

Informal Comments on White Paper for Project 2010-07—Generator Requirements at the Transmission Interface

The Project 2010-07—Generator Requirements at the Transmission Interface standard drafting team (drafting team) thanks all who provided comments during this stage of development. The [White Paper Proposal for Informal Comment](#) was posted for a 30-day informal public comment period from March 4, 2011 through April 4, 2011. The stakeholders were asked to provide feedback via email to the NERC Project Coordinator. 51 sets of comments were submitted.

http://www.nerc.com/filez/standards/Project2010-07_GOTO_Project.html

The SDT has completed the review of the informal comments from industry for Project 2010-07—Generator Requirements at the Transmission Interface. Each comment was reviewed and considered by the drafting team as it proposed modifications to FAC-001 and FAC-003 and developed the project’s background document, and it will continue to consider this stakeholder feedback as the project progresses. If a comment is not specifically addressed, it is likely because the drafting team has addressed it elsewhere or the comment did not add clarity or otherwise improve the quality of the proposed standards.

A majority of commenters supported the concepts in the white paper, which represent a focused but comprehensive approach to including responsibility for generator interconnection Facilities in NERC’s Reliability Standards. Most commenters agreed that the approach of developing specific changes to a limited number of standards was preferable to developing new definitions or revising existing definitions.

The drafting team received many comments on the general direction of the project:

- **Some suggested that an interim solution be implemented until the modified standards are approved.** The drafting team is providing input to NERC compliance staff upon request as it works toward an interim solution.
- **Some said that Generator Owners and Generator Operators that are radial in nature should not have to comply with any additional standards.** In this phase of the project, the drafting team’s goal was to identify and modify standards necessary to eliminate any reliability gaps related to extended generation interconnection Facilities. Ultimately, this shall prevent the registration of Generator Owners and Generator Operators as Transmission Owners and Transmission Operators. After review of all of the standards, the drafting team believes that it is appropriate to apply FAC-001 and FAC-003 to Generator Owners (in certain cases). This was confirmed by stakeholder comments during the informal comment period.
- **Some were concerned with the drafting team’s use the term “transmission” to label generator interconnection Facilities.** Several commenters were concerned with the use of “transmission lines” as a label for generator interconnection Facilities. While such a label has been applied in other contexts by certain entities, the drafting team has avoided that labeling in its modifications to FAC-001 and FAC-003 and its background documents.

- **Some were concerned that the white paper did not acknowledge interface agreements.** The drafting team recognizes that interface/interconnection agreements usually have explicit language about coordination between Generator Owners and Operators and Transmission Owners and Operators, but unfortunately these agreements are not viewed by regulatory authorities as a tool that can be used for meeting reliability standards.
- **Some encouraged the SDT to revisit certain standards that already apply to Generator Owners and Generator Operators because some standards split requirements by applicable entity.** The drafting team has reviewed the standards that already include Generator Owners and Generator Operators and determined that no changes to specific requirements are necessary. The drafting team attempted to better explain its rationale in these cases in the latest version of the background document.
- **Several addressed commercial issues in their comments on the white paper.** Such comments are outside the scope of this drafting team (and NERC Reliability Standards in general) and thus have not been addressed here.
- **Some pointed out reference errors in the white paper.** The drafting team is grateful for these comments and has attempted to remedy all errors in the resource document that has evolved from the white paper.

The drafting team received no comments indicating that it should have included standards other than the two identified (FAC-001 and FAC-003), but several commenters suggested modifications to the proposed approaches to FAC-001 and FAC-003.

A number of comments stated that the “trigger” for the application of FAC-001 should not be the receipt of a request, but rather should be based upon “the intent or obligation” to interconnect a new Facility to an existing interconnecting Facility that is owned by a generator. Accordingly, the drafting team has proposed language to address this concern. The intent of this modified language is to start the compliance clock when the generator Facility owner executes an Agreement to perform the reliability assessment required in FAC-002. This step should occur whether the generator voluntarily agrees to the interconnection request or is compelled by a regulatory body to do so. In either case, we expect the Generator Owner and the requestor to execute some form of an Agreement. The drafting team intentionally excluded a specific reference to the kind of Agreement (such as a feasibility study) in deference to comments that we should avoid comingling of commercial and reliability aspects in reliability standards.

Similarly, a majority of comments supported FAC-003 applicability to the Generator Owner but suggested some exclusion for a “short length” Facility. Accordingly, we modified the language to apply only to a Facility that extends at least ½ mile beyond the fenced boundary(ies) of the switchyard, generating station, or generating substation.

In addition to the majority of comments addressing the line length issue, the drafting team received some minority comments on FAC-003:

- **Some indicated that Generator Owners should not be added to FAC-003 because they are never an IROL circuit.** FAC-003 addresses circuits other than those associated with an IROL.
- **Some stated that changing FAC-003 would do nothing to prevent adverse reliability impacts, because a radial line can't cascade.** The drafting team believes there is a reliability-related need to apply FAC-003 to GOs with extended interconnection Facilities.
- **One commenter suggested a better connection between FAC-003 and FAC-014, stating that there is nothing in either standard where the Planning Coordinator is informing the Transmission Owners and Generator Owners of the applicability of their Facilities as outlined in the Facilities section 4.2.2 of FAC-003.** FAC-014-2 R5 addresses this issue.
- **One commenter suggested that the requirement simply be that the Generator Owner coordinates with the Transmission Owner to ensure that the generator interconnection Facilities are included.** The drafting team believes there is a reliability-related need to apply FAC-003 to Generator Owners with extended interconnection Facilities. An entity always has the opportunity to enter into a JRO where appropriate.

A majority of commenters also supported the drafting team's proposal to not adopt new defined terms. But many commenters said that if the new terms were not adopted, the drafting team needed to work to address registration issues related to Generator Owners and Generator Operators, especially those with ownership/operational responsibility for the Facility that interconnects the generator(s) to the Transmission Owner's Facility. A few stated that there needed to be a clearer delineation of responsibilities between the Generator Owner and Transmission Owner and the Generator Operator and Transmission Operator where ownership and operational responsibility of an interconnection Facility wasn't clearly understood. While the drafting team agrees with some of the comments, it is not empowered to make all changes which may be necessary to alleviate the concerns expressed in the comments.

However, during this process, the drafting team has been meeting with NERC and FERC staffs, regional compliance managers, and industry organizations to discuss possible solutions to the issue of concern to most Generator Owner/Generator Operators (e.g., registration as a Transmission Owner/Transmission Operator). The drafting team believes this issue, and the related concerns, have the attention of appropriate NERC and regional staffs and has volunteered to provide assistance in their efforts to address them.

The goal of the Project 2010-07 drafting team is to work with NERC and regional compliance enforcement and compliance registration staffs to develop a comprehensive package that will address all reliability gaps, whether real or perceived, so that entities are appropriately registered and the appropriate reliability standards are applied to those entities.

****Note about comments from February and March 2010 SAR Posting****

During its review of these comments, the drafting team also returned to comments from its SAR posting in February and March of 2010, as many of the comments on the SAR posting dealt with the proposals in the original Ad Hoc Group for Generator Requirements at the Transmission Interface's Final Report. In

returning to these comments, the drafting team confirmed that it had addressed all relevant comments. Because of the narrower focus of the current Project 2010-07, many comments (such as those on the Ad Hoc Group's proposed definitions) were no longer relevant, but all others have been addressed:

- **Need to align project with compliance responsibility:** The drafting team is working with NERC and regional compliance staffs on exactly this.
- **The scope of the project is too broad:** The scope has been narrowed.
- **The project needs further clarification:** The original white paper posted for informal comment was developed to provide further clarification on the project. That white paper has been modified to be used as a background resource document.
- **The standards changes should be implemented all at once:** With only two standard changes being implemented and an interim solution being developed by NERC's compliance staff (in coordination with Regional compliance staff), the drafting team is not as concerned with implementing the changes simultaneously. If, for instance, FAC-001 changes are implemented before FAC-003 changes, the interim compliance solution will remain in effect until FAC-003 changes are also implemented to ensure that there are no gaps during the implementation periods.

The drafting team thanks all those who participated in the original SAR posting; the comments from that posting were invaluable during the transition from ad hoc group to standard drafting team.