

**First Posting of Coordinate Operations SAR
Summary of Comments and their Consideration, Organized by Question Number**

There were over 50 sets of responses to the first posting of this SAR. The comments submitted with these responses are addressed in this document. The comments can be viewed in their original format at:

<http://www.nerc.com/~filez/sar-approved.html>

In this document the comments have been 'cut and pasted' and organized by central themes. None of the comments submitted by interested industry participants have been omitted.

The SAR DT's consideration of each of the comments submitted follows that comment or suggestion. In cases where there were several comments submitted that made the same or a very similar suggestion, a single response has been provided. The comments submitted by industry participants served as the basis for revising this SAR.

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give EVERY comment serious consideration in this process! If you feel there has been an error or omission, you can contact Tim Gallagher in the NERC office. Tim can be reached at 609-452-8060 or at tim.gallagher@nerc.com.

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Is there a reliability-related need for a standard to be developed on this topic?

Yes
Allegheny Power
Ameren Services -Energy Delivery Technical Services
American Electric Power
American Transmission Company
Arizona Public Service
Bonneville Power Administration - Power Business Line
BPA
Bulk Power Operations Southern Company
Bulk Power Operations Southern Company (Griffith)
California ISO
Calpine
Cinergy
Dairyland Power Cooperative
Dominion Virginia Power
Duke Power
Dynegy, Inc.
ECAR
Electricity Consumers Resource Council (ELCON)
Entergy Services
ERCOT
FirstEnergy Corp
FirstEnergy Solutions
Hoosier Energy REC, Inc.
Independent Electricity Market Operator (IMO)
Indianapolis Power & Light
Interconnected Operations Services Subcommittee, NERC
MAAC
MAPP Reliability Council
Michigan Electric Coordinated Systems (MECS)
Mirant Americas Energy Marketing
NEPOOL Compliance Working Group (NCWG)
NIPS (Northern Indiana Public Service Co
NorthWestern Energy
Nova Scotia Power Inc.
Ohio Valley Electric Corporation
Pacific Gas and Electric Company
Powerex
Progress Energy - Carolina Power & Light Company and Florida Power Corp.

SERC Compliance Subcommittee
Southeastern Power Administration
Southern Company (Piatt)
SRP
Tenaska
TXU Energy
WECC Technical Studies Subcommittee
Westar Energy

Is there a reliability-related need for a standard to be developed on this topic? – No or Not Right Now

<p>Baltimore Gas & Electric</p>	<p>The promulgation for comment of these SARs is premature. The industry "standard making process" is in a transition phase and it is overly burdensome to devote resources at this time. Once legislation or FERC firmly determines which entity(ies) is responsible for standards it will make sense to move forward with said entity.</p> <p>Even if NERC wants to cover reliability standards, almost all standards have a reliability and commercial impact; thereby, necessitating developing a single process that incorporates both commercial and reliability aspects of standards development. The current NERC process risks being changed soon, discounts commercial aspects, and is not part of a finalized overall industry process.</p> <p>Waiting a short while to move forward on a new standards setting process is acceptable and prudent given that NERC standards are currently in place and the industry can continue to use these standards until the new process and standards setting organization(s) are firmly set.</p>
<p>The NERC BOT directed NERC to proceed with the development of reliability standards and this SAR DT is proceeding with that directive. It is the intent of the NERC Standards process and this SAR DT to focus on the reliability-related aspects of this topic, not the commercial aspects. The SAR DT encourages parties to comment on what specific aspects of the SAR are reliability-related and what specific aspects of the SAR are business-related. The SAR DT also encourages parties to specifically comment on what specific aspects of the SAR may have an adverse impact on the market.</p> <p>The SAR, once fully developed, will go to the NERC/NAESB JIC to determine if the associated standard will be developed as a Business Practice by NAESB or as a Reliability Standard developed by NERC.</p>	
<p>Electricity Consumers Resource Council (ELCON)</p>	<p>The establishment of this SAR is premature. All commercial implications of the SAR should be identified and mitigated prior to the drafting.</p>
<p>The SAR, once fully developed, will go to the NERC/NAESB JIC to determine if the associated standard will be developed as a Business Practice by NAESB or as a Reliability Standard developed by NERC.</p>	
<p>Energy HL&P</p>	<p>HL&P sees no value in a NERC standard addressing this issue. NERC regions and RTOs already have rules addressing this – requiring regions to do what they already do is fixing a problem that does not exist. The requirement for entities within a region to coordinate among themselves is a matter for regional governance, not NERC.</p>
<p>The consensus of the comments submitted by the industry indicates that there is a need to develop a standard to address this issue.</p>	
<p>Exelon Corporation</p>	<p>This SAR is not addressing reliability in and of itself and is therefore not within the scope of NERC defined role to develop reliability policies. Other SARs address reliability-specific areas.</p>
<p>The consensus of the comments submitted by the industry indicates that there is a need to develop a standard to address this issue.</p>	
<p>Public Service Electric & Gas</p>	<p>It is premature to continue development of this SAR until FERC has specified the organization to be responsible for the development of wholesale electric standards.</p>
<p>The SAR, once fully developed, will go to the NERC/NAESB JIC to determine if the associated standard will be developed as a Business Practice by NAESB or as a Reliability Standard developed by NERC.</p>	

Consolidated Comments and Considerations on First Posting of Coordinate Operations SAR

Reliant Resources	It is unclear what the reliability objective of this SAR is. Though clearly the coordination of operations in an interconnected system is a necessary part of operations, it is unclear what this SAR proposes to define. Are not the requirements stated, "...data sharing, system conditions, procedures and studies." already captured as possible requirements in other SARs? This SAR must identify a distinct reliability need that is measurable, otherwise it is more suited as a procedure, with reliability considerations, to be developed with the NAESB process.
<p>This SAR was intended to require that entities coordinate their activities so that one entity did not have an adverse impact on its neighbor's reliability as defined within this SAR. This concept is not addressed in other SARs. The revised SAR adds more definition and should show more clearly how this SAR builds on other SARs without duplication. If you still feel that this SAR, as revised, duplicates requirements addressed in other SARs, please submit specific comments to let us know which requirements you feel are duplicated.</p>	

The scope of the SAR should be expanded to include:

Progress Energy – CP&L and Florida Power Corp SERC Compliance Subcommittee	All aspects of operations
(The commenter was contacted to gain a better understanding of what was meant by this comment – per the commenter, this was a suggestion to combine all SARs that address various aspects of coordinated operations) The consensus of the comments received is that separate standards are needed to address the various aspects of coordinated operations.	

Remove or refine description of planning horizon and associated activities:

Summary Consideration: The planning addressed in this SAR was meant to be near-term operations planning, not long- term planning. The SAR has been revised to reflect this clarification. The SAR called, "Assess Transmission Needs and Develop Transmission Plans" addresses long-term planning.

American Transmission Company	In the Brief Description, this SAR states that it includes the coordinated "planning" but SAR #1 doesn't cover this. It should be removed here and added there.
Bonneville Power Administration - Power Business Line	Separate standard for longer-term coordination and short-term "operational" coordination.
Bonneville Power Administration - Power Business Line	Need to be more specific as to time frame. Planning beyond what is normally considered the operational time frame (pre-schedule through real time) might have different measurement criteria and if so, should be in a separate standard.
BPA	The requirement to coordinate planning is inappropriate here and should be deleted.
California ISO	In the description, "planning" and "studies" should be removed as these have already been addressed in the SAR "Assess Transmission Needs and Develop Transmission Plans".
Dairyland Power Coop MAPP Reliability Council	References to planning coordination should be removed. Planning coordination requires its own standard.
Mirant Americas Energy Marketing	Reference to establishment of requirements for the coordinated planning and maintenance of the bulk electric system
Pacific Gas and Electric Company WECC Technical Studies Subcommittee	Planning should not be included in the description of the SAR <i>(The author was contacted and confirmed that in WECC's view, planning is a long-term issue)</i>
Progress Energy - Carolina Power & Light Company and Florida Power Corp. SERC Compliance Subcommittee	Planning, i.e., separate the Planning and Operating horizons

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Work on this SAR should focus solely on reliability.

Summary Consideration: The intent of this SAR was to address coordination between RA's and their ability to operate within operating limits predefined to protect the bulk electric system from instability, uncontrolled separation or cascading outages. This SAR was intended to address the protection of the bulk electric system, not commercial practices.

Allegheny Energy Supply	Certain coordinated operations amongst interconnected systems will have market implications. If FERC SMD is implemented, congestion management on one system would impact the other. These issues should be addressed in a process which takes into account market and reliability interests.
The SAR, once fully developed, will go to the NERC/NAESB JIC to determine if the associated standard will be developed as a Business Practice by NAESB or as a Reliability Standard developed by NERC. We encourage you to review the revised SAR and identify anything in the SAR that you feel is not needed for reliability of the interconnected North American grid.	
Calpine	Any aspect that goes beyond establishing specific reliability criteria to be incorporated into the standard on Coordination of Operations.
Calpine	The resulting standard should only catalog what are expected to be the minimum necessary reliability related data to be communicated and coordinated.
Entergy Services	We agree the SAR "Coordinate Operations" should be a "core reliability" Organization Standard. The industry presently has a high degree of coordination which is one of the main contributing factors to the existing high degree of reliability. The industry already has and should continue to: ? Develop the criteria for this core reliability Organization Standard, ? Establish measures for measuring conformance to the criteria, and ? Monitor for conformance to the criteria. This Organization Standard should establish the "what" this SAR means but should not establish "how" the coordination is accomplished.
Exelon Corporation	This SAR is not addressing reliability in and of itself and is therefore not within the scope of NERC defined role to develop reliability policies. Other SARs address reliability-specific areas.
The consensus of the comments submitted by the industry indicates that there is a need to develop a standard to address this issue.	
Mirant Americas Energy Marketing	The SAR may be in violation of Market Interface Principles 4 and 5. (4. An Organization Standard shall not preclude market solutions to achieving compliance with that Standard 5. An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards)
Sensitive information should not be published. The SAR is not intended to hinder market solutions. The revised SAR attempts to clarify this – please let us know if you see something in the revised SAR that contains anything you feel will impact market solutions.	
Powerex	Coordination of generation outage schedules is a commercial process. This should be removed from the scope.
Recent FERC rulemakings regarding standard generator interconnection and operating agreements have addressed the obligation of generators to provide planned maintenance schedules to their transmission provider. These FERC rulemakings also state that a transmission provider may request a generator to reschedule its maintenance as necessary to maintain the reliability of the transmission system. Aspects of generation outage coordination are reliability-related. We will ask the industry for feedback on this SAR's application to both transmission and generation. (See "Detailed Description" Section of revised Coordinate Operations SAR)	

Suggested changes to the Functions Section of the SAR.

Summary Consideration: The functions have been modified so that the only function listed is the Reliability Authority since the RA is the only function that will have compliance requirements if this is developed as a standard. This SAR focuses on the coordination that takes place between RA's; other aspects of coordination that involve other functions are addressed in other SARs. For example, the coordination of interchange (data and activities) is addressed in the Coordinate Interchange SAR.

American Transmission Company	It's not clear why the PSE is listed under the Reliability Functions. If the Transmission Service Provider, Generator and Load-Serving Entity is listed, why would the PSE be listed? The PSE mainly deals with the TSPs, generators and LSEs.
Bulk Power Operations Southern Company	Balancing Authority should be included in the functions the standard will apply.
California ISO	Add Balancing Authority, Interchange Authority, and Transmission Owner to the list of Reliability Functions that this SAR applies to.
Hoosier Energy REC, Inc.	The Transmission Owner functional area should be included in this Standard since it will be the provider of much of the communications infrastructure necessary to carry out this Standard. Also, the Distribution Provider functional area should be removed from this Standard since NERC standards should continue to focus on regional or larger scale reliability issues. To reach down to the distribution level will broaden the scope significantly and unnecessarily.
Illinois Power	In Reviewing the Distribution Provider, Load Serving Entities, and Generator responsibilities in the Functional Model, none has any responsibility indicated for the activities identified in the SAR. This standard should not be applied to them.
Illinois Power Company	The SAR indicates that this standard would apply to Generators, Load Serving Entities, and Distribution Providers. Today NERC Policy and Standards do not apply to these Functions. For example, NERC has no authority to require its standards to be applied to determine connection requirements for distribution facilities. And the application of NERC standards to Independent Generators are carried out by transmission owners through interconnection agreements. Is NERC proposing that this will change and they will begin to impose standards directly on distribution providers and generators?
Manitoba Hydro	The Reliability Functions that would need to comply with this Standard as listed in the SAR are not correct. The Balancing Authority Transmission Authority and the Transmission Owner should be included in the list whereas the Planning Authority should not.
MAPP Reliability Council Dairyland Power Coop	Include Balancing Authority, Interchange Authority, Transmission Owner.
Pacific Gas and Electric Company WECC Technical Studies Subcommittee	This SAR should not be applicable to the Planning Authority.
Progress Energy - Carolina Power & Light Company and Florida Power Corp. SERC Compliance Subcommittee	Coordinated Operations should point to all the policies and be restricted to Operations. This SAR should include "Coordinate Interchange". This standard should also apply to the Interchange and Balancing Authorities.

Suggested changes to the Purpose/Industry Need:

Summary Consideration:

The Purpose/Industry Need section of this SAR has been modified to add distinction to identify that ‘planning’ is near-term or operational planning, rather than long-term planning. The revisions also clarify that this SAR’s focus is on the coordination between Reliability Authorities, rather than between a Reliability Authority and its lower level functions.

Allegheny Power	The two sentences in the Purpose are contradicting. ('To ensure that---will not have an adverse impact on the reliability' and 'To ensure that--whose reliability is adversely impacted.')
Dynegy, Inc.	The purpose/industry need section should start with: The purpose of this standard is to ensure that a consistent, uniformly applied standard is developed for ...
This is the intention of having standards and it isn't necessary to re-state this.	
MAPP Reliability Council	In the Purpose/Industry Need, replace "to ensure that each entity's operating information is shared with other entities whose reliability is or could be adversely impacted." with "to ensure that each entity's operating information is shared with other entities who are responsible for planning and operating bulk electric systems reliably."

Suggested changes to the Brief Description:

American Electric Power	To the extent that this SAR is transitioning an existing standard from the old world to the new world (Functional Model), then the standard should not go beyond the original scope. Consistent with our general comments, once the clarity is achieved on Standard Market Design and RTO formations, then this standard should be revisited and reevaluated. Additionally, in the "Brief Description" the first sentence should be rewritten to clearly distinguish operations from long term planning as follows: "Establish requirements for the coordinated operational planning, real-time operations, and maintenance of the bulk electric system."
The NERC Board of Trustees directed us to move forward in developing reliability standards. At this point, it isn't clear when the SMD will be finalized, and we believe that the functions in the SMD will align very closely with the Functions described in the NERC Functional Model. The functions defined by the NERC Functional Model are not dependent upon market functions, operations or organizations. The Brief Description of the SAR has been revised to incorporate the suggested language.	
California ISO	Re-write description to "Establish requirements for the coordinated operations and maintenance of the bulk electric system. This standard will include items such as data sharing, system conditions, and procedures."
The Brief Description has been revised to clarify that the planning being addressed is ‘operational’ rather than long-term and to identify that study results, rather than studies, will be shared.	

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Duke Power	Description should clarify what information should be coordinated. For example, does this SAR address SCADA data, Maintenance schedules, etc.
The revised SAR contains a detailed description that identifies the information that should be coordinated.	
Manitoba Hydro	The description for this SAR should be modified such that "the coordinated planning " in line one should be "the coordinated planning of operations". This suggested change is related to our recommendation that planning and operations planning be addressed in separate SARs.
The SAR has been modified to clarify that this SAR is addressing 'operational planning rather than long-term planning.'	

Caution – avoid overlap with other SARs:

Summary Consideration: [The revised SAR identifies associated SARs and Standards that have requirements that interface with this SAR. There should not be any overlap in requirements between the SARs. \(See the assumptions provided at the beginning of the SAR Comment Form for the second posting of this SAR.\)](#)

MAAC	Issue will be to avoid duplication and overlap with the proposed transmission standard.
Reliant Resources	It is unclear what the reliability objective of this SAR is. Though clearly the coordination of operations in an interconnected system is a necessary part of operations, it is unclear what this SAR proposes to define. Are not the requirements stated, "...data sharing, system conditions, procedures and studies." already captured as possible requirements in other SARs? This SAR must identify a distinct reliability need that is measurable; otherwise it is more suited as a procedure, with reliability considerations, to be developed with the NAESB process.

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SAR not specific enough:

Summary Consideration: Additional details have been added to the SAR.

Ameren Services – Energy Delivery Technical Services	The scope is too general
Cinergy	The description is very broad so it is difficult to determine exactly what this standard is supposed to include and it is difficult to envision how one would measure this for compliance. How does one effectively measure "coordination"?
FirstEnergy Solutions	The scope is vague, overly broad. The "need" is described as operational, but the description takes in all manner of data coordination. Requirements like "this standard will include...system conditions..." are not clear. Exactly what "procedures and studies"? These requirements would be more appropriately addressed as specific responsibilities under other SARs.
Illinois Power Company	There is inadequate detail in the SAR to determine if the scope of the SAR is appropriate and adequate. This Standard should only define the specific requirements related to WHAT things must be coordinated to ensure reliable operation of the system. The references to HOW these objectives will be met should be removed. This SAR is so inadequate that it cannot be effectively commented upon.
Nova Scotia Power Inc.	The scope is too broad, more detail is required. Procedures, (defined as "step-wise instructions", in the Organization Standards Process Manual), should not be included in an Organization Standard. Focus should be at a results oriented level.
Southern Company	As with many of these SAR's, this SAR's scope is entirely too broad and unclear. Furthermore, we fail to see the need for this standard. In general, we should combine parts of SAR#8 and SAR#1 and use the resulting information as a starting point to define the set of minimum reliability requirement needed for our transmission grid. At times, there may be a necessary need to share information with other entities, but the need for this data should be decided as a regional issue. To the extent there needs to be an independent coordination operations standard, the impacts that transmission system operation's have on plant startup, operation and safety with particular emphasis on nuclear plant grid reliability requirements, should be considered in this standard. If the intent is that this SAR provide the standard that defines the function of the Reliability Authority then it needs to be written accordingly.
SRP	Insufficient information to make a judgement

General Comments in Support of SAR:

Bulk Power Operations Southern Company	Coordinated operation on an interconnection basis is essential to reliability.
Bulk Power Operations Southern Company	Coordinated operation on an interconnection basis is essential to reliability.
ERCOT	This SAR and the other posted SARs provide an appropriate framework for transitioning existing NERC Operating Policies and Planning Standards into new, NERC Organization Standards. Multiple compliance measures may be defined and developed for each of the eleven proposed Organization Standards. The Organization Standards and related compliance measures should focus on what functions must be performed for reliability, on who is responsible for each compliance measure for each required function and not, on how the compliance measure is achieved. The compliance measure must be measurable or demonstrable to ensure compliance. It is critical that entities operating and planning the multitude of components of the electric system share the data, on a timely basis and in a usable form as needed by each other to fulfill their reliability function. A Standard requiring this exchange is needed. Compliance measures addressing this need must recognize that some of data may be considered market sensitive and appropriate confidentiality safeguards may be necessary as part of the Standard.
FirstEnergy Corp	The need to have coordinated operations is becoming increasingly more applicable. The development on RTO's, ISO's, and TRANSCO's emphasize the need for additional operational protocol.
The IMO	The need for co-ordination is an essential element but it seems that in a new <u>unbundled</u> "Functional Reliability Model", the requirement for the coordinated planning among various entities may be too strongly stated or implied or over generalized. Basic and specific criteria for design and operations of the interconnected bulk electric system should be established and coordinated.