

Violation Risk Factor and Violation Severity Level Justifications

Project 2015-08 Emergency Operations

This document provides the standard drafting team's (SDT's) justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in EOP-006-3 – System Restoration Coordination. Each requirement is assigned a VRF and a VSL. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the Electric Reliability Organizations (ERO) Sanction Guidelines. The SDT applied the following NERC criteria and FERC Guidelines when developing the VRFs and VSLs for the requirements.

NERC Criteria for Violation Risk Factors

High Risk Requirement

A requirement that, if violated, could directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

Medium Risk Requirement

A requirement that, if violated, could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System. However, violation of a medium risk requirement is unlikely to lead to Bulk Electric System instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to Bulk Electric System instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

Lower Risk Requirement

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System; or, a requirement that is administrative in nature and 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 adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System.

FERC Guidelines for Violation Risk Factors

Guideline (1) – Consistency with the Conclusions of the Final Blackout Report

FERC seeks to ensure that VRFs assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System. In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities
- Appropriate use of transmission loading relief.

Guideline (2) – Consistency within a Reliability Standard

FERC expects a rational connection between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

Guideline (3) – Consistency among Reliability Standards

FERC expects the assignment of VRFs corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

Guideline (4) – Consistency with NERC’s Definition of the Violation Risk Factor Level

Guideline (4) was developed to evaluate whether the assignment of a particular VRF level conforms to NERC’s definition of that risk level.

Guideline (5) – Treatment of Requirements that Co-mingle More Than One Obligation

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

NERC Criteria for Violation Severity Levels

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

VSLs should be based on NERC’s overarching criteria shown in the table below:

Lower VSL	Moderate VSL	High VSL	Severe VSL
The performance or product measured almost meets the full intent of the requirement.	The performance or product measured meets the majority of the intent of the requirement.	The performance or product measured does not meet the majority of the intent of the requirement, but does meet some of the intent.	The performance or product measured does not substantively meet the intent of the requirement.

FERC Order of Violation Severity Levels

The FERC VSL guidelines are presented below, followed by an analysis of whether the VSLs proposed for each requirement in the standard meet the FERC Guidelines for assessing VSLs:

Guideline (1) – Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance

Compare the VSLs to any prior levels of non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when levels of non-compliance were used.

Guideline (2) – Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties

A violation of a “binary” type requirement must be a “Severe” VSL.

Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

Guideline (3) – Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement

VSLs should not expand on what is required in the requirement.

Guideline (4) – Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations

Unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

VRF Justifications for EOP-006-3, R1	
Proposed VRF	High
NERC VRF Discussion	R1 is a requirement in a Real-time Operations and Operations Planning time frame that, if violated, could directly prevent restoration to normal operations, cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures, or could place the bulk electric system at an unacceptable risk of instability, separation, or cascading failures.
FERC VRF G1 Discussion	Guideline 1- Consistency w/ Blackout Report R1 requires the Reliability Coordinator to develop, maintain and implement a restoration plan that is consistent with FERC guideline G1 regarding Emergency Operations.
FERC VRF G2 Discussion	Guideline 2- Consistency within a Reliability Standard The requirement has parts that are of equal importance and only one VRF was assigned so there is no conflict.
FERC VRF G3 Discussion	Guideline 3- Consistency among Reliability Standards This requirement calls for development, maintenance and implementation of a restoration plan. This is similar to EOP-005-2, Requirement R1 which also places similar requirements of the Transmission operator and is assigned a High VRF.
FERC VRF G4 Discussion	Guideline 4- Consistency with NERC Definitions of VRFs Failure to develop and implement a restoration plan could directly affect the electrical state or capability of the BES, or the ability to effectively monitor and control the BES. Violation of the requirement could lead to bulk electric system instability, separation, or cascading failures. The VRF for this requirement is “High” which is consistent with NERC guidelines for similar requirements.

VRF Justifications for EOP-006-3, R1

Proposed VRF	High
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R1 contains only one objective which is to develop, maintain and implement a restoration plan. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R1

Lower	Moderate	High	Severe
The Reliability Coordinator failed to include one requirement part of Requirement R1 within its restoration plan.	The Reliability Coordinator failed to include two requirement parts of Requirement R1 within its restoration plan.	The Reliability Coordinator failed to include three of the requirement parts of Requirement R1 within its restoration plan.	<p>The Reliability Coordinator failed to include four or more of the requirement parts within its restoration plan.</p> <p>OR</p> <p>The Reliability Coordinator has a restoration plan, but failed to implement it.</p>

VSL Justifications for EOP-006-3, R1

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs were revised slightly by replacing “subrequirement” with “requirement part” and adding a Severe VSL regarding the failure to implement the restoration plan. The VSLs for this requirement meet or exceed the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment for R1 is not binary.</p> <p>Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R1

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R2

Proposed VRF	Lower
NERC VRF Discussion	R2 is a requirement in an Operations Planning time frame that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R2 requires the Reliability Coordinator to distribute its most recent restoration plan and is administrative in nature. A violation of this requirement has been assigned a Lower VRF, consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement has does not contain parts and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for distribution of a restoration plan. This is an unrevised requirement (EOP-006-2, Requirement R2) that is assigned a Lower VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to distribute a restoration plan would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.</p>
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R2 contains only one objective which is to distribute restoration plan. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R2

Lower	Moderate	High	Severe
<p>The Reliability Coordinator distributed the most recent Reliability Coordinator Area restoration plan to the entities identified in Requirement R2, but was more than 30 calendar days late but less than 60 calendar days late.</p>	<p>The Reliability Coordinator distributed the most recent Reliability Coordinator Area restoration plan to the entities identified in Requirement R2, but was 60 calendar days or more late, but less than 90 calendar days late.</p>	<p>The Reliability Coordinator distributed the most recent Reliability Coordinator Area restoration plan to the entities identified in Requirement R2, but was 90 or more calendar days late, but less than 120 calendar days late.</p>	<p>The Reliability Coordinator distributed the most recent Reliability Coordinator Area restoration plan to entities identified in Requirement R2, but was 120 calendar days or more late.</p>

VSL Justifications for EOP-006-3, R2

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs for this requirement meet or exceed the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment for R2 is not binary.</p> <p>Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R2

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R3

Proposed VRF	Medium
NERC VRF Discussion	R3 is a requirement in an Operations Planning time frame that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R3 requires the Reliability Coordinator to review its restoration plan within 13 months of the last review. A violation of this requirement has been assigned a Medium VRF because, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system This is consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement has does not contain parts and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for review of a restoration plan. This is an unrevised requirement (EOP-006-2, Requirement R3) that is assigned a Medium VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to review a restoration plan would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.</p>
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R3 contains only one objective which is to review the restoration plan. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R3

Lower	Moderate	High	Severe
N/A	N/A	N/A	The Reliability Coordinator did not review its restoration plan within 13 calendar months of the last review.

VSL Justifications for EOP-006-3, R3

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs for this requirement meet the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment is for R3 is binary and assigned at the Severe level.</p> <p>Guideline 2b: The propose VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R3

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R4

Proposed VRF	Medium
NERC VRF Discussion	R4 is a requirement in an Operations Planning time frame that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R4 requires the Reliability Coordinator to review its neighboring Reliability Coordinator’s restoration plan and provide written notification of conflicts discovered during the review. A violation of this requirement has been assigned a Medium VRF because, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system This is consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement has contains a single part regarding conflict resolution timelines and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for review of a neighboring Reliability Coordinator’s restoration plan. This is a slightly revised requirement (EOP-006-2, Requirement R4) that is assigned a Medium VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to review a restoration plan would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.</p>
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R4 contains only one objective which is to review the neighboring Reliability Coordinator’s restoration plan. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R4

Lower	Moderate	High	Severe
<p>The Reliability Coordinator reviewed the submitted restoration plans from its neighboring Reliability Coordinators within 60 calendar days of receipt, and resolved conflicts between 31 and 60 calendar days following written notification.</p>	<p>The Reliability Coordinator reviewed the submitted restoration plans from its neighboring Reliability Coordinators within 60 calendar days of receipt and resolved conflicts between 61 and 90 calendar days following written notification.</p>	<p>The Reliability Coordinator reviewed the submitted restoration plans from its neighboring Reliability Coordinators within 60 calendar days of receipt and resolved conflicts over 91 calendar days following written notification.</p>	<p>The Reliability Coordinator did not review the submitted restoration plans from its neighboring Reliability Coordinators within 60 calendar days of receipt.</p>

VSL Justifications for EOP-006-3, R4

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs for this requirement meet the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment is for R4 is not binary.</p> <p>Guideline 2b: The propose VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R4

<p>FERC VSL G4</p> <p>Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5</p> <p>Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6</p> <p>VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R5

Proposed VRF	Medium
NERC VRF Discussion	R5 is a requirement in an Operations Planning time frame that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R5 requires the Reliability Coordinator to review the restoration plans of Transmission operators within its reliability Coordinator Area. A violation of this requirement has been assigned a Medium VRF because, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system This is consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement has contains a single part regarding coordination and compatibility of the plans and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for review of a review the restoration plans of Transmission operators within its reliability Coordinator Area. This is an unrevised requirement (EOP-006-2, Requirement R5) that is assigned a Medium VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to review a restoration plan would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.</p>
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>

VRF Justifications for EOP-006-3, R5

Proposed VRF	Medium
	R5 contains only one objective which is to review the review the restoration plans of Transmission operators within its reliability Coordinator Area. Since the requirement has only one objective, only one VRF was assigned.

VSLs for EOP-006-3, R5

Lower	Moderate	High	Severe
<p>The Reliability Coordinator did not review and approve/disapprove the submitted restoration plans, <u>with stated reasons for disapproval</u>, from its Transmission Operators and neighboring Reliability Coordinators within 30 calendar days of receipt, but did review and approve/disapprove the plans within 45 calendar days of receipt.</p> <p>OR</p> <p>The Reliability Coordinator failed to notify the Transmission Operator of its approval or disapproval with stated reasons for disapproval within 30 calendar days of receipt, but did</p>	<p>The Reliability Coordinator did not review and approve/disapprove the submitted restoration plans, <u>with stated reasons for disapproval</u>, from its Transmission Operators and neighboring Reliability Coordinators within 30 calendar days of receipt, but did review and approve/disapprove the plans within 60 calendar days of receipt.</p> <p>OR</p> <p>The Reliability Coordinator failed to notify the Transmission Operator of its approval or disapproval with stated reasons for disapproval within 30 calendar days of receipt, but did</p>	<p>The Reliability Coordinator did not review and approve/disapprove the submitted restoration plans, <u>with stated reasons for disapproval</u>, from its Transmission Operators and neighboring Reliability Coordinators within 30 calendar days of receipt, but did review and approve/disapprove the plans within 90 calendar days of receipt.</p> <p>OR</p> <p>The Reliability Coordinator failed to notify the Transmission Operator of its approval or disapproval with stated reasons</p>	<p>The Reliability Coordinator did not review and approve/disapprove the submitted restoration plans, <u>with stated reasons for disapproval</u>, from its Transmission Operators and neighboring Reliability Coordinators for more than 90 calendar days of receipt.</p> <p>OR</p> <p>The Reliability Coordinator failed to notify the Transmission Operator of its approval or disapproval with stated reasons for disapproval for more than 90 calendar days of receipt.</p>

<p>notify the Transmission Operator of its approval or disapproval with reasons within 45 calendar days of receipt.</p>	<p>notify the Transmission Operator of its approval or disapproval with reasons within 60 calendar days of receipt</p>	<p>for disapproval within 30 calendar days of receipt but did not notify the Transmission Operator of its approval or disapproval with reasons within 90 calendar days of receipt.</p>	
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VSL Justifications for EOP-006-3, R5

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs for this requirement meet the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment for R5 is not binary.</p> <p>Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R5

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R6

Proposed VRF	Lower
NERC VRF Discussion	R6 is a requirement in an Operations Planning time frame that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.
FERC VRF G1 Discussion	Guideline 1- Consistency w/ Blackout Report R6 requires the Reliability Coordinator to have a copy of its latest restoration plan and copies of the latest approved restoration plan of each Transmission Operator in its Reliability Coordinator Area within its primary and backup control rooms. A violation of this requirement has been assigned a Lower VRF, consistent with FERC guideline G1 regarding Emergency Operations.
FERC VRF G2 Discussion	Guideline 2- Consistency within a Reliability Standard The requirement has does not contain parts and only one VRF was assigned so there is no conflict.
FERC VRF G3 Discussion	Guideline 3- Consistency among Reliability Standards This requirement calls for having copies of the latest restoration plans. This is a slightly revised requirement (EOP-006-2, Requirement R6) that is assigned a Lower VRF.
FERC VRF G4 Discussion	Guideline 4- Consistency with NERC Definitions of VRFs Failure to have copies of the latest restoration plans would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.
FERC VRF G5 Discussion	Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation R6 contains only one objective which is to have copies of the latest restoration plan. Since the requirement has only one objective, only one VRF was assigned.

VSLs for EOP-006-3, R6			
Lower	Moderate	High	Severe
N/A	N/A	The Reliability Coordinator did not have a copy of the latest approved restoration plan of all Transmission Operators in its Reliability Coordinator Area within its primary and backup control rooms prior to the implementation date.	The Reliability Coordinator did not have a copy of its latest restoration plan within its primary and backup control rooms prior to the implementation date.

VSL Justifications for EOP-006-3, R6

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs were revised slightly by replacing “implementation date” with “effective date.” The VSLs for this requirement meet or exceed the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment for R6 is not binary.</p> <p>Guideline 2b: The propose VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R6

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R7

Proposed VRF	Medium
NERC VRF Discussion	R7 is a requirement in an Operations Planning time frame that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R7 requires the Reliability Coordinator to include within its operations training program, annual System restoration training for its System Operators to assure the proper execution of its restoration plan. A violation of this requirement has been assigned a Medium VRF because, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. This is consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement contains two parts regarding training topics and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for to inclusion within its operations training program, annual System restoration training for its System Operators to assure the proper execution of its restoration plan. This is an unrevised requirement (EOP-006-2, Requirement R9) that is assigned a Medium VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to include within its operations training program, annual System restoration training for its System Operators to assure the proper execution of its restoration plan would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.</p>

VRF Justifications for EOP-006-3, R7

Proposed VRF	Medium
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R7 contains only one objective which is to include within its operations training program, annual System restoration training for its System Operators to assure the proper execution of its restoration plan. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R7

Lower	Moderate	High	Severe
N/A	N/A	The Reliability Coordinator included the <u>annual</u> System restoration training at least once each 15 calendar months within its operations training program, but did not address both of the requirements parts.	The Reliability Coordinator did not include the <u>annual</u> System restoration training at least once each 15 calendar months within its operations training program.

VSL Justifications for EOP-006-3, R7

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs were revised slightly by replacing “annual” with “at least once each 15 calendar months” and by replacing “subrequirements” with “requirement parts.” The VSLs for this requirement meet the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment is for R7 is not binary.</p> <p>Guideline 2b: The propose VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R7

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>

VRF Justifications for EOP-006-3, R8

Proposed VRF	Medium
NERC VRF Discussion	R8 is a requirement in an Operations Planning time frame that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures.
FERC VRF G1 Discussion	<p>Guideline 1- Consistency w/ Blackout Report</p> <p>R8 requires the Reliability Coordinator to conduct two System restoration drills, exercises, or simulations per calendar year, which shall include the Transmission Operators and Generator Operators as dictated by the particular scope of the drill, exercise, or simulation that is being conducted. A violation of this requirement has been assigned a Medium VRF because, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. This is consistent with FERC guideline G1 regarding Emergency Operations.</p>
FERC VRF G2 Discussion	<p>Guideline 2- Consistency within a Reliability Standard</p> <p>The requirement contains one part regarding requesting other entities to participate in the System restoration drills, exercises, or simulations and only one VRF was assigned so there is no conflict.</p>
FERC VRF G3 Discussion	<p>Guideline 3- Consistency among Reliability Standards</p> <p>This requirement calls for conducting two System restoration drills, exercises, or simulations per calendar year, which shall include the Transmission Operators and Generator Operators as dictated by the particular scope of the drill, exercise, or simulation that is being conducted. This is an unrevised requirement (EOP-006-2, Requirement R10) that is assigned a Medium VRF.</p>
FERC VRF G4 Discussion	<p>Guideline 4- Consistency with NERC Definitions of VRFs</p> <p>Failure to conduct two System restoration drills, exercises, or simulations per calendar year, which shall include the Transmission Operators and Generator Operators as dictated by the particular scope of the drill, exercise, or simulation that is being conducted would not be expected to adversely affect the</p>

VRF Justifications for EOP-006-3, R8

Proposed VRF	Medium
	electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system.
FERC VRF G5 Discussion	<p>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p> <p>R8 contains only one objective which is to conduct two System restoration drills, exercises, or simulations per calendar year, which shall include the Transmission Operators and Generator Operators as dictated by the particular scope of the drill, exercise, or simulation that is being conducted. Since the requirement has only one objective, only one VRF was assigned.</p>

VSLs for EOP-006-3, R8

Lower	Moderate	High	Severe
The Reliability Coordinator only held one restoration drill, exercise, or simulation during the calendar year.N/A	The Reliability Coordinator only held one restoration drill, exercise, or simulation during the calendar year.The Reliability Coordinator did not request each applicable Transmission Operator or Generator Operator identified in its restoration plan to participate in a drill, exercise, or simulation within two calendar years.	N/A	The Reliability Coordinator did not hold a restoration drill, exercise, or simulation during the calendar year.

VSL Justifications for EOP-006-3, R8

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>EOP-006-3 deals with restoration plans similar to EOP-006-2. The VSLs for this requirement meet the current level of compliance.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: The VSL assignment is for R8 is not binary.</p> <p>Guideline 2b: The propose VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

VSL Justifications for EOP-006-3, R8

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Proposed VSLs are based on a single violation and not a cumulative violation methodology.</p>
<p>FERC VSL G5 Requirements where a single lapse in protection can compromise computer network security, i.e., the 'weakest link' characteristic, should apply binary VSLs</p>	<p>Non CIP</p>
<p>FERC VSL G6 VSLs for cyber security requirements containing interdependent tasks of documentation and implementation should account for their interdependence</p>	<p>Non CIP</p>