacy assessment criteria. M5 should only reference the later. Response: M5 has been modified and no longer includes this reference.</p>
<p>Response: Please see in-line responses.</p>	
<p>Bonneville Power Administration</p>	<p>The purpose statement for MOD-004 should be expanded, to describe the timeframe for which CBM is to be activated so as not to conflict with TRM, to include a statement that "CBM is to be scheduled by the Energy Deficient Entity experiencing a declared NERC Energy Emergency Alert (EEA) 2 or higher only in the hour following a generation forced outage event."</p>
<p>Response: The drafting team disagrees with this interpretation. TRM may be used within the current hour for reserve sharing, but is a margin used to respond to events. CBM may be used at any point, and for a period longer than the current hour, subject to existing scheduling rules and requirements.</p>	
<p>Calpine Corporation</p>	<p>The former NERC standard for ATC required that TSPs have and publish their methodology for calculation of ATC. Such a standard has clearly been rejected by FERC, instead opting for much greater transparency. However, we note that amongst the redlined changes in the version of MOD-001 that is being balloted, the word "transparency" has been deleted from the purpose. Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>We also note that Requirement R3.1 requires that sufficient data will be exchanged to allow for validation of the ATC calculation but in response to EPSA and many others it is clear that NERC will not mandate what if any of this data will be shared with market participants. By deferring that question to NAESB, it makes it very difficult for market participants to evaluate whether this standard provides sufficient transparency. Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs. NERC will work with NAESB to ensure that in future ballots and postings, entities are made more aware of the division of labor and coordination effort.</p> <p>The notion of an ATCID document is a positive step. To have a single document with a comprehensive list of assumptions represents a substantial improvement over the status quo. However, the utility of this document, is difficult to evaluate if it is not yet determined which parties will have access to the document.</p>

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	<p>Furthermore, while flexibility is necessary in order to create a standard with applicability across many jurisdictions, allowing undue flexibility as long as assumptions are captured in the ATCID cannot assure market participants of a sufficient degree of standardization. While TSPs are presumably expected to specify this in their CBMID, it should not be left to individual TSPs to determine that when CBM is requested beyond the existing capability of the system, such requests cannot take precedence over rollover rights previously granted to transmission customers.</p> <p>Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p>
<p>Response: Please see in-line responses.</p>	
<p>Electric Power Supply Association</p>	<p>Greater transparency is required for the CBMID. This can be achieved through the use of a single document with a comprehensive list of assumptions that improves the status quo. The document should be accessible by all market participants to ensure its utility. The document needs to be flexible enough to have applicability across jurisdictions so that assumptions are captured in the CBMID but not in a manner that undermines market participants having sufficient standardization. While TSPs are presumably expected to specify this in their CBMID, it should not be left to individual TSPs to determine that when CBM is requested beyond the existing capability of the system, such requests cannot take precedence over rollover rights previously granted to transmission customers.</p>
<p>Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs. NERC will work with NAESB to ensure that in future ballots and postings, entities are made more aware of the division of labor and coordination effort.</p> <p>The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p>	
<p>FirstEnergy Solutions</p>	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. We offer the following general comments in addition to our specific standard comments presented below.</p> <p>CBM & TRM - MARKET AREAS: FE supports the drafting team's approach of three ATC methodologies presented in MOD-028, MOD-029 and MOD-030 to account for differences in calculating ATC in various geographic areas of the bulk electric system. However, the use of a single standard methodology for CBM and TRM as currently written does not meet the needs for entities operating within a market area such as MISO, PJM etc.</p> <p>FE suggests that various requirements in the proposed standards that are currently applicable to the TP and TOP are actually handled by the RTO and within a market area would more appropriately be assigned to the Planning Coordinator (PC) and Reliability Coordinator (RC), respectively. This change would allow the proposed standards for CBM and TRM to be used largely "as is" within both market and non-market areas as the PC and RC would be appropriate in both.</p> <p>Our comments below on specific MOD standards elaborate on this point and provide examples where we feel the applicability is inappropriately assigned to TP or TOP responsible entities within a transmission market construct.</p> <p>DECISION TO BALLOT: While the MOD standards presented are improving in content FE believes the standards should have been issued for one more comment period prior to ballot per the NERC Standard Development Procedures (SDP). In many</p>

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	<p>cases this is only the 2nd draft version being reviewed by industry. The objective during the "Solicit Public Comments on Draft Standard (Step 6)" of the NERC SDP is to "Receive stakeholder inputs on the draft standard for the purpose of assessing consensus on the draft standard, and modifying the draft standard as needed to improve consensus." Based on the 200+ pages of comments of the prior draft version it is hard to conclude that the industry was near consensus. Additionally, per the SDP, now that the standards have gone to First Ballot (Step 9), the standard drafting team is not permitted to make any changes to the standards based on comments received during this First Ballot. The drafting team will now be required to rely on their responses to industry feedback to try and improve consensus during a re-circulation ballot. FE has concerns with the consequences of this decision with regard to the integrity of the standard development process and substantive registered entity perspectives.</p> <p>Response: The drafting team is posting the standard for comment.</p> <p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. However, at this time, FE is voting Negative to this standard with the following comments and suggestions:</p> <ul style="list-style-type: none"> - The Planning Coordinator (PC) should replace the Transmission Planner (TP) as the applicable entity. - The requirements in R5 and R7 should be the ultimate responsibility of the PC who works with his associated TP to obtain the necessary information. Per the NERC functional model, the PC "coordinates and collects data for system modeling from the Transmission Planner" and "coordinates total transfer capability with Transmission Planners". <p>Response: The drafting team agrees with the descriptions given from the functional model. However, we believe that the coordination functions of the Planning Coordinator do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <ul style="list-style-type: none"> - This standard is too prescriptive with the detail into how CBM should be calculated across all interconnections and does not take into account all the different calculation methods currently used by various entities in the industry. It is suggested that the standard be more general and that some of the information contained is better suited with a guideline document for calculating CBM. <p>Response: The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p>
<p>Response: Please see in-line responses.</p>	
<p>Florida Municipal Power Agency</p>	<p>We believe this standard needs an additional commenting period.</p>
<p>Response: The drafting team is posting the standard for comment.</p>	
<p>Lincoln Electric System</p>	<p>LES agrees with the PJM and MISO recommendation that the standard needs an additional commenting period.</p>

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	<p>Response: The drafting team is posting the standard for comment.</p>
<p>PSEG Power LLC</p>	<p>PSEG Power LLC votes no for the reasons expressed in PJM's comments.</p>
	<p>Response: Please see response to PJM.</p>
<p>Wisconsin Electric Power Co.</p>	<p>GCIR definition - We are uncomfortable with the definition of GCIR, especially with no guidance on the determination or use of this quantity. Additionally it is not specified whether this is a maximum or average over the period in question. The definition provides a general explanation of what GCIR is. R3 and R4 describe options for its calculation. It is expected that Transmission Service Providers or others may develop business practices that describe in more detail how GCIR is to be determined and/or used.</p> <p>PRSG definition - The definition states that this is an agreement to jointly meet a resource adequacy requirement, there are some PRSG's that are just doing a "joint study" to determine a requirement but how they meet that requirement may be unique to the LSE. Response: The drafting team has removed the definition.</p> <p>R4.1.2 - The determination of the CBM seems to be disconnected from the current resource adequacy methodology processes that are being used in most RTO's. I.e. a difference in models could induce inconsistencies in the CBM that is actually available and the reserve margins identified in the resource adequacy studies. Response: The drafting team has modified the standard to be less prescriptive, allowing more flexibility for entities with regional processes for determining CBM, such as RTOs.</p> <p>R4.3 - It is difficult to tell whether the process is a "first come first served" process or whether all CBM requests are evaluated on a common basis. Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p> <p>R7 - There should be a consideration to providing these studies to LSE's to assist in coordination of methodologies etc. Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>Measures, M3 - The words "that wants CBM" could be better stated as "is requesting CBM to support the calculated reserve margin" Response: The drafting team has modified the language to eliminate the phrase "that wants CBM," and replaced it with "Each</p>

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Entity	Comment
	Load-Serving Entity that determined a need for Transmission Capacity to be set aside as CBM"
Response: Please see in-line responses.	
Barry Green Consulting Inc.	<p>Transparency: The former NERC standard for ATC required only that TSPs have and publish their methodology for calculation of ATC. Such a standard has clearly been rejected by FERC, instead opting for much greater transparency. However, we note that amongst the redlined changes in the version of MOD-004 that is being balloted, the word "transparency" has been deleted from the purpose.</p> <p>Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs.</p> <p>We also note that the standard requires that sufficient data will be exchanged to allow for validation of the ATC calculation but in response to EPSA and many others it is clear that NERC will not mandate what if any of this data will be shared with market participants. By deferring that question to NAESB, it makes it very difficult for market participants to evaluate whether this standard provides sufficient transparency.</p> <p>Response: The drafting team believes that NAESB is the appropriate forum to develop business practices related to transparency and commercial needs. NERC will work with NAESB to ensure that in future ballots and postings, entities are made more aware of the division of labor and coordination effort.</p> <p>The notion of a CBMID document is a positive step. To have a single document with a comprehensive list of assumptions represents a substantial improvement over the status quo. However, the utility of this document, is difficult to evaluate if it is not yet determined which parties will have access to the document.</p> <p>Furthermore, while flexibility is necessary in order to create a standard with applicability across many jurisdictions, allowing undue flexibility as long as assumptions are captured in the CBMID cannot assure market participants of a sufficient degree of standardization. In addition, while TSPs are presumably expected to specify this in their CBMID, it should not be left to individual TSPs to determine that when CBM is requested beyond the existing capability of the system, such requests cannot take precedence over rollover rights previously granted to transmission customers.</p> <p>Response: The drafting team believes that determinations such as those described are best left to business practices, as they are commercial in nature and deals primarily with equity between LSEs, rather than reliability. For this reason, the team took no position on the issue, and only required that use of CBM be approved if available – not denied if unavailable.</p>
Response: Please see in-line responses.	
Bonneville Power Administration	The purpose statement for MOD-004 should be expanded, to describe the timeframe for which CBM is to be activated so as not to conflict with TRM, to include a statement that "CBM is to be scheduled by the Energy Deficient Entity experiencing a declared NERC Energy Emergency Alert (EEA) 2 or higher only in the hour following a generation forced outage event."
Response: The drafting team disagrees with this interpretation. TRM may be used within the current hour for reserve sharing, but is a margin used to respond to events. CBM may be used at any point, and for a period longer than the current hour, subject to existing scheduling rules	

Consideration of Comments on Initial Ballot of MOD-004

Entity	Comment
and requirements.	
Consolidated Edison Co. of New York	PRSG is not an entity defined in the NERC functional Model.
Response: The drafting team has removed the PRSG from the standard.	
Dominion Resources, Inc.	Support comments provided by NPCC and PJM
Response: Please see responses to NPCC and PJM.	
FirstEnergy Solutions	<p>FirstEnergy Corp. (FE) appreciates the hard work put forth by NERC's ATC Standard Drafting Team. However, at this time, FE is voting Negative to this standard with the following comments and suggestions:</p> <p>The Planning Coordinator (PC) should replace the Transmission Planner (TP) as the applicable entity.</p> <p>The requirements in R5 and R7 should be the ultimate responsibility of the PC who works with his associated TP to obtain the necessary information. Per the NERC functional model, the PC "coordinates and collects data for system modeling from the Transmission Planner" and "coordinates total transfer capability with Transmission Planners".</p> <p>This standard is too prescriptive with the detail into how CBM should be calculated across all interconnections and does not take into account all the different calculation methods currently used by various entities in the industry. It is suggested that the standard be more general and that some of the information contained is better suited with a guideline document for calculating CBM.</p>
<p>Response: The drafting team agrees with the descriptions given from the functional model. However, we believe that the coordination functions of the Planning Coordinator do not apply here. CBM is the import capability of the local system to serve local needs. The Planning Coordinator's role is to look at broader needs, and CBM by definition is a local need. Transmission Planners may, of course, delegate this task to the Planning Coordinator.</p> <p>The drafting team has modified the standard to be less prescriptive and allow for more flexibility in how the need for CBM and CBM itself is determined.</p>	
Lincoln Electric System	LES agrees with the PJM and MISO recommendation that the standard needs an additional commenting period.
Response: The drafting team and is posting the standard for comment.	
MidAmerican Energy Co.	Although this standard leaves much to be desired, it is better than the current standard. I hope NERC continues to work towards consistency in the arena of CBM.
Response: Thank you. The drafting team will continue to work to achieve this goal.	
PSEG Energy Resources &	PSEG Energy Resources & Trade votes NO for the reasons expressed in PJM's ballot.

Consideration of Comments on Initial Ballot of MOD-004

Entity	Comment
Trade LLC	
<p>Response: Please see response to PJM.</p>	
Santee Cooper	<p>The drafting team's response to Entergy regarding MOD-004-1 Requirement 8 implies that this standard would require a Transmission Service Provider to furnish CBM to any LSE or "entity" that never requested or funded CBM. Another unintended consequence of Requirement 8 is that entities (some that may already be irresponsibly under-resourced) may further reduce their installed capacity investments once they learn they can free ride on their neighbors' CBM.</p>
<p>Response: The drafting team has modified the standard to address this concern by only requiring a TSP to approve the transaction if the EEA2 for which the CBM is being scheduled is within the Transmission Service Providers area.</p>	
Commonwealth of Massachusetts Department of Public Utilities	<p>Massachusetts DPU found problems with the applicability section as it pertains to the planned resource sharing group. Requirement 1.1 adds this concept of an entity called the Planned Resource Sharing Group. This entity is not defined and is not currently in the latest approved version of the NERC Functional Model (v.3). Adding this entity raises issues for registration and compliance.</p> <p>Requirements have been introduced for the first time in this version. None of these revisions have yet been circulated for comment. New requirements should not be introduced in the final version of a standard without affording the industry some opportunity to comment. This appears to bypass approved NERC RS process.</p>
<p>Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.</p>	
National Association of Regulatory Utility Commissioners	<p>Due to the extensive revisions in the final draft, industry input should have been solicited before setting this revised standard for a vote.</p>
<p>Response: The drafting team is posting the standard for comment.</p>	
Wyoming Public Service Commission	<p>Should not prevent the inclusion of intermittent resources if they exhibit sufficient diversity and can be successfully integrated.</p>
<p>Response: The drafting team does not believe the scope of this standard addresses specific types of resources. If the Commission has specific concerns with the language, please provide more detail regarding how you believe the language should be modified.</p>	
Midwest Reliability Organization	<p>The MRO agrees with the PJM and MISO recommendation that the standard needs an additional commenting period.</p>
<p>Response: The drafting team is posting the standard for comment.</p>	
Northeast Power	<p>A new entity, a Planned Resource Sharing Group, that is not identified in the functional model, is included. A re-posting of the standard is recommended to allow for industry comments.</p>

Consideration of Comments on Initial Ballot of MOD-004

Entity	Comment
Coordinating Council, Inc.	
Response: The drafting team has removed the PRSG from the standard, and is posting the standard for comment.	