

**Reliability Standard Audit Worksheet[[1]](#footnote-1)**

FAC-013-2 – Assessment of Transfer Capability for the Near-Term Transmission Planning Horizon

***This section must be completed by the Compliance Enforcement Authority.***

**Registered Entity:**

**NCR Number:**

**Applicable Function(s):** PC

 **Compliance Assessment Date:**

**Compliance Monitoring Method:**

**Names of Auditors:**

# **Subject Matter Experts**

Identify Subject Matter Expert(s) responsible for this Reliability Standard. (Insert additional rows if necessary)

**Registered Entity Response (Required):**

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| **SME Name** | **Title** | **Organization** | **Requirement(s)** |
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# **R1 Supporting Evidence and Documentation**

**R1.** Each Planning Coordinator shall have a documented methodology it uses to perform an annual assessment of Transfer Capability in the Near-Term Transmission Planning Horizon (Transfer Capability methodology). The Transfer Capability methodology shall include, at a minimum, the following information:

**R1.1.** Criteria for the selection of the transfers to be assessed.

**R1.2.** A statement that the assessment shall respect known System Operating Limits (SOLs).

**R1.3.** A statement that the assumptions and criteria used to perform the assessment are consistent with the Planning Coordinator’s planning practices.

**R1.4.** A description of how each of the following assumptions and criteria used in performing the assessment are addressed:

**R1.4.1.** Generation dispatch, including but not limited to long term planned outages, additions and retirements.

**R1.4.2.** Transmission system topology, including but not limited to long term planned Transmission outages, additions, and retirements.

**R1.4.3.** System demand.

**R1.4.4.** Current approved and projected Transmission uses.

**R1.4.5.** Parallel path (loop flow) adjustments.

**R1.4.6.** Contingencies

**R1.4.7.** Monitored Facilities.

**R1.5.** A description of how simulations of transfers are performed through the adjustment of generation, Load or both.

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

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| Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description |
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**Audit Team Evidence Reviewed** **(This section must be completed by the Compliance Enforcement Authority):**

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**Compliance Assessment Approach Specific to FAC-013-2, R1**

**(This section must be completed by the Compliance Enforcement Authority)**

Review the evidence to verify the Registered Entity has:

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|  | Verify the entity has a documented methodology it uses to perform an annual assessment of Transfer Capability in the Near-Term Transmission Planning Horizon (Transfer Capability methodology). |
|  | Verify the Transfer Capability methodology includes, at a minimum, the following information: |
|  | Criteria for the selection of the transfers to be assessed. |
|  | A statement that the assessment shall respect known System Operating Limits (SOLs). |
|  | A statement that the assumptions and criteria used to perform the assessment are consistent with the Planning Coordinator’s planning practices. |
|  | A description of how each of the following assumptions and criteria used in performing the assessment are addressed: |
|  | Generation dispatch, including but not limited to long term planned outages, additions and retirements. |
|  | Transmission system topology, including but not limited to long term planned Transmission outages, additions, and retirements. |
|  | System demand. |
|  | Current approved and projected Transmission uses. |
|  | Parallel path (loop flow) adjustments. |
|  | Contingencies. |
|  | Monitored Facilities. |
|  | A description of how simulations of transfers are performed through the adjustment of generation, Load or both. |
| **Note to Auditor:** |

**Auditor Notes:**

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# **R2 Supporting Evidence and Documentation**

**R2.** Each Planning Coordinator shall issue its Transfer Capability methodology and any revisions to the Transfer Capability methodology to the following entities subject to the following:

**R2.1.** Distribute to the following prior to the effectiveness of such revisions:

R**2.1.1.** Each Planning Coordinator adjacent to the Planning Coordinator’s Planning Coordinator area or overlapping the Planning Coordinator’s area.

**R2.1.2.** Each Transmission Planner within the Planning Coordinator’s Planning Coordinator area.

**R2.2.** Distribute to each functional entity that has a reliability-related need for the Transfer Capability methodology and submits a request for that methodology within 30 calendar days of receiving that written request.

**Question:** Has a functional entity submitted a written request for the Transfer Capability methodology?

If yes, provide evidence that the methodology was submitted within 30 calendar days of receiving that written request.

**Registered Entity Response** **(Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

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| Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description |
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**Audit Team Evidence Reviewed** **(This section must be completed by the Compliance Enforcement Authority):**

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**Compliance Assessment Approach Specific to FAC-013-2, R2**

**(This section must be completed by the Compliance Enforcement Authority)**

Review the evidence to verify the Registered Entity has:

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|  | Responded to the applicability Question and provided evidence of compliance if the response was yes. |
|  | Verify the entity issued its Transfer Capability methodology and any revisions to the Transfer Capability methodology to the following entities subject to the following: |
|  | The distribution of its revised Transfer Capability methodology was made prior to the effectiveness of such revisions to: |
|  | Each Planning Coordinator adjacent to the Planning Coordinator’s Planning Coordinator area or overlapping the Planning Coordinator’s area. |
|  | Each Transmission Planner within the Planning Coordinator’s Planning Coordinator area. |
|  | The entity distributed its Transfer Capability methodology and any revisions to each functional entity that has a reliability-related need for the Transfer Capability methodology within 30 calendar days of receiving a written request. |
| **Note to Auditor:**  |

**Auditor Notes:**

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# **R3 Language of Retired Requirement**

**R3.** If a recipient of the Transfer Capability methodology provides documented concerns with the methodology, the Planning Coordinator shall provide a documented response to that recipient within 45 calendar days of receipt of those comments. The response shall indicate whether a change will be made to the Transfer Capability methodology and, if no change will be made to that Transfer Capability methodology, the reason why.

**(Retirement approved by FERC effective January 21, 2014.)**

# **R4 Supporting Evidence and Documentation**

**R4.** During each calendar year, each Planning Coordinator shall conduct simulations and document an assessment based on those simulations in accordance with its Transfer Capability methodology for at least one year in the Near-Term Transmission Planning Horizon.

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

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| Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description |
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**Audit Team Evidence Reviewed** **(This section must be completed by the Compliance Enforcement Authority):**

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**Compliance Assessment Approach Specific to FAC-013-2, R4**

**(This section must be completed by the Compliance Enforcement Authority)**

Review the evidence to verify the Registered Entity has:

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|  | Determine if, during each calendar year, the entity: |
|  | Conducted simulations. |
|  | Documented an assessment based on those simulations in accordance with its Transfer Capability methodology for at least one year in the Near-Term Transmission Planning Horizon. |
| **Note to Auditor:**  |

**Auditor Notes:**

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# **R5 Supporting Evidence and Documentation**

**R5.** Each Planning Coordinator shall make the documented Transfer Capability assessment results available within 45 calendar days of the completion of the assessment to the recipients of its Transfer Capability methodology pursuant to Requirement R2, Parts 2.1 and Part 2.2. However, if a functional entity that has a reliability related need for the results of the annual assessment of the Transfer Capabilities makes a written request for such an assessment after the completion of the assessment, the Planning Coordinator shall make the documented Transfer Capability assessment results available to that entity within 45 calendar days of receipt of the request.

**Question:** Has a functional entity made a written request for the annual assessment of the Transfer Capabilities after the completion of that assessment?

If yes, provide evidence the documented Transfer Capability assessment results were made available to that entity within 45 calendar days of receipt of the request.

**Registered Entity Response** **(Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

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| Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description |
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**Audit Team Evidence Reviewed** **(This section must be completed by the Compliance Enforcement Authority):**

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**Compliance Assessment Approach Specific to FAC-013-2, R5**

**(This section must be completed by the Compliance Enforcement Authority)**

Review the evidence to verify the Registered Entity has:

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|  | Responded to the applicability Question and provided evidence of compliance if the response was yes. |
|  | Verify the entity made the documented Transfer Capability assessment results available within 45 calendar days of the completion of the assessment to the recipients of its Transfer Capability methodology pursuant to Requirement R2, Parts 2.1 and Part 2.2. |
|  | Verify the entity made the documented Transfer Capability assessment results available within 45 calendar days of receipt of a written request for such an assessment after the completion of the assessment. |
| **Note to Auditor:**  |

**Auditor Notes:**

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# **R6 Supporting Evidence and Documentation**

**R6.** If a recipient of a documented Transfer Capability assessment requests data to support the assessment results, the Planning Coordinator shall provide such data to that entity within 45 calendar days of receipt of the request. The provision of such data shall be subject to the legal and regulatory obligations of the Planning Coordinator’s area regarding the disclosure of confidential and/or sensitive information.

**Question:** Has a recipient of a documented Transfer Capability assessment requested data to support the assessment results?

If yes, provide evidence that you provided such data to that entity within 45 calendar days of receipt of the request.

**Registered Entity Response** **(Required):**

**Registered Entity Response (Required):**

Describe, in narrative form, how you meet compliance with this Requirement.

**Registered Entity Evidence (Required):**

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| Provide the following for all evidence submitted (Insert additional rows if necessary): File Name, File Extension, Document Title, Revision, Date, Page(s), Section(s), Section Title(s), Description |
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**Audit Team Evidence Reviewed** **(This section must be completed by the Compliance Enforcement Authority):**

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**Compliance Assessment Approach Specific to FAC-013-2, R6**

**(This section must be completed by the Compliance Enforcement Authority)**

Review the evidence to verify the Registered Entity has:

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|  | Responded to the applicability Question and provided evidence of compliance if the response was yes. |
|  | Determine if a recipient of a documented Transfer Capability assessment requested data to support the assessment results. If so: |
|  | Verify the entity provided such data to that entity within 45 calendar days of receipt of the request. |
| **Note to Auditor:** |

**Auditor Notes:**

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# **Compliance Finding Summary**

***This section must be completed by the Compliance Enforcement Authority***

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| **Req.** | **NF** | **PV** | **OEA** | **NA** | **Statement** |
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| **2** |  |  |  |  |  |
| **3** | **(Retirement approved by FERC effective January 21, 2014.)** |
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# **Additional Information:**

**Reliability Standard**

1. Introduction
2. **Title: Assessment of Transfer Capability for the Near-Term Transmission Planning Horizon**
3. **Number:** FAC-013-2
4. **Purpose:** To ensure that Planning Coordinators have a methodology for, and perform an annual assessment to identify potential future Transmission System weaknesses and limiting Facilities that could impact the Bulk Electric System’s (BES) ability to reliably transfer energy in the Near-Term Transmission Planning Horizon.
5. **Applicability:**
	1. **Planning Coordinators**
6. **Effective Date:**

In those jurisdictions where regulatory approval is required, the latter of either the first day of the first calendar quarter twelve months after applicable regulatory approval or the first day of the first calendar quarter six months after MOD-001-1, MOD-028-1, MOD-029-1, and MOD-030-2 are effective.

In those jurisdictions where no regulatory approval is required, the latter of either the first day of the first calendar quarter twelve months after Board of Trustees adoption or the first day of the first calendar quarter six months after MOD-001-1, MOD-028-1, MOD-029-1 and MOD-030-2 are effective.

1. Requirements
2. Each Planning Coordinator shall have a documented methodology it uses to perform an annual assessment of Transfer Capability in the Near-Term Transmission Planning Horizon (Transfer Capability methodology). The Transfer Capability methodology shall include, at a minimum, the following information: *[Violation Risk Factor: Medium] [Time Horizon: Long-term Planning ]*
	1. Criteria for the selection of the transfers to be assessed.
	2. A statement that the assessment shall respect known System Operating Limits (SOLs).
	3. A statement that the assumptions and criteria used to perform the assessment are consistent with the Planning Coordinator’s planning practices.
	4. A description of how each of the following assumptions and criteria used in performing the assessment are addressed:
		1. Generation dispatch, including but not limited to long term planned outages, additions and retirements.
		2. Transmission system topology, including but not limited to long term planned Transmission outages, additions, and retirements.
		3. System demand.
		4. Current approved and projected Transmission uses.
		5. Parallel path (loop flow) adjustments.
		6. Contingencies
		7. Monitored Facilities.
	5. A description of how simulations of transfers are performed through the adjustment of generation, Load or both.
3. Each Planning Coordinator shall issue its Transfer Capability methodology, and any revisions to the Transfer Capability methodology, to the following entities subject to the following: *[Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]*
	1. Distribute to the following prior to the effectiveness of such revisions:
		1. Each Planning Coordinator adjacent to the Planning Coordinator’s Planning Coordinator area or overlapping the Planning Coordinator’s area.
		2. Each Transmission Planner within the Planning Coordinator’s Planning Coordinator area.
	2. Distribute to each functional entity that has a reliability-related need for the Transfer Capability methodology and submits a request for that methodology within 30 calendar days of receiving that written request.
4. If a recipient of the Transfer Capability methodology provides documented concerns with the methodology, the Planning Coordinator shall provide a documented response to that recipient within 45 calendar days of receipt of those comments. The response shall indicate whether a change will be made to the Transfer Capability methodology and, if no change will be made to that Transfer Capability methodology, the reason why. *[Violation Risk Factor: Lower][Time Horizon: Long-term Planning]*
5. During each calendar year, each Planning Coordinator shall conduct simulations and document an assessment based on those simulations in accordance with its Transfer Capability methodology for at least one year in the Near-Term Transmission Planning Horizon. *[Violation Risk Factor: Medium] [Time Horizon: Long-term Planning]*
6. Each Planning Coordinator shall make the documented Transfer Capability assessment results available within 45 calendar days of the completion of the assessment to the recipients of its Transfer Capability methodology pursuant to Requirement R2, Parts 2.1 and Part 2.2. However, if a functional entity that has a reliability related need for the results of the annual assessment of the Transfer Capabilities makes a written request for such an assessment after the completion of the assessment, the Planning Coordinator shall make the documented Transfer Capability assessment results available to that entity within 45 calendar days of receipt of the request *[Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]*
7. If a recipient of a documented Transfer Capability assessment requests data to support the assessment results, the Planning Coordinator shall provide such data to that entity within 45 calendar days of receipt of the request. The provision of such data shall be subject to the legal and regulatory obligations of the Planning Coordinator’s area regarding the disclosure of confidential and/or sensitive information. *[Violation Risk Factor: Lower] [Time Horizon: Long-term Planning]*
8. Measures
9. Each Planning Coordinator shall have a Transfer Capability methodology that includes the information specified in Requirement R1.
10. Each Planning Coordinator shall have evidence such as dated e-mail or dated transmittal letters that it provided the new or revised Transfer Capability methodology in accordance with Requirement R2
11. Each Planning Coordinator shall have evidence, such as dated e-mail or dated transmittal letters, that the Planning Coordinator provided a written response to that commenter in accordance with Requirement R3.
12. Each Planning Coordinator shall have evidence such as dated assessment results, that it conducted and documented a Transfer Capability assessment in accordance with Requirement R4.
13. Each Planning Coordinator shall have evidence, such as dated copies of e-mails or transmittal letters, that it made its documented Transfer Capability assessment available to the entities in accordance with Requirement R5.
14. Each Planning Coordinator shall have evidence, such as dated copies of e-mails or transmittal letters, that it made its documented Transfer Capability assessment data available in accordance with Requirement R6.
15. Compliance
16. **Compliance Monitoring Process**
	1. **Compliance Enforcement Authority**

Regional Entity

* 1. **Data Retention**

The Planning Coordinator shall keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation:

* The Planning Coordinator shall have its current Transfer Capability methodology and any prior versions of the Transfer Capability methodology that were in force since the last compliance audit to show compliance with Requirement R1.
* The Planning Coordinator shall retain evidence since its last compliance audit to show compliance with Requirement R2.
* The Planning Coordinator shall retain evidence to show compliance with Requirements R3, R4, R5 and R6 for the most recent assessment.
* If a Planning Coordinator is found non-compliant, it shall keep information related to the non-compliance until found compliant or for the time periods specified above, whichever is longer.

The Compliance Enforcement Authority shall keep the last audit records and all requested and submitted subsequent audit records.

* 1. **Compliance Monitoring and Assessment Processes**

Compliance Audits

Self-Certifications

Spot Checking

Compliance Violation Investigations

Self-Reporting

Complaints

* 1. **Additional Compliance Information**

None

**Regulatory Language**

**North Am. Elec. Reliability Corp., 137 F.E.R.C. ¶ 61,131 (2011)**

**A. Reliability Standard** FAC-013-2

17. We approve Reliability Standard FAC-013-2 and find that the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. We also approve the proposed implementation plan for Reliability Standard FAC-013-2, which would retire Reliability Standards FAC-012-1 and FAC-013-1 when FAC-013-2 becomes effective. We accept the addition of the terms "Near-Term Transmission Planning Horizon" and "Year One" to the NERC Glossary. Finally, we find that the proposed Reliability Standard satisfies our outstanding directives in Order Nos. 693 and 729 regarding the non-discriminatory assessment of transfer capability in the planning horizon.

18. Contrary to the arguments of MISO and NYISO, we find that Reliability Standard FAC-013-2 provides a unique reliability benefit beyond that conferred by the TPL Standards. Reliability Standard FAC-013-2 is designed to ensure that planning coordinators perform annual assessments to identify potential weaknesses and limiting facilities of the bulk electric system. Such potential weaknesses and limitations could ultimately affect reliable transfers of energy. Further, in performing the required annual assessment, the planning coordinator must consider both current approved and projected transmission uses.

19. By contrast, the TPL Reliability Standards set out specific performance requirements for all transmission planners (as well as planning authorities and coordinators), requiring among other things a demonstration that each transmission planner's portion of the bulk electric system is designed to maintain system stability and to stay within thermal and voltage limits, while serving forecast customer demand and all projected firm (non-recallable) reserved transmission services.   n30 Thus, the TPL Reliability Standards do not require a planning assessment that reflects all projected transmission uses but, rather, an assessment that reflects only projected *firm reserved* transmission uses. In other words, Reliability Standard FAC-013-2 differs from the TPL standards because the former focuses on identifying potential weaknesses that could limit energy transfers across a broader region and requires the planning coordinator to consider any expected transmission uses, regardless of whether they have been scheduled or otherwise reserved, and thereby allows for an assessment that may be more accurate in the outer years of the planning horizon.

20. As MISO and NYISO note, Reliability Standard FAC-013-2 does not impose an obligation to develop a plan to address identified limitations in transfer capability in the Near-Term Transmission Planning Horizon. However, the lack of such an obligation does not detract from the Reliability Standard's value as an informational tool for the early identification of inter-regional or intra-regional limitations on transfers. In Order No. 729, the Commission recognized that the calculation of transfer capabilities in the planning horizon (years one through five) may not be accurate enough to support longterm scheduling of the transmission system. n31 The Commission nonetheless determined that such forecasts would be useful "for long-term planning, in general, by measuring sufficient long-term capacity needed to ensure the reliable operation of the Bulk-Power System." n32

21. Consistent with its purpose as a planning tool with a regional focus, rather than a mechanism for ensuring that individual systems are planned to reliably meet projected load and known transmission uses, Reliability Standard FAC-013-2 provides the planning coordinator flexibility in determining what transfers to assess. Moreover, an assessment conducted pursuant to FAC-013-2 may include transmission uses that are expected but which are not yet scheduled or reserved (*e.g*., expected interconnection of a large group of renewable generators), and can be used as a regional coordination tool rather than as a means of ensuring adequate planning for reliable system performance. Accordingly, we find that Reliability Standard FAC-013-2 does confer reliability benefits beyond those provided by the TPL Reliability Standards, and we are not persuaded by the arguments of MISO and NYISO on this issue.

22. We further find that Reliability Standard FAC-013-2 satisfies certain outstanding directives from Order Nos. 693 and 729 which are not satisfied by the TPL Reliability Standards. Reliability Standard FAC-013-2 requires the planning coordinator to perform an annual assessment of transfer capability for at least one year in the Near-Term Transmission Planning Horizon, and to document that the assumptions and criteria used to perform the assessment are consistent with the planning coordinator's planning practices. By contrast, the TPL Reliability Standards impose system performance requirements under various conditions, and do not require a specific assessment of transfer capabilities within a single system or across interconnected transmission systems. while we agree that Reliability Standard FAC-013-2 and the TPL Reliability Standards are designed primarily to encourage adequate longer-term planning rather than to generate accurate measures of ATC or total transfer capability (TTC), we believe that our outstanding directives regarding the review of transfer capability within the planning horizon are not satisfied by the TPL Reliability Standards.

**B. Violation Risk Factors and Violation Severity Levels**

23. We find that the violation risk factors (VRFs) assigned to Requirements R2, R3, R5 and R6 are consistent with the Commission's established guidelines and approve them as filed. n33 However, we find that NERC has not adequately justified its proposed "lower" VRF designation for Requirements R1 and R4, and direct NERC to either provide additional justification for these VRF designations or propose a revised VRF designation that addresses our concerns.

[\*\*22]

24. NERC states that Requirements R1 and R4 meet the definition of a "lower" risk requirement because they are "strictly administrative in nature and are in the planning timeframe," and because "it is not anticipated that under emergency, abnormal or restorative conditions violation of this requirement would affect the electric state or capability of the BES." n34

n34 NERC Petition at 33-34. The approved NERC definition for a "lower" VRF designation is as follows:

Lower Risk 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.

25. Requirement R4 does not appear to be "administrative in nature," in that it requires the planning coordinator to annually conduct a simulation assessing transfer capability on its system during at least one year in the near-term planning time frame. Requirement R4 requires an affirmative action by the applicable entity, and not merely documentation of the results of the study.

26. We have similar concerns with respect to R1, as it is a substantive requirement to adopt and document a methodology for assessing transfer capability that is consistent with the specific criteria set out in sub-requirements R1.1.2 -- 1.5. This requirement goes further than mere documentation, and instead establishes the criteria that must be incorporated into a compliant methodology.

27. Finally, we approve the violation severity levels (VSLs) for FAC-013-2 as proposed, with the exception of the VSL triggers for R1, which appear to contain a typographical error. The VSL language for R1, as filed by NERC, uses the same description for "medium," "high," and "severe" violations, as follows:

The Planning Coordinator has a Transfer Capability methodology, but failed to incorporate one of [sub-requirements 1.1 through 1.5] of Requirement R1 into that methodology.

It appears that these triggers were intended to be progressive, i.e., the failure to incorporate one component was intended to be a medium level violation, as is currently stated in NERC's filed version of FAC-013-2, but a high level violation should require a failure to incorporate two components, and so on. Accordingly, we will direct NERC to modify the VSL language for Requirement R1 to correct this apparent error.

28. For the reasons stated above, we direct NERC to submit a compliance filing within 60 days of issuance of this order, that (1) either proposes a "medium" VRF designation for Requirements R1 and R4, or provides additional justification for a "lower" VRF level; and (2) corrects the proposed VSL language for R1.

**C. Applicability to ERCOT**

29. For the reasons discussed below, we are not persuaded by ERCOT's arguments and, therefore, deny ERCOT's request for an exemption. ERCOT points out that the Commission granted an exemption to ERCOT regarding certain modeling, data and analysis, or MOD, Reliability Standards and believes that the Commission should grant ERCOT a similar exemption regarding compliance with FAC-013-2. Reliability Standard FAC-013-2, however, is distinguishable from the MOD Reliability Standards because the MOD Reliability Standards address methodologies for calculating ATC and total transfer capability (TTC) for the purpose of allocating transmission capacity. In Order No. 729, the Commission agreed that the MOD Reliability Standards would not provide any reliability benefit to ERCOT due to physical differences in ERCOT's transmission system. n35

30. In contrast to the MOD Reliability Standards, FAC-013-2 is not designed primarily to ensure non-discriminatory allocation of transmission capacity among transmission market participants, but is instead a planning tool, with a particular focus on identifying weaknesses or limitations in transfer capability between regions (including constrained regions within a single market such as ERCOT). We believe ERCOT, like other regions, will benefit from the assessment of potential limitations in transfer capability in the planning horizon over the Near-Term Transmission Planning Horizon that is required under FAC-013-2.

31. Moreover, ERCOT concedes that it currently has a planning process in place that allows it to address "prospective weaknesses and limiting facilities that may arise under all probable prospective operating conditions." n36 That ERCOT already undertakes these kinds of planning assessments leads to the conclusion that such assessments are in fact useful to ERCOT. Incorporating an obligation to continue performing such an assessment as part of a mandatory and enforceable Reliability Standard, especially one that will provide for greater levels of transparency as to how the assessments are done, will not only provide a meaningful reliability benefit but also would presumably impose little additional burden on ERCOT.

**Revision History**

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| **REVISION DATE** | **REVISION DETAILS** | **REVISED BY** |
| 08/02/12 | New RSAW | RSAW WG |
| 10/04/2012 | Regulatory language updated | NERC LEGAL |
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1. NERC developed this Reliability Standard Audit Worksheet (RSAW) language in order to facilitate NERC’s and the Regional Entities’ assessment of a registered entity’s compliance with this Reliability Standard. The NERC RSAW language is written to specific versions of each NERC Reliability Standard. Entities using this RSAW should choose the version of the RSAW applicable to the Reliability Standard being assessed. While the information included in this RSAW provides some of the methodology that NERC has elected to use to assess compliance with the requirements of the Reliability Standard, this document should not be treated as a substitute for the Reliability Standard or viewed as additional Reliability Standard requirements. In all cases, the Regional Entity should rely on the language contained in the Reliability Standard itself, and not on the language contained in this RSAW, to determine compliance with the Reliability Standard. NERC’s Reliability Standards can be found on NERC’s website. Additionally, NERC Reliability Standards are updated frequently, and this RSAW may not necessarily be updated with the same frequency. Therefore, it is imperative that entities treat this RSAW as a reference document only, and not as a substitute or replacement for the Reliability Standard. It is the responsibility of the registered entity to verify its compliance with the latest approved version of the Reliability Standards, by the applicable governmental authority, relevant to its registration status.

The NERC RSAW language contained within this document provides a non‑exclusive list, for informational purposes only, of examples of the types of evidence a registered entity may produce or may be asked to produce to demonstrate compliance with the Reliability Standard. A registered entity’s adherence to the examples contained within this RSAW does not necessarily constitute compliance with the applicable Reliability Standard, and NERC and the Regional Entity using this RSAW reserves the right to request additional evidence from the registered entity that is not included in this RSAW. Additionally, this RSAW includes excerpts from FERC Orders and other regulatory references. The FERC Order cites are provided for ease of reference only, and this document does not necessarily include all applicable Order provisions. In the event of a discrepancy between FERC Orders, and the language included in this document, FERC Orders shall prevail. [↑](#footnote-ref-1)