

**Consideration of Comments on Initial Ballot — Project 2006-08 — Reliability Coordination — Transmission Loading Relief  
— Non-binding Poll for VRFs and VSLs**

**Date of Initial Ballot:** June 23, 2010 – July 6, 2010

**Summary Consideration:**

One entity suggested that the VSLs should be modified to have “pass/fail” requirements with VSLs other than “Severe.” To do so would be a violation of FERC’s VSL Guidelines (Guideline 2).

Some entities objected to the use of the word “valid” in the standards and the VSLs. The word has been removed.

Some entities objected to the obligation to reissue a TLR-1 every hour. The standard was modified to remove this obligation.

Two entities suggested that a violation of IRO-005-5 R1 should not have a “high” VRF, as they believe that the risk associated with being imbalanced across Interconnections is not significant enough to warrant the “high” designation. The team believes that the majority of the industry agrees with the drafting team that such risk does exist and is significant enough to qualify for assignment of a “high” VRF. An entity in another interconnection that does not curtail as requested will leave its interconnection unbalanced, which could contribute to BES instability, one of the key criteria for establishing a High VRF. Further, projects in the future may expand scheduling capabilities between Interconnections, making that risk even greater than it is today.

If you feel that the drafting team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process. If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Herbert Schrayshuen, at 609-452-8060 or at [herb.schrayshuen@nerc.net](mailto:herb.schrayshuen@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

Voter	Entity	Segment	Vote	Comment
Raj Rana	American Electric Power	3	Affirmative	AEP does not have a problem with the minor change to the VSL related to the change to the requirement. However, AEP does not agree with respect to a "pass/fail" VSL automatically be assigned to the "Severe" level. This is arbitrary assignment and it can be debated that any of the other VSL levels would be appropriate, preferably starting at the lower level.
<b>Response:</b> A Pass/Fail requirement has been established as requiring the assignment of a VSL of “Severe” as part of FERC VSL Guideline 2. At this point, VSLs must comply with the established FERC guidelines, including Guideline 2.				
Edward P. Cox	AEP Marketing	6	Affirmative	AEP does not have a problem with the minor change to the VSL related to the change to the requirement. However, AEP does not agree with respect to a "pass/fail" VSL automatically be assigned to the "Severe" level. This is arbitrary assignment and it can be debated that any of the VSL levels would be appropriate.

<sup>1</sup> The appeals process is in the Reliability Standards Development Procedure: [http://www.nerc.com/files/RSDP\\_V6\\_1\\_12Mar07.pdf](http://www.nerc.com/files/RSDP_V6_1_12Mar07.pdf).

Voter	Entity	Segment	Vote	Comment
<b>Response:</b> A Pass/Fail requirement has been established as requiring the assignment of a VSL of "Severe" as part of FERC VSL Guideline 2. At this point, VSLs must comply with the established FERC guidelines, including Guideline 2.				
Kevin Query	FirstEnergy Solutions	3	Affirmative	No Comment
Martin Bauer P.E.	U.S. Bureau of Reclamation	5	Negative	For the reasons cited concerning the term "valid". In addition, the VSL's do not appear to be based on reliability impact. The VSL's should have a basis for impact on reliability and as such it would be expected to have moderate to lower levels if severity.
<b>Response:</b> The team has eliminated the word "valid" from the standard. Note that VSLs are not based on "impact to reliability;" the Violation Risk Factor serves this function.				
Michael Gammon	Kansas City Power & Light Co.	1	Negative	Per IRO-EAST-1 R2, TLR 1 will have to be reissued every clock hour. Since there is no operational action required for TLR 1, this serves no reliability purpose and only provides the market with updates on the TLR 1 status. However because M2 does not distinguish whether the issuances were made for any particular TLR level, a reliability penalty can be applied for not reissuing a TLR1 for a market benefit. Although KCPL supports the changes to the IRO standards and understand benefits to the market of some of these changes, we see a disconnect from enforcing a requirement for a market benefit with a reliability sanction. In addition, transmission customers do not request hourly updates to TLR 1 status as may be the case in other regions where such information may be crucial. We believe the VSLs should be modified to reflect that only reissuance of TLR 2 and higher will be considered for compliance with IRO-EAST-1 R2.
<b>Response:</b> The standard has been modified as suggested.				
Charles H Yeung	Southwest Power Pool	2	Negative	Per IRO-EAST-1 R2, TLR 1 will have to be reissued every clock hour. Since there is no operational action required for TLR 1, this serves no reliability purpose and its intent is only to provide the market with updates on the TLR 1 status. However because M2 does not distinguish whether the issuances were made for any particular TLR level, a reliability penalty can be applied for not reissuing a TLR1 for a market benefit. Although SPP supports the changes to the IRO standards and understand benefits to the market of these changes, we see a disconnect from enforcing a requirement for a market benefit through a reliability sanction. In addition, SPP's experience has been our transmission customers do not request hourly updates to TLR 1 status as may be the case in other regions where such information may be crucial. We believe the VSLs should be modified to reflect that only reissuance of TLR 2 and higher will be considered for compliance with IRO-EAST-1 R2.
<b>Response:</b> The standard has been modified as suggested.				

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Charles Locke	Kansas City Power & Light Co.	3	Negative	Per IRO-EAST-1 R2, TLR 1 will have to be reissued every clock hour. Since there is no operational action required for TLR 1, this serves no reliability purpose and only provides the market with updates on the TLR 1 status. However because M2 does not distinguish whether the issuances were made for any particular TLR level, a reliability penalty can be applied for not reissuing a TLR1 for a market benefit. Although KCPL supports the changes to the IRO standards and understand benefits to the market of some of these changes, we see a disconnect from enforcing a requirement for a market benefit with a reliability sanction. In addition, transmission customers do not request hourly updates to TLR 1 status as may be the case in other regions where such information may be crucial. We believe the VSLs should be modified to reflect that only reissuance of TLR 2 and higher will be considered for compliance with IRO-EAST-1 R2.
<b>Response:</b> The standard has been modified as suggested.				
George T. Ballew	Tennessee Valley Authority	5	Negative	Per IRO-EAST-1 R2, TLR 1 will have to be reissued every clock hour. Since there is no operational action required for TLR 1, this serves no reliability purpose and only provides the market with updates on the TLR 1 status. However because M2 does not distinguish whether the issuances were made for any particular TLR level, a reliability penalty can be applied for not reissuing a TLR1 for a market benefit. Although TVA SPP supports the changes to the IRO standards and understand benefits to the market of some of these changes, we see a disconnect from enforcing a requirement for a market benefit with a reliability sanction. In addition, SPP's experience has been our transmission customers do not request hourly updates to TLR 1 status as may be the case in other regions where such information may be crucial. We believe the VSLs should be modified to reflect that only reissuance of TLR 2 and higher will be considered for compliance with IRO-EAST-1 R2.
<b>Response:</b> The standard has been modified as suggested.				
Thomas Saitta	Kansas City Power & Light Co.	6	Negative	Per IRO-EAST-1 R2, TLR 1 will have to be reissued every clock hour. Since there is no operational action required for TLR 1, this serves no reliability purpose and only provides the market with updates on the TLR 1 status. However because M2 does not distinguish whether the issuances were made for any particular TLR level, a reliability penalty can be applied for not reissuing a TLR1 for a market benefit. Although KCPL supports the changes to the IRO standards and understand benefits to the market of some of these changes, we see a disconnect from enforcing a requirement for a market benefit with a reliability sanction. In addition, transmission customers do not request hourly updates to TLR 1 status as may be the case in other regions where such information may be crucial. We believe the VSLs should be modified to reflect that only reissuance of TLR 2 and higher will be considered for compliance with IRO-EAST-1 R2.

Voter	Entity	Segment	Vote	Comment
<b>Response:</b> The standard has been modified as suggested.				
Charlie Martin	Louisville Gas and Electric Co.	5	Negative	Proposed Comments on Project 2006-08 for Negative Vote Revised standard IRO-006 standard allows a responsible entity to provide "valid" reliability reasons when not complying with a TLR directive. The standard needs to identify those reasons that NERC believes are valid as well as the data required to support each reason. The standard should also identify the party responsible for determining whether the reason given for not complying with a TLR order is valid. E.ON U.S. suggests that the Regional Entity make that determination only after NERC and/or the Commission provide what each believes to be appropriate reasons to ignore a TLR order.
<b>Response:</b> The team has eliminated the word "valid" from the standard.				
James B Lewis	Consumers Energy	5	Negative	See the Midwest ISO comments.
<b>Response:</b> Please see Midwest ISO responses.				
Marjorie S. Parsons	Tennessee Valley Authority	6	Negative	The proposed requirements for TLR 1 do not provide any added benefit to reliability and create an increased burden on the real time System operators.
<b>Response:</b> The standard has been modified to remove the requirement to reissue TLR 1 every hour.				
Jason L Marshall	Midwest ISO, Inc.	2	Negative	We disagree with a High VRF for IRO-006-5 R1. It does not consider the physical capabilities of interchange between Interconnections. We do not believe scheduling capabilities between Interconnections are large enough for a significant volume of schedules to occur. Thus, curtailment of the schedules may have some minor impact on frequency but it is not large enough to cause directly BES instability solely from a violation of this requirement.
<b>Response:</b> Only 2 comments were received indicating concern with this VRF. The team believes that the majority of commenters agree with the drafting team that such risk does exist and warrants the "high" VRF assignment. An entity in another interconnection that does not curtail as requested will leave its Interconnection unbalanced, which could contribute to BES instability, one of the key criteria in establishing a High VRF. Further, projects in the future may expand scheduling capabilities between Interconnections, making that risk even greater than it is today.				