

Violation Risk Factor and Violation Severity Level Justifications

Project 2020-06 Verification of Models and Data for Generators

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 MOD-026-2. 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.

R#	VRFs for MOD-026-2	Justifications
R1	Lower	<ol style="list-style-type: none"> The proposed VRF assignment of a Lower Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. Requirement R1 is similar to MOD-026-1 Requirement R1, with a new subpart for the Transmission Planner to define modelling acceptance criteria. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1. FERC VRF Guideline 3 - Consistency with MOD-032-1 Requirement R1.
R2	Medium	<ol style="list-style-type: none"> The proposed VRF assignment of a Medium Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. Requirement R2 is similar to MOD-026-1 Requirement R2. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1.
R3	Medium	<ol style="list-style-type: none"> The proposed VRF assignment of a Medium Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. Requirement R3 is similar to MOD-027-1 Requirement R2. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-027-1.
R4	Medium	<ol style="list-style-type: none"> The proposed VRF assignment of a Medium Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. Requirement R4 is similar to MOD-026-1 Requirement R2. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1.
R5	Medium	<ol style="list-style-type: none"> The proposed VRF assignment of a Medium Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. Requirement R5 is similar to MOD-027-1 Requirement R2. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1.

R#	VRFs for MOD-026-2	Justifications
		4. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1.
R6	Medium	<ol style="list-style-type: none"> 1. The proposed VRF assignment of a Medium Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. 2. Requirement R6 is a new requirement for the applicable entity to provide a verified EMT model to its Transmission Planner. 3. FERC VRF Guideline 2 - Consistency within Reliability Standard MOD-026-1 and MOD-027-1.
R7	Lower	<ol style="list-style-type: none"> 1. The proposed VRF assignment of a Lower Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. 2. Requirement R7 is similar to MOD-026-1 Requirement R4. 3. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1 and MOD-027-1.
R8	Lower	<ol style="list-style-type: none"> 1. The proposed VRF assignment of a Lower Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. 2. Requirement R8 is similar to MOD-026-1 Requirement R6. 3. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1 and MOD-027-1.
R9	Lower	<ol style="list-style-type: none"> 1. The proposed VRF assignment of a Lower Risk Requirement is consistent with the definition described under the NERC Criteria for Violation Risk Factors section. 2. Requirement R9 is similar to MOD-026-1 Requirement R3 and R5. 3. FERC VRF Guideline 3 - Consistency with previously FERC approved Reliability Standard MOD-026-1 and MOD-027-1.

VSL for MOD-026-2, Requirement R1

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1.	The Transmission Planner’s dynamic model verification requirements and processes failed to include one of the items in Requirement 1, Parts 1.1 through 1.6.	The Transmission Planner’s dynamic model verification requirements and processes failed include two of the items in Requirement 1, Parts 1.1 through 1.6.	The Transmission Planner’s dynamic model verification requirements and processes failed to include three of the items in Requirement 1, Parts 1.1 through 1.6.	The Transmission Planner’s dynamic model verification requirements and processes failed to include four or more of the items in Requirement 1, Parts 1.1 through 1.6. OR The Transmission Planner and Planning Coordinator failed to jointly develop dynamic model verification requirements and processes. OR The Transmission Planner failed to make available dynamic model verification requirements and processes to the Generator Owner and Transmission Owner.

VSL Justifications for MOD-026-2, Requirement R1

FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	Requirement R1 is similar to MOD-026-1 Requirement R1, with a new subpart for the Transmission Planner to define modelling acceptance criteria. It does not lower the current level of compliance.
FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and	Requirement R1 is not a “binary” type requirement. Violation severity levels are clear, quantitative, and non-ambiguous.

VSL Justifications for MOD-026-2, Requirement R1

<p>Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R1.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R2				
R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R2.	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner after the date required, but within 90 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include one of the items in Requirement R2, Parts 2.1 through 2.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 91 and 180 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include two of the items in Requirement R2, Parts 2.1 through 2.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 181 and 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include three of the items in Requirement R2, Parts 2.1 through 2.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner more than 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include four of the items in Requirement R2, Parts 2.1 through 2.4.</p> <p>OR</p> <p>The applicable entity failed to provide a verified model.</p>

VSL Justifications for MOD-026-2, Requirement R2	
<p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs for requirement R2 are similar to the VSLs for MOD-026-1 Requirement R2.</p>
<p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of</p>	<p>Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide a model is a severe VSL.</p>

VSL Justifications for MOD-026-2, Requirement R2

<p>Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R2.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R3

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R3.	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner after the date required but within 90 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include one of the items in Requirement R3, Parts 3.1 through 3.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 91 and 180 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include two of the items in R3, Parts 3.1 through 3.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 181 and 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include three of the items in Requirement R3, Parts 3.1 through 3.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner more than 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include four of the items in Requirement R3, Parts 3.1 through 3.4.</p> <p>OR</p> <p>The applicable entity failed to provide a verified model.</p>

VSL Justifications for MOD-026-2, Requirement R3

<p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs for Requirement R3 are similar to the VSLs for MOD-027-1 Requirement R3.</p>
<p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and</p>	<p>Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide a model is a severe VSL.</p>

VSL Justifications for MOD-026-2, Requirement R3

<p>Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R3.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R4

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R4.	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner after the date required but within 90 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include one of the items in Requirement R4, Parts 4.1 through 4.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 91 and 180 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include two of the items in Requirement R4, Parts 4.1 through 4.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 181 and 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include three of the items in Requirement R4, Parts 4.1 through 4.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner more than 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include four of the items in Requirement R4, Parts 4.1 through 4.4.</p> <p>OR</p> <p>The applicable entity failed to provide a verified model.</p>

VSL Justifications for MOD-026-2, Requirement R4

<p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs for Requirement R4 are similar to the VSLs for MOD-026-1 Requirement R2.</p>
<p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of</p>	<p>Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide a model is a severe VSL.</p>

VSL Justifications for MOD-026-2, Requirement R4

<p>Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R4.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R5

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R5.	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner after the date required but within 90 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include one of the items in Requirement R5, Parts 5.1 through 5.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 91 and 180 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include two of the items in Requirement R5, Parts 5.1 through 5.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 181 and 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include three of the items in Requirement R5, Parts 5.1 through 5.4.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner more than 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include four of the items in Requirement R5, Parts 5.1 through 5.4.</p> <p>OR</p> <p>The applicable entity failed to provide a verified model.</p>

VSL Justifications for MOD-026-2, Requirement R5

<p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs for Requirement R5 are similar to the VSLs for MOD-027-1 Requirement R2.</p>
<p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of</p>	<p>Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide a model is a severe VSL.</p>

VSL Justifications for MOD-026-2, Requirement R5

<p>Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R5.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R6				
R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R6.	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner after the date required but within 90 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include one of the items in Requirement R6, Parts 6.1 through 6.6.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 91 and 180 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include two of the items in Requirement R6, Parts 6.1 through 6.6.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner between 181 and 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include three of the items in Requirement R6, Parts 6.1 through 6.6.</p>	<p>The applicable entity provided a verified model(s), with associated parameters, and accompanying information to its Transmission Planner more than 270 calendar days after the date required.</p> <p>OR</p> <p>The applicable entity provided a verified model(s) that failed to include four or more of the items in Requirement R6, Parts 6.1 through 6.6.</p> <p>OR</p> <p>The applicable entity failed to provide a verified model.</p>

VSL Justifications for MOD-026-2, Requirement R6	
<p>FERC VSL G1</p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>N/A, this is a new requirement.</p>
<p>FERC VSL G2</p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of</p>	<p>Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide a model is a severe VSL.</p>

VSL Justifications for MOD-026-2, Requirement R6

<p>Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R6.</p>
<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>The violation severity levels relate to a single violation. A failure to meet multiple sub-requirements is considered a single violation.</p>

VSL for MOD-026-2, Requirement R7

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R7.	The applicable entity provided an updated verified model(s) or a plan to verify the model(s) in accordance with one or more of Requirements R2, R3, R4, R5, or R6 to its Transmission Planner between 181 and 210 calendar days from making a change to in-service equipment that altered the equipment response.	The applicable entity provided an updated verified model(s) or a plan to verify the model(s) in accordance with one or more of Requirements R2, R3, R4, R5, or R6 to its Transmission Planner between 211 and 240 calendar days of making a change to in-service equipment that altered the equipment response.	The applicable entity provided an updated verified model(s) or a plan to verify the model(s) in accordance with one or more of Requirements R2, R3, R4, R5, or R6 to its Transmission Planner between 241 and 270 calendar days of making a change to in-service equipment that altered the equipment response.	The applicable entity failed to provide an updated verified model(s) or a plan to verify the model(s) in accordance with one or more of Requirements R2, R3, R4, R5, or R6 to its Transmission Planner within 270 calendar days of making a change to in-service equipment that altered the equipment response.

VSL Justifications for MOD-026-2, Requirement R7

FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	The VSLs for Requirement R7 are similar to the VSLs for MOD-026-1 Requirement R4 and MOD-027-1 Requirement R4.
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	This is not a "binary" type requirement. Violation severity levels are clear, quantitative, and non-ambiguous.

VSL Justifications for MOD-026-2, Requirement R7

<p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R7.</p>
<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The violation severity levels relate to a single violation.</p>

VSL for MOD-026-2, Requirement R8

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R8.	<p>The Transmission Planner reviewed the model(s) and accompanying information submitted under Requirement R2-R7 or R9, but provided written response to the submitter, between 121 to 150 calendar days after receiving each submission.</p>	<p>The Transmission Planner reviewed the model(s) and accompanying information submitted under Requirement R2-R7 or R9, but provided written response to the submitter, between 151 to 180 calendar days after receiving each submission.</p>	<p>The Transmission Planner reviewed the model(s) and accompanying information submitted under Requirement R2-R7 or R9, but provided written response to the submitter, between 181 to 210 calendar days after receiving each submission.</p>	<p>The Transmission Planner reviewed the model(s) and accompanying information submitted under Requirement R2-R7 or R9, but provided written response to the submitter greater than 210 calendar days after receiving each submission.</p> <p>OR</p> <p>The Transmission Planner reviewed the model(s) and accompanying information submitted under Requirement R2-R7 or R9, and provided written response with notification of denial, indicating that the model was unacceptable, but did not include an explanation and supporting evidence.</p> <p>OR</p> <p>The Transmission Planner failed to review the model(s) and accompanying information submitted under Requirement R2-R7 or R9, and failed to provide written response to the submitter for each submission.</p>

VSL Justifications for MOD-026-2, Requirement R8

<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs for Requirement R8 are similar to the VSLs for MOD-026-1 Requirement R6 and MOD-027-1 Requirement R5.</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>The requirement to provide an explanation or supporting evidence is a binary type requirement; as such, it has a severe VSL. Violation severity levels are clear, quantitative, and non-ambiguous.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R8.</p>
<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The violation severity levels relate to a single violation.</p>

VSL for MOD-026-2, Requirement R9

R#	Lower VSL	Moderate VSL	High VSL	Severe VSL
R9.	The applicable entity provided a written response to the Transmission Planner between 121 to 150 calendar days after receiving a notification of denial or request to perform model review.	The applicable entity provided a written response to the Transmission Planner between 151 to 180 calendar days after receiving a notification of denial or request to perform model review.	The applicable entity provided a written response to the Transmission Planner between 181 to 210 calendar days after receiving a notification of denial or request to perform model review.	The applicable entity failed to provide a written response to the Transmission Planner within 210 calendar days after receiving a notification of denial or request to perform model review. OR The applicable entity's written response failed to contain one of the three options for responses described in Requirement R9.

VSL Justifications for MOD-026-2, Requirement R9

FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	The VSLs for Requirement R9 are similar to the VSLs for MOD-026-1 Requirement R3 and R5 and MOD-027-1 Requirement R3.
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	Violation severity levels are clear, quantitative, and non-ambiguous. The failure to provide one of three optional responses has a severe VSL.

VSL Justifications for MOD-026-2, Requirement R9

<p>Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p>FERC VSL G3</p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The language in the violation severity levels directly correlates to the language in Requirement R9.</p>
<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>The violation severity levels relate to a single violation.</p>