Consideration of Comments

Revisions to Outstanding Violation Risk Factors (VRFs)
and Violation Severity Levels (VSLs)

The Revisions to Outstanding VRFs and VSLs requesters thank all commenters who submitted comments. The proposed revisions to and/or additional justification for outstanding VRF and VSL assignments were posted for a 45-day public comment period from September 5, 2012 through October 19, 2012. The ballot period was extended until October 23, 2012 in order to ensure that a quorum was reached. Stakeholders were asked to provide feedback on the proposed revisions and associated documents through an electronic comment form. There were 18 sets of comments, including comments from approximately 26 different people from approximately 20 companies representing 7 of the 10 Industry Segments as shown in the table on the following pages.

Below, NERC staff has presented a summary of the changes it made in response to stakeholder comments by standard, requirement, and VRF or VSL. "No change" indicates that the VRF and VSL assignments were not changed from what stakeholders reviewed between September 5 and October 19. In many cases, there was no change because stakeholders did not comment on the assignment in question. For detailed responses to stakeholder comments, please see the individual responses included for each commenter.

Non-Substantive VSLs
- **EOP-005-2, R11, VSL:** No change.
- **EOP-005-2, R15, VSL:** NERC staff added the word "known" before "change" to match the language in the requirement.
- **EOP-005-2, R18, VSL:** No change. (No comments received.)
- **FAC-011-2, R3, VSL:** No change. (No comments received.)
- **FAC-011-2, R3.6, VSL:** No change.
- **FAC-013-1, R2, VSL:** No change. (No comments received.)

BAL Standards
- **BAL-003-0.1b, R2, VSL:** No change.
- **BAL-005-0.2b, R14, VSL:** NERC staff rearranged the order of the elements in the Severe VSL to better reflect the language in the requirement and updated the worksheets to reflect a 9/13/2012 FERC-approved errata change, but made no content changes.

EOP Standards
- **EOP-005-2, R2, VRF:** No change to the VRF, but the justification was enhanced.

- **EOP-005-2, R5, VRF:** NERC staff changed the VRF back to the original Lower assignment (from Medium). Unlike EOP-005-2 R2, this requirement is simply about the possession of a document and is administrative. A Transmission Operator's ability to implement its plan is covered in R7 and thus is separate from the administrative requirement of having a copy of the plan.
- **EOP-005-2, R10, VRF:** No change. (No comments received.)
- **EOP-005-2, R11, VRF:** No change. (No comments received.)
- **EOP-005-2, R17, VRF:** No change. (No comments received.)
- **EOP-005-2, R2, VSL:** NERC staff modified the day increments. As previously written, there was an unaccounted day within every interval.
- **EOP-005-2, R16, VSL:** There was a language inconsistency between the requirement and the Moderate VSL (the Moderate VSL did not include "and maintained records but did not supply …"). NERC has modified the VSL for consistency with the requirement language.
- **EOP-006-2, R6, VRF:** NERC staff changed the VRF back to its Lower assignment (from Medium), as originally propose by the drafting team. This requirement is simply about the possession of a document and is administrative. A Reliability Coordinator's ability to implement its plan is covered in R7 and thus is separate from the administrative requirement of having a copy of the plan.
- **EOP-006-2, R9, VRF:** No change.
- **EOP-006-2, R6, VSL:** No change.
- **EOP-006-2, R7, VSL:** No change. (No comments received.)
- **EOP-006-2, R8, VSL:** No change. (No comments received.)
- **EOP-006-2, R9, VSL:** No change. (No comments received.)
- **EOP-008-1, R1, VRF:** NERC staff changed the VRF back to the original Medium assignment (from High). The capability of the backup facility is not a primary measure for reliable operations, and not having an Operating Plan for the backup facility could not cause or directly contribute to instability, separation, or Cascading. Failing to have a backup facility that provides the same functionality as the primary facility, covered in EOP-008-1 R3 and R4, could cause or directly contribute to instability, separation, or Cascading, and NERC is appropriately proposing that those VRFs be raised to High. For these reasons, NERC believes that the VRF assignment for R1 should remain Medium.
- **EOP-008-1, R2, VRF:** NERC staff changed the VRF back to the original Lower assignment (from Medium). Similar to its comments for EOP-005-2, R5, NERC staff maintains that this requirement is purely administrative and could not, in and of itself, affect the capability of the BES. It is simply about the possession of a document; the actual functionality of the backup facility is addressed in R3 and R4.
- **EOP-008-1, R3, VRF:** No change. (No comments received.)
- **EOP-008-1, R4, VRF:** No change. (No comments received.)
- **EOP-008-1, R5, VRF:** No change to the VRF, but the justification was enhanced.
- **EOP-008-1, R6, VRF:** No change. (No comments suggesting modification received.)

- **EOP-008-1, R7, VRF:** No change. (No comments suggesting modification received.)
- **EOP-008-1, R1, VSL:** No change. (No comments suggesting modification received.)
- **EOP-008-1, R3, VSL:** NERC staff modified these VSLs to make them binary in order to avoid a confusing double jeopardy scenario and to better match the language and the intent of the requirement.
- **EOP-008-1, R4, VSL:** NERC staff modified these VSLs to make them binary in order to avoid a confusing double jeopardy scenario and to better match the language and the intent of the requirement.
- **EOP-008-1, R5, VSL:** NERC has deleted "dated, current, in force" from the Severe VSL assignment as that language does not appear in the requirement.
- **EOP-008-1, R6, VSL:** NERC staff modified these VSLs to make them binary in order to avoid a confusing double jeopardy scenario and to better match the language and the intent of the requirement.
- **EOP-008-1, R7, VSL:** No change. (No comments suggesting modification received.)

FAC Standards
- **FAC-010-2.1, R2, VSL:** No change.
- **FAC-011-2, R4, VSL:** No change.
- **FAC-501-WECC-1, R1, VSL:** No change.
- **FAC-501-WECC-1, R1.1, VSL:** No change.

IRO Standards
- **IRO-001-1.1, R3, VSL:** No change. (No comments received.)
- **IRO-001-1.1, R7, VSL:** No change.
- **IRO-002-2, R5, VSL:** No change.
- **IRO-002-2, R7, VSL:** No change.
- **IRO-005-3.1a, R6, VSL:** No comments were received, but NERC made two errata changes to the VSLs: first, to ensure that "real time" references in the VSLs matched the style of the requirement language, and second, to correct a comma that should have been a period. NERC also updated the worksheets to reflect a 9/13/2012 FERC-approved errata change.
- **IRO-008-1, R1, VRF:** The explanation in the review worksheet was modified for clarity, but the VRF was not changed.
- **IRO-008-1, R3, VRF:** No change. (No comments received.)
- **IRO-008-1, R3, VSL:** No change.
- **IRO-009-1, R1, VRF:** No change. (No comments received.)
- **IRO-009-1, R2, VRF:** No change. (No comments received.)
- **IRO-010-1a, R1, VRF:** No change. (No comments received.)
- **IRO-010-1a, R2, VRF:** No change. (No comments received.)
- **IRO-015-1, R1, VSL:** No change. (No comments received.)

- **IRO-006-WECC-1, R1, VRF:** No change. (No comments received.)
- **IRO-006-WECC-1, R2, VRF:** No change. (No comments received.)
- **IRO-006-WECC-1, R1, VSL:** No change. (No comments received.)

MOD Standards
- **MOD-004-1, R3, VRF:** No change.
- **MOD-004-1, R4, VRF:** No change.
- **MOD-028-1, R8, VSL:** No change. (No comments suggesting modification received.)
- **MOD-028-1, R9, VSL:** No change. (No comments suggesting modification received.)
- **MOD-029-1a, R5, VSL:** No change. (No comments suggesting modification received.)
- **MOD-029-1a, R6, VSL:** No change. (No comments suggesting modification received.)

NUC Standards
- **NUC-001-2, R4, VSL:** No change. (No comments received.)

PER Standards
- **PER-005-1, R1, VRF:** NERC staff changed the VRF assignment back to Medium (from High). After reviewing its original justification, all comments, and other VRFs, NERC staff has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to instability, separation, or Cascading – similar to the thought process NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF.
- **PER-005-1, R3, VRF:** NERC staff changed the VRF assignment back to Medium (from High). After reviewing its original justification, all comments, and other VRFs, NERC staff has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to instability, separation, or Cascading – similar to the logic NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. For the R3 VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for, "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.
- **PER-005-1, R1, VSL:** NERC staff added a reference to R1.4, within the second part under the Moderate VSL, for consistency with the language throughout the VSL.
- **PER-005-1, R2, VSL:** NERC staff modified the VSL assignments for R2.1 to incorporate some gradation.
- **PER-005-1, R3, VSL:** No change.

TOP Standards
- **TOP-001-1a, R1, VSL:** No change. (No comments received.)
- **TOP-002-2b, R16, VSL:** No change. (No comments received.)
- **TOP-002-2b, R17, VSL:** No change. (No comments received.)
- **TOP-006-2, R2, VSL:** NERC staff modified the VSL assignments so that the percentage gradations are slightly greater.
- **TOP-006-2, R3, VSL:** NERC staff modified the VSL assignments so that percentage gradation was not used, as it would be difficult to assign percentages to "amounts" of appropriate technical information. The assignments are now gradated without percentages, with a High and Severe VSL only.
- **TOP-007-0, R3, VSL:** No change. (No comments received.)
- **TOP-007-0, R4, VSL:** No change. (No comments received.)

TPL Standards
- **TPL-001-0.1, R1, VSL:** No change. (No comments received.)
- **TPL-002-0b, R1, VSL:** No change. (No comments received.)
- **TPL-003-0a, R1, VSL:** No change. (No comments received.)
- **TPL-003-0a, R2, VSL:** NERC staff added language to the third part of the High VSL for consistency with the language in the requirement and the other parts of the VSLs.

All comments submitted may be reviewed in their original format on the project page.

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 the Vice President and Director of Standards, Mark Lauby, at 404-446-2560 or at mark.lauby@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.[1]

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[1] The appeals process is in the Standard Processes Manual: http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf

Index to Questions, Comments, and Responses

The Industry Segments are:

1 — Transmission Owners

2 — RTOs, ISOs

3 — Load-serving Entities

4 — Transmission-dependent Utilities

5 — Electric Generators

6 — Electricity Brokers, Aggregators, and Marketers

7 — Large Electricity End Users

8 — Small Electricity End Users

9 — Federal, State, Provincial Regulatory or other Government Entities

10 — Regional Reliability Organizations, Regional Entities

Group/Individual	Commenter	Organization	Registered Ballot Body Segment									
			1	2	3	4	5	6	7	8	9	10
1. Group	Jamison Dye	Bonneville Power Administration	X		X		X	X				

Additional Member	Additional Organization	Region	Segment Selection
1. Jodie Speropulos	Sub Maint and High Voltage Engineering	WECC	1
2. Brenda Vasbinder	Work Planning and Evaluation	WECC	1
3. James Murphy	Technical Operations	WECC	1
4. Timothy Loepker	Dispatch	WECC	1

Group/Individual	Commenter	Organization	1	2	3	4	5	6	7	8	9	10
2. Group	Ben Engelby	ACES Power Marketing Standards Collaborators						X				

Additional Member	Additional Organization	Region	Segment Selection
1. Michael Brytowski	Great River Energy	MRO	1, 3, 5, 6
2. John Shaver	Arizona Electric Power Cooperative, Inc. and Southwest Transmission	WECC	1, 4, 5

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
			Cooperative, Inc.										
3.	Shari Heino	Brazos Electric Power Cooperative, Inc.	ERCOT 1, 5										
4.	Bob Solomon	Hoosier Energy Rural Electric Cooperative, Inc.	RFC 1										
3.	Individual	Jana Van Ness, Director Regulatory Compliance	Arizona Public Service Company	X		X		X	X				
4.	Individual	Shammara Hasty	Southern Company	X		X		X	X				
5.	Individual	Ryan Millard	PacifiCorp	X		X		X	X				
6.	Individual	Don Jones	Texas Reliability Entity										X
7.	Individual	Douglas Dickson	Puget Sound Energy	X		X		X					
8.	Individual	Andrew Gallo	City of Austin dba Austin Energy	X		X	X	X	X				
9.	Individual	Tiffany Lake	Westar Energy	X		X		X	X				
10.	Individual	Anthony Jablonski	ReliabilityFirst										X
11.	Individual	Randy Young	Arizona Public Service Co.			X							
12.	Individual	Nazra Gladu	Manitoba Hydro	X		X		X	X				
13.	Individual	Marie Knox	MISO		X								
14.	Individual	Michael Falvo	Independent Electricity System Operator		X								
15.	Individual	Darryl Curtis	Oncor Electric Delivery	X									
16.	Individual	Tony Kroskey	Brazos Electric Power Cooperative	X									
17.	Individual	Molly Devine	Idaho Power Co.	X		X							
18.	Individual	Don Schmit	Nebraska Public Power District	X		X		X					

If you support the comments submitted by another entity and would like to indicate you agree with their comments, please select "agree" below and enter the entity's name in the comment section (please provide the name of the organization, trade association, group, or committee, rather than the name of the individual submitter).

Summary Consideration:

> Thank you for your support of these commenters. Please see specific responses to ACES Power Marketing and MRO NSRF, respectively, below.

Organization	Supporting Comments of "Entity Name"
Brazos Electric Power Cooperative	ACES Power Marketing
Nebraska Public Power District	MRO NSRF (Midwest Reliability Organization - NERC Standards Review Forum)

1. **Do you support NERC staff's proposals for addressing the outstanding VRFs and VSLs – in some cases, modifications to the VRF and VSL assignments, and in others, additional justification for the standard drafting team's original assignment(s)? If not, cite the standard and requirement and VRF or VSL assignment you disagree with, using the VRF Criteria and Guidelines and/or VSL Guidelines to support your comment(s).**

Summary Consideration:

> NERC staff thanks all stakeholders for their detailed comments on this project's revisions and recognizes the effort required to review all of the posted documents. For a summary of changes made, please see the summary response above. For detailed responses to individual comments, see below.

Organization	Yes or No	Question 1 Comment
Bonneville Power Administration	No	FAC-501-WECC-1, R 1/R 1.1, VSL Guideline • While BPA agrees with the removal of the ambiguity for R1 when referring to Transmission Owners not performing maintenance and inspection for facilities, BPA does not agree with removing the reference to the section of the VSL about "one, two, or three of the paths identified". These considerations support the intent of R1.1 that the TMIP be annually reviewed but allow varying levels of VSL for R1. This varying level is also consistent with the other VSLs within FAC-501-WECC-1, such as seen in R2 and R3. Based on this, BPA recommends that the Lower, Moderate, and High VSL for R1 be modified to include the "one, two, or three of the paths identified" statements as included in the original VSL for R1. It would also be reasonable for R.1.1 to have varying levels of VSL when the process of annually reviewing the TMIP and getting official management approvals may take extra months beyond exactly 12. It is recommended that the Lower, Moderate and High VSL levels provide for one, two and three

Organization	Yes or No	Question 1 Comment
		months past the annual review anniversary date, provided that the review is in progress. PER-005-1, R1/R3, VSL Guideline • BPA disagrees with NERC's decision to change the VRF's for R1 and R3 from a medium to a high. The original justification for the medium VRF level still holds true as neither of these requirements are likely to lead to bulk power system instability if not followed. Because of this, BPA recommends maintaining these requirements at a medium violation level.

Response: Thank you for your comments.

FAC-501-WECC-1, R1/R1.1 VSL: NERC staff continues to believe the kind of gradation in the original assignments was unnecessarily complicated, included language that was not in the requirement, and biased smaller TOs responsible for fewer transmission paths. The VSLs, as revised, better reflect the language in the requirement. Additionally, NERC staff does not agree that there is a need for gradation in R1.1, as the requirement is simply that a review happens annually, not necessarily that an update is required within any particular period of time, except "as required."

PER-005-1, R1/R3 VRF: For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators *will* directly lead to instability, separation, or Cascading – similar to the thought process NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same logic applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.

Organization	Yes or No	Question 1 Comment
ACES Power Marketing Standards Collaborators	No	(1) General comments: We agree with NERC's effort to fix the typographical errors contained in the VSLs and to roll up subrequirements to the main requirement. However, we found several issues contained in the VSLs

Organization	Yes or No	Question 1 Comment
		that NERC needs to address. Our comments on these issues are below.

(2) Paragraph 81 candidates.

The following requirements were included in the VSL Filing One or Filing Two that have "N/A" in the Lower, Moderate, High and Severe VSL categories and should be included in the P81 project for retirement. If these requirements do not have severity levels, then it can be assumed that these requirements have little or no impact to Bulk Electric System reliability. The P81 candidates include: BAL-001-0.1a R4, EOP-004-1 R1, EOP-004-1 R4, EOP-004-1 R5, FAC-003-1 R4, IRO-001-1.1 R1, and MOD-016-1.1 R2.

(3) BAL-003-0.1b R2:

The rationale for increasing the VSL from Lower to Moderate for R2 is that calculating Frequency Bias Setting is a Guideline 1 issue. Please explain how this Guideline 1 warrants escalating the VSL from Lower to Moderate. How exactly will the historical level of compliance be lowered with a Lower VSL? We believe that calculating Frequency Bias Setting is an administrative task and should remain as a Lower VSL to ensure consistency in the determination of penalties.

(4) BAL-005-0.1b R14:

The additional language to the Severe VSL could be divided among the Lower, Moderate and High VSLs instead of just Severe. The responsible entity could have a Lower VSL for failing to provide tools to monitor control performance and generation response, but not after-the-fact analysis. Moderate could also be a combination of having some tools but not all. NERC should revise the VSL to ensure consistency with the corresponding requirement. This would still satisfy FERC's concerns |

Organization	Yes or No	Question 1 Comment
		and provide more consistent application and determination of penalties. (5) EOP-005-2 R11: The changes to the percentages will result in inconsistent determination of penalties. In the prior version of the VSL, 25% of operating personnel was acceptable for Lower VSL and the revision now makes it a Severe VSL. There are no specific justifications why NERC chose these percentages, and there is no reference in the FERC Order on VSLs that state the maximum percentage should be 15%. In large companies, 15% could amount to dozens of personnel, where in a small entity, 15% of operating personnel could be a single person or two operators. The prior percentages were reasonable and should remain at those levels. These changes will ensure consistency with the corresponding requirement and ensure uniformity and consistency in the determination of penalties. (6) EOP-005-2 R15: The VSLs are missing a very important word in each category - "known" changes. The timeframe is fine as long as the entity knew about the change to the capabilities of the Blackstart Resource. Penalizing an entity with a Severe VSL for not notifying the TOP within 96 hours of an unknown change is unreasonable. We recommend adding "known" to each category to ensure consistency with the corresponding requirement. (7) FAC-011-2 R3.6: We recommend rolling the sub-requirement R3.6 into the main VSL for Requirement R3. This revision will ensure consistency with the corresponding requirement and ensure uniformity and consistency in

Organization	Yes or No	Question 1 Comment
		the determination of penalties. (8) EOP-006-2 R6: Having a copy of the latest restoration plan is administrative in nature and should be a Lower Risk Requirement for the VRF. R6 is a planning requirement. In regard to the VSL, there are several metrics that could be gradated in this requirement: the amount of time the restoration plan was made available (previous version), the amount of personnel that did/did not have access to the plan, whether the most recent version was available, and whether there was a restoration plan at all. This requirement should have Lower and Moderate VSLs to capture the other aspects of the requirement to be consistent with the corresponding requirement and to ensure consistency in the determination of penalties. (9) EOP-006-2 R9: We agree with NERC and the drafting team that failure to provide training, while important, would not directly lead to instability, separation, or a cascading sequence of failures. Medium risk is appropriate for the VRF. (10) EOP-008-1 R1: The VRF for EOP-008-1 does not need to match the same VRF for EOP-005-2, because, as NERC mentioned, the two standards do not address the same aspect of operations and are not dependent upon each. There is not an inconsistency to have a Medium VRF for EOP-008-1. The modification of the VSL for R1 is reasonable and consistent with other VSLs.

Organization	Yes or No	Question 1 Comment
		(11) EOP-008-1 R2: We respectfully disagree with the proposed change to the R2 VRF. Having a procedure "available" is much different than the implementation of that procedure. The availability of the procedure should remain a "Lower" risk factor. There are other standards that address the implementation, which are appropriately labeled with elevated risk factors. Furthermore, this requirement appears to meet criteria (i.e. it is administrative) established in Paragraph 81 and would be a candidate for retirement. **(12) EOP-008-1 R5:** Again, the VRF for EOP-008-1 does not need to match VRF for EOP-005-2 R4, because, as NERC mentioned, the two standards do not address the same aspect of operations and are not dependent upon each. There is not an inconsistency to have a Medium VRF for EOP-008-1. We recommend keeping the VRF as is. Furthermore, this requirement appears to meet criteria (i.e. it is administrative, periodic update) established in Paragraph 81 and would be a candidate for retirement. **(13) EOP-008-1 R6:** We agree that no change to the VRF is needed. The modification of the VSL for R6 is reasonable and consistent with other VSLs. **(14) EOP-008-1 R7:** We agree that no change to the VRF is needed. No comments on VSL - errata change.

Organization	Yes or No	Question 1 Comment
		(15) FAC-010-2.1 R2: We agree that no change to the VSL is needed and support the "rolling up" of sub-requirements into the main requirement. **(16) FAC-011-2 R4:** We agree with the errata change (deleting "not" in Lower VSL) that was made for consistency. However, we have concerns regarding why NERC changed the starting time to 10 days. When entities must coordinate with other entities, such as Planning Authorities and Transmission Planners in R4.2, delays may occur. It is a more reasonable approach to allow up to 30 days to remain a Lower VSL and then gradate the Moderate, High and Severe after that baseline as the previous draft had stated. We recommend no change on this VSL. **(17) MOD-004-1 R3:** We respectfully disagree with changing the VRF from Lower to Medium. In the compliance filings, NERC stated that R3 was balloted and approved by industry stakeholders with a Lower VRF and complying with this requirement will "aid in the establishment of an appropriate CBM, but it is not the only source of information from which the appropriate level of CBM may be derived. Additionally, entities are not required to use CBM" and many have chosen not to as a result. If the requirement did not meet the threshold at the time of filing, it should not meet the elevated threshold now. We suggest keeping Requirement R3 as a Lower VRF. **(18) MOD-004-1 R4:**

Organization	Yes or No	Question 1 Comment
		We respectfully disagree with changing the VRF from Lower to Medium. In the compliance filings, NERC stated that R4 was balloted and approved by industry stakeholders with a Lower VRF and complying with this requirement will "aid in the establishment of an appropriate CBM, but it is NOT the only source of information from which the appropriate level of CBM may be derived. Additionally, entities are NOT required to use CBM" and many have chosen not to as a result. If the requirement did not meet the threshold at the time of filing, it should not meet the elevated threshold now. We suggest keeping Requirement R4 as a Lower VRF. (19) MOD-028-1 R8: We agree that no changes to the VSLs are needed. (20) MOD-028-1 R9: We agree that no changes to the VSLs are needed. (21) MOD-029-1a R5: We agree that no changes to the VSLs are needed. (22) MOD-029-1a R6: We agree that no changes to the VSLs are needed. (23) PER-005-1 R1: While we understand that FERC believes that requirement commingles two requirements, one of having the plan and another of implementing it, we disagree with the outcome to elevate the VRF from

Organization	Yes or No	Question 1 Comment

		Medium to High. This standard is to implement a systematic approach to training, which does not have a direct impact on Bulk Electric System reliability. We agree that each system operator must be competent for the job role in which they perform, but not having a formal systematic approach to training will not directly cause separation, blackouts or cascading outages. We recommend keeping the VRF for R1 at Medium. For the R1 VSL, we agree with the errata changes. However, there is enough language in the requirement to add a Lower VSL for R1. Even FERC recognized that there are lower level administrative tasks as part of R1, which should be in the Lower VSL category. We recommend revising the VSL and replacing the "N/A" with a lower-level violation, such as failing to document or having incomplete documentation for training that was delivered.
		
		(24) PER-005-1 R2:
		
		    We believe that there should be gradated timelines for the R2 VSL. For instance, the Severe VSL is over six months, but could be revised to be over nine months, the High VSL could be eight to nine months, Moderate could be seven to eight months, and the Lower could be six to seven months. This revision would ensure consistency with the applicable requirement and other requirements with time-based VSLs and in the determination of penalties.
		
		(25) PER-005-1 R3:
		
		    We recommend Requirement R3 should have higher percentages to account for smaller entities, such as below 25%, 25%-50%, 50%-75%, and above 75% of personnel trained. In a smaller entity, one person could amount to more than 15% of applicable staff, which would result in a Severe VSL. To ensure consistent application to entities large and

Organization	Yes or No	Question 1 Comment
		small, we recommend adjusting the percentages accordingly. (26) TOP-006-2 R2: We recommend Requirement R2 should have higher percentages than the proposed modifications, such as below 3%, 3%-5%, 5%-10%, and above 10% of the applicable elements. FERC's comment may be true for a large entity, but in a smaller entity, the change in percentages could result in a disproportionate penalty. To ensure consistent application to entities large and small, we recommend adjusting the percentages accordingly. (27) TOP-006-2 R3: There should not be percentages in this Requirement. How can someone determine that an entity was 5% less than "appropriate" amount of technical information it provided to its operating personnel? Appropriate could be any reasonable level of technical information and this VSL is too subjective to determine the sufficient amount. This is an inadequate metric and the VSL needs to be rewritten to ensure consistency in the determination of penalties. (28) Thank you for the opportunity to comment.

Response: Thank you for your detailed comments.

(1) Thank you. See individual responses below.

(2) All requirements must have at least one VSL assignment. What you appear to be referring to is subrequirements (now called "parts") that do not have any VSL assignments. NERC has rolled all subrequirement VSLs into the main requirement VSL, so it's appropriate that the subrequirements do not have their own VSL assignments. In other words, these subrequirements are not missing VSLs because they have no impact on the BES; rather, the subrequirement/part VSL assignment is simply covered in the main requirement VSL.

(3) Whether the requirement is administrative does not have any bearing on the VSL assignments; the possible impact on the grid is something that's addressed in the VRFs. NERC staff maintains that the move to Moderate is appropriate.

(4) While it would be possible to split up that first sentence, because the first sentence constitutes the essence of the requirement, NERC staff feels that it's more appropriate to make violation of any part of it a binary (Severe) violation. The elements of the second half of the requirement are less essential, so long as the first half of the requirement is addressed, so that part is appropriately gradated.

(5) The change you are referring to has already been vetted by the industry in the development process for EOP-005-2. When the VSL guidelines were revised, there was a move away from 25% increments, and SDTs are now advised to use 5% increments, unless others can be justified.

(6) NERC staff agrees with your comment and has made the change you suggested.

(7) Sub-requirement R3.6 has been rolled into the main VSL for Requirement R3. That's why all of its VSLs read "N/A."

(8) NERC staff agrees. Upon further review of all EOP VRF assignments, NERC has determined that the VRF should remain Lower, as originally proposed by the drafting team. This requirement is simply about the possession of a document and is administrative. A Reliability Coordinator's ability to implement its plan is covered in R7 and thus is separate from the administrative requirement of having a copy of the plan.

(9) Thank you for your comment.

(10) Upon further review, NERC agrees with your comment and has changed the VRF back to Medium. NERC staff does not believe that the comparison between EOP-005-2, R1 and EOP-008-1, R1 is an equitable one. EOP-005-2, R1 deals with the restoration plan for the primary control center. EOP-008-1, R1 deals with the backup facility. The capability of the backup facility is not a primary measure for reliable operations, and not having an Operating Plan for the backup facility could not cause or directly contribute to instability, separation, or Cascading. Failing to have a backup facility that provides the same functionality as the primary facility, covered in EOP-008-1 R3 and R4, could cause or directly contribute to instability, separation, or Cascading, and NERC is appropriately proposing that those VRFs be raised to High. For these reasons, NERC believes that the VRF assignment for R1 should remain Medium. Thank you for your comment on the VSL modifications.

(11) Upon further review, NERC staff agrees with your concern and changed the VRF back to the original Lower assignment (from Medium). Similar to its comments for EOP-005-2, R5, NERC staff maintains that this requirement is purely administrative and could not, in and of itself, affect the capability of the BES. It is simply about the possession of a document; the actual functionality of the

Organization	Yes or No	Question 1 Comment

backup facility is addressed in R3 and R4.

(12) Similar to EOP-005-2, R2 this requirement might appear administrative at first glance, but annually reviewing and approving the Operating Plan is about more than the possession of a piece of paper; it's about updating the Operating Plan any time a change in required action might be necessary. Thus, the VRF should remain Medium, as proposed.

(13) Thank you for your support for the VRF. With respect to the VSLs, NERC staff did elect to modify the VSLs to eliminate the reference to specific requirements with specific VRF assignments. This serves to better support the requirement, which does not intend to call out specific requirements, but rather to ensure that the backup control center has the same functionality as the primary control center.

(14) Thank you for your support.

(15) Thank you for your support.

(16) Thank you for your comment. A case could be made for a 30-day starting point or a 10-day starting point, but because FERC encouraged consistency in this requirement's gradation, NERC supports a 10-day starting point.

(17) While the assignment met the threshold at the time of filing, FERC is not prepared to accept the VRF as assigned, nor the explanation associated with it, which is why NERC is reviewing the assignment at this juncture. NERC has been persuaded that the original assignment was inconsistent with Guideline 2 and maintains that the change is appropriate.

(18) While the assignment met the threshold at the time of filing, FERC is not prepared to accept the VRF as assigned, nor the explanation associated with it, which is why NERC is reviewing the assignment at this juncture. NERC has been persuaded that the original assignment was inconsistent with Guideline 2 and maintains that the change is appropriate.

(19) Thank you for your support.

(20) Thank you for your support.

(21) Thank you for your support.

(22) Thank you for your support.

(23) For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to instability, separation, or Cascading – similar to the logic NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same thought process applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4,

Organization	Yes or No	Question 1 Comment
		which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators. With respect to the VSLs for R1, NERC staff believes the VSL is appropriately gradated as is. Documentation is not directly referenced in the requirement or subrequirements and thus should not be introduced into the VSLs. (24) NERC staff agrees that some gradation was necessary in the timelines for R2.1's VSLs and has added a High assignment to reflect that. (25) The percentages were already vetted through the standards development process and were not the focus of this reexamination. Further, it could also be argued than an entity with fewer System Operators (five in the example you give) should be able to focus on each of its System Operators, and that missing even one of them does, in fact, represent a serious concern – a bigger concern than in an entity with hundreds of System Operators. No change made. (26) NERC staff agrees that the gradations didn't have to start right at 1%. To strike a balance among FERC's concerns and commenters' concerns, the percentages have been modified to 3%, 3-6%, 6-9%, and 9%. (27) NERC staff agrees with commenters that its proposed changes did not add clarity, and modified the VSL assignments so that percentage gradation was not used, as it would be difficult to assign percentages to "amounts" of appropriate technical information. The assignments are now gradated without percentages, with a High and Severe VSL only. (28) You are welcome.
Arizona Public Service Company	No	FAC-010-2.1: • FAC-010 standard is about methodology and most of the requirements are repeat of TPL requirements. Having a complicated VSL which checks item by item sub requirement does not serve any reliability purpose. This VSL should be simplified. It should be "lower" if the methodology is incomplete and "higher" if there is no methodology document.

Organization	Yes or No	Question 1 Comment
		FAC-011-2 R4: • An RC issues its methodology for hundreds of entities in its area. Incrementing VSL by failing to issue SOL to one entity is unreasonable. The VSL should be lower if it RC failed to issue the methodology to one or more entities and should be higher if it completely failed to issue the methodology. For this standard, VSL should not be based upon time delay. FAC-501-WECC-1: • In a binary type of VSL it should be "low and severe" and not "higher and severe". There is no justification given for higher VSL for the first entry. TOP-006-2 R2: • There are many TOPs which own and monitor far less than 100 BES lines. For them VSL based upon 1% increment is too stringent. FERC said 5% increments are too high for TOPs with thousands of lines. This does not mean NERC has to go down to 1% increment. Suggest it be based upon the number of BES lines not monitored and not on %.

Response: Thank you for your detailed comments.

FAC-010-2.1: NERC staff does not believe that the current assignments are complicated, and continues to believe that the current assignments are the best way to gradate the VSLs while accounting for all subrequirements.

FAC-011-2: Because these corrections have already been vetted by the industry, NERC does not want to focus on changes that are outside the scope of FERC's concerns. NERC agrees that your suggestion is another good way to assign the VSLs, but it does not see a major problem with the VSLs as assigned and will continue to support the drafting team's original language in the first half of the VSLs.

Organization	Yes or No	Question 1 Comment
FAC-501-WECC-1: A binary VSL is one that is an "all-or-nothing" requirement and has only one assignment in the Severe category. This is not a binary VSL. **TOP-006-2, R2:** NERC staff agrees that the gradations didn't have to start right at 1%. To strike a balance among FERC's concerns and commenters' concerns, the percentages have been modified to 3%, 3-6%, 6-9%, and 9%.		
PacifiCorp	No	PacifiCorp does not support the continued use of VRFs and VSLs. VRFs and VSLs are a flawed process to determine the level of severity for a potential violation. The increase in severity levels and risk factors during updates of existing standards provides little constructive information. The inclusion of the VRFs and VSLs in the balloting process (without binding balloting by the industry) is a drain on industry resources and the balloting process and serves no helpful purpose.
Response: Thank you for your comment. NERC staff and the Standards Committee recognize that VRFs and VSLs are a time-consuming part of the standard drafting process and that they are not always applied consistently. But enforcement staffs and FERC do use the VRFs and VSLs in the determination of penalties, and while NERC and the Standards Committee are exploring tools that could replace VRFs and VSLs, neither wants to eliminate VRFs or VSLs until a replacement tool has been carefully vetted.		

Texas Reliability Entity	No	We do support the proposals except as noted below:
		EOP VSLs:
		1. Regarding EOP-008-1 (R3, R4, R6):
		    TRE suggests this VSL should be binary (Severe) with respect to having a backup control center/functionality only. We agree with FERC that the VSLs should not be based on violations of other standards, and we suggest the low, moderate and high VSLs should simply be deleted.
		2. Regarding EOP-005-2 (R2):
		    There are days that are not covered by this VSL, in particular on days 11, 21 and 31. Texas RE suggests the following changes: (a) Moderate should be "more than 10 days . . ."; (b) High should be "more than 20 days . . ."; and (c) Severe should be "more than 30 days . . .".

Organization	Yes or No	Question 1 Comment
		3. Regarding EOP-005-2 (R16):
		The Moderate VSL should include the same language ["and maintained records but did not supply ..."] as is included in Lower level. This would clarify that failure to maintain records results in a High VSL.
		IRO VSLs:
		1. Regarding IRO-008-1 (R3):
		Please clarify whether "failed to share . . . with any of the entities" means "shared with some but not all of the entities" or "shared with none of the entities."
		2. Regarding IRO-001-1.1 (R7):
		There could be more gradation associated with a violation of this requirement based on whether some or all agreements exist and are clear and comprehensive. In the Moderate VSL, what if some of the agreements are clear and comprehensive but some are not? In the Severe VSL, what if the RC has agreements with some adjacent RCs, but not with all of them?
		3. Regarding IRO-002-2 (R5):
		(1) In the Severe VSL, the term "any" is ambiguous. Does "failed to monitor ANY BES elements" mean "monitored some but not all BES elements" or "monitored no BES elements." (2) We suggest that you consider moving the existing language from High to Moderate level, and then create a new High VSL for violations associated with failing to monitor some [but not all] of the main BES elements, and revise the Severe VSL to cover a violation where no BES elements were monitored.
		4. Regarding IRO-002-2 (R7):
		Clarify to differentiate between the Moderate VSL and 1st part of the Severe VSL. If an entity "failed to ensure" such that there was no

		interruption in monitoring, is the violation a Moderate VSL or a Severe VSL?

Response: Thank you for your detailed comments.

EOP VSLs

1. While NERC staff initially supported the VSL assignments because of their consistency with the language of the requirement, after further consideration, it agrees with commenters that gradating the VSLs is confusing. The requirement is focused on having a functional backup control center, and the VSL assignments are better off binary so long as they focus on that. NERC staff agrees that this is a clearer way to assign the VSLs, and that it better reflects the language of the requirement.

2. NERC staff agrees with your comment about the intervals and has made the change you suggest.

3. NERC staff agrees with your comment and has made the change you suggested.

IRO VSLs:

1. "Failed to share with any of the entities" means "shared with none of the entities."

2. NERC staff maintains that failing to complete either part of the requirement would be a wholesale violation of the requirement, and that gradation using number/percentage of agreements would lead to inconsistent impact on entities of different sizes.

3. With respect to your first comment, NERC staff debated this language at length and believes it is clear that, "… failed to monitor any BES elements…" means that not a single BES element was monitored. With respect to your second comment, NERC staff considered your suggestion, but even an additional Moderate assignment was added, it would be very difficult to distinguish between the Moderate and the Severe. Since FERC staff already expressed concern about the distinctions among the High and Severe assignments, NERC staff believes it is preferable to keep the two assignments as already modified for clarity.

4. If an entity failed to ensure that there was no interruption in monitoring, it would be a Severe VSL. The Moderate VSL is specific to checking on the backup facility when the main monitoring system is unavailable.

City of Austin dba Austin Energy	No	Austin Energy (AE) voted "Affirmative" on this non-binding poll because we agree with a majority of the proposed revisions. However, AE does not agree with the two VRFs listed below:
		(1) EOP-008-1, R2 VRF –

Organization	Yes or No	Question 1 Comment
		AE disagrees with the current proposal of a "Medium" VRF and supports the original proposal of a "Lower" VRF. The requirement to "have a copy of its current Operating Plan for backup functionality available at its primary control center and at the location providing backup functionality" is an administrative requirement. AE supports the original guideline explanation: "Failure to have a copy of the Operating Plan for backup functionality at each of its control locations should not have an adverse impact on the BPS because operations at the different locations should be essentially identical. This is mainly an administrative requirement and thus meets NERC's criteria for a Lower VRF." (2) PER-005-1, R1 VRF – AE disagrees with the current proposal of a "High" VRF and supports the original proposal of a "Medium" VRF. FERC staff noted that implementation activities are usually assigned a "High" VRF. For a requirement to be assigned a "High" VRF, the expectation should be that failure to meet the required performance "will" result in instability, separation or cascading failures. This requirement does not involve implementing actions on the BES. It covers training implementation and it would be over-reaching to assume the failure to implement a training program "will" result in instability, separation or cascading failures. See EOP-005-2, R10 for support of a training implementation requirement with a "Medium" VRF.

Response: Thank you for your comments.

(1) Upon further review, NERC staff agrees with your concern and changed the VRF back to the original Lower assignment (from Medium). Similar to its comments for EOP-005-2, R5, NERC staff maintains that this requirement is purely administrative and could not, in and of itself, affect the capability of the BES. It is simply about the possession of a document; the actual functionality of the backup facility is addressed in R3 and R4.

(2) For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to

Organization	Yes or No	Question 1 Comment
		instability, separation, or Cascading – similar to the logic NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same thought process applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for, "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.

ReliabilityFirst	No	ReliabilityFirst generally votes in the Affirmative for all the families of VRF/VSL changes except we vote in the negative for the EOP and FAC family of standards. ReliabilityFirst votes in the Negative for the EOP and FAC family of standards for the reasons below. ReliabilityFirst offers the following comments for consideration:
		
		1. EOP-008-1, Requirement R5 –
		
		      Severe VSLa. ReliabilityFirst agrees with the commission in that the first part of the "Severe" VSL adds to the requirement. The "Severe" uses language such as "... its dated, current, in force..." to describe the operating plan which is not required in the actual requirement. ReliabilityFirst recommends removing the phrase "its dated, current, in force" from the Severe" VSL.2.
		
		2. FAC-011-2, Requirement R4
		
		      (The specified day thresholds are not inclusive)a. For the Moderate, High and Severe VSLs, the gradation does not cover all the days in periodicity in which an entity is late. For example, the "Low" states "...no more than 10 calendar days after the effectiveness..." and the "Moderate" VSL states "...more than 11 calendar days after the effectiveness..." From the revised wording, it is unclear which VSL category an entity would fall under if they were 11 days late?

Organization	Yes or No	Question 1 Comment

		ReliabilityFirst recommends revising the "Moderate VSL" to state: "more than or equal to 11 calendar days…"
		
		3. PER-005-1, Requirement R1a.
		
		    For consistency with the other VSLs, ReliabilityFirst recommends adding the parenthetical "(R1.4)" to the second part under the Moderate VSL.
		
		4. TPL-003-0a, Requirement R2a.
		
		    For consistency with the other VSLs in R2, ReliabilityFirst recommends adding the following language to the beginning of the third part under the "High" VSL: "The responsible entity provided documented evidence of corrective action plans in order to satisfy Category C planning requirements…"

Response: Thank you for your detailed comments and support of many of the modifications. 1. NERC staff agrees that this language is not in the requirement and should be deleted. 2. Thank you for pointing out this error; NERC staff has modified the day increments to ensure that they are inclusive. 3. NERC staff has added the parenthetical (R1.4), as you suggest. 4. Thank you for identifying this inconsistency. NERC staff has made the suggested change.		
Arizona Public Service Co.	No	FAC-010-2.1: FAC-010 standard is about methodology and most of the requirements are repeat of TPL requirements. Having a complicated VSL which checks item by item sub requirement does not serve any reliability purpose. This VSL should be simplified. It should be "lower" if the methodology is incomplete and "higher" if there is no methodology document. FAC-011-2 R4:

Organization	Yes or No	Question 1 Comment
		• An RC issues its methodology for hundreds of entities in its area. Incrementing VSL by failing to issue SOL to one entity is unreasonable. The VSL should be lower if it RC failed to issue the methodology to one or more entities and should be higher if it completely failed to issue the methodology. For this standard, VSL should not be based upon time delay. FAC-501-WECC-1: • In a binary type of VSL it should be "low and severe" and not "higher and severe". There is no justification given for higher VSL for the first entry. TOP-006-2 R2: • There are many TOPs which own and monitor far less than 100 BES lines. For them VSL based upon 1% increment is too stringent. FERC said 5% increments are too high for TOPs with thousands of lines. This does not mean NERC has to go down to 1% increment. Suggest it be based upon the number of BES lines not monitored and not on %.

Response: Thank you for your detailed comments.

FAC-010-2.1: NERC staff does not believe that the current assignments are complicated and continues to believe that the current assignments are the best way to gradate the VSLs while accounting for all subrequirements.

FAC-011-2: Because these corrections have already been vetted by the industry, NERC does not want to focus on changes that are outside the scope of FERC's concerns. NERC agrees that your suggestion is another good way to assign the VSLs, but it does not see a major problem with the VSLs as assigned and will continue to support the drafting team's original language in the first half of the VSLs.

FAC-501-WECC-1: A binary VSL is one that is an "all-or-nothing" requirement and has only one assignment in the Severe category. This is not a binary VSL.

TOP-006-2: NERC staff agrees that the gradations didn't have to start right at 1%. To strike a balance among FERC's concerns and

Organization	Yes or No	Question 1 Comment
commenters' concerns, the percentages have been modified to 3%, 3-6%, 6-9%, and 9%.		
Manitoba Hydro	No	Although we support most of the changes proposed, we have some minor concerns with the following: EOP-005-2, R2 (and others): • The comments from NERC indicate that the requirement is administrative in nature but that the implications could be more than administrative; therefore the VRF would be changed to Medium. This does not match up with the VRF Guideline which refers to a requirement being 'administrative in nature', and does not include an assessment of the potential implications. VRF Guidelines: Each of the paragraphs (High Risk Requirement, Medium Risk Requirement and Lower Risk Requirement) could benefit from some punctuation, numbering, etc. to make clear what the specific requirements are as several criteria are lumped together and it is not always entirely clear. Furthermore, there is some repetitiveness in the criteria (for example, in the Medium Risk Requirement paragraph, the last sentence seems to be a repeat of the preceding sentence and the statement 'A planning requirement that is administrative in nature' does not seem necessary at the end of the Lower Risk Requirement paragraph). VSL Guidelines: Several documents are listed without reference or proper citations given (for example, the VSL Order, NERC's VSL Compliance filing, etc.). EOP-008-1: • There are several references here made to the "Evil Three" and the 'big three' without explanation of what this is. EOP-008-1, R6: • The comments from NERC indicate that they will not use the VSLs

Organization	Yes or No	Question 1 Comment
		to fix a problem with the requirement language and that the VSLs simply use the language of the requirement. We agree with this idea. Our question is whether or not these comments then get forwarded to the SDT for that particular requirement and these concerns are noted there for potential revision of the requirement?

Response: Thank you for your detailed comments.

EOP-005-2 (and others): Requirement R2 might appear administrative at first glance, but providing entities with a description of changes to the restoration plan is about more than the handover of a piece of paper; it's about alerting entities to changes in the actions they might be required to take. If an entity was not alerted to a change in its responsibilities and did not take appropriate action during restoration, that 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. Thus, the VRF is appropriately raised to Medium. With respect to the VRF Guidelines, it is not currently within the scope of this team to reexamine the VRF Guidelines, as NERC staff and the Standards Committee are already working on a separate effort to improve or entirely replace VRFs and VSLs.

VSL Guidelines: All major VRF- and VSL- related documents are explained and linked to on the project page. Any documents that are referenced may not have "proper" citation – though there's no "proper" citation required in these kinds of standards reference documents – but all such references include links to the documents in question.

EOP-008-1: Thank you for your comment. NERC staff agrees that these references could be clearer and has clarified that by the evil/big three, it means instability, separation, or Cascading.

EOP-008-1, R6: Thank you for your comments. NERC staff did elect to modify the VSLs to eliminate the reference to specific requirements with specific VRF assignments. This serves to better support the requirement, which does not intend to call out specific requirements, but rather to ensure that the backup control center has the same functionality as the primary control center.

Organization	Yes or No	Question 1 Comment
MISO	No	EOP-005-2, R2: • Lower > Medium. FERC cites Guideline 4, consistency with NERC definition of VRF. Medium, "A requirement that, if violated, could directly affect the electrical state or the capability of the bulk electric system…" R2 states: "…shall provide the entities

Organization	Yes or No	Question 1 Comment
		identified in its approved restoration plan with a description of any changes to their roles and specific tasks..." We recommend Lower VRF, this task is administrative and is effectively covered in R3. EOP-005-2, R5: • Lower > Medium. FERC cites Guideline 4, consistency with NERC definition of VRF. Medium, "A requirement that, if violated, could directly affect the electrical state or the capability of the bulk electric system..." R5 states: "...shall have a copy of its latest Reliability Coordinator approved restoration plan within its primary and backup control rooms so that it is available to all of its System Operators..." We recommend Lower VRF. This is an administrative requirement. EOP-006-2, R6: • Lower > Medium. Similar to EOP-005-2, R2, FERC cites Guideline 4. Overlaps with R1 and R3. We recommend Lower VRF. This is an administrative requirement. EOP-008-1, R1: • Medium > High. FERC cites Guideline 3, inconsistency with EOP-005-2, R1. NERC does Not believe EOP-005 & EOP-008 addresses the aspect of operations. We disagree with the High VSL assignment. EOP-006-2, R6. • The VRF should remain lower. EOP-008-1, R5: • Lower > Medium. FERC cites Guideline 3, inconsistency with EOP-005-2, R1. NERC does not believe EOP-005 & EOP-008 address the aspect of operations. We disagree with the High VSL

Organization	Yes or No	Question 1 Comment
		assignment. IRO-008-1, R1: • Medium > High. NERC cites: IRO-004-2 R1 requires next-day assessments to be treated in the same manner as Real-time operating events, it does seem appropriate to assign the same VRFs for IRO-008-1 R1 and IRO-008-1 R2. Thus, NERC staff proposes changing the R1 VRF assignment to High. NERC contradicts itself with: NERC staff believes that the distinction between the Operations Planning time frame in IRO-008-1 R1 and the Real-time Operations time frame in IRO-008-1 R2 is essential to the proper analysis of R1's Medium VRF and R2's High VRF. Based on those analyses, the difference in VRF assignments does seem appropriate. We do not agree with NERC's analysis, and we recommend the VRF stay at Medium. PER-005-1, R1: • Medium > High. This requirement is for establishing a training program. While training is Important, it will not directly cause a separation, cascading outage or a blackout. We recommend VRF of Medium.

Response: Thank you for your detailed comments.

EOP-005-2, R2, VRF: NERC staff continues to agree with FERC's concern and has modified its justification as follows: Requirement R2 might appear administrative at first glance, but providing entities with a description of changes to the restoration plan is about more than the handover of a piece of paper; it's about alerting entities to changes in the actions they might be required to take. If an entity was not alerted to a change in its responsibilities and did not take appropriate action during restoration, that 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. Thus, the VRF is appropriately raised to Medium.

EOP-005-2, R5: NERC staff changed the VRF back to the original Lower assignment (from Medium). Unlike EOP-005-2 R2, this requirement is simply about the possession of a document and is administrative. A Transmission Operator's ability to implement its

Organization	Yes or No	Question 1 Comment

plan is covered in R7 and thus is separate from the administrative requirement of having a copy of the plan.

EOP-006-2, R6: Upon further review of all EOP VRF assignments, NERC has determined that the VRF should remain Lower, as originally proposed by the drafting team. This requirement is simply about the possession of a document and is administrative. A Reliability Coordinator's ability to implement its plan is covered in R7 and thus is separate from the administrative requirement of having a copy of the plan.

EOP-008-1, R1: Upon further review, NERC agrees with your concern and has changed the VRF back to Medium. NERC staff does not believe that the comparison between EOP-005-2, R1 and EOP-008-1, R1 is an equitable one. EOP-005-2, R1 deals with the restoration plan for the primary control center. EOP-008-1, R1 deals with the backup facility. The capability of the backup facility is not a primary measure for reliable operations, and not having an Operating Plan for the backup facility could not cause or directly contribute to instability, separation, or Cascading. Failing to have a backup facility that provides the same functionality as the primary facility, covered in EOP-008-1 R3 and R4, could cause or directly contribute to instability, separation, or Cascading, and NERC is appropriately proposing that those VRFs be raised to High. For these reasons, NERC believes that the VRF assignment for R1 should remain Medium.

EOP-008-1 R5: Similar to EOP-005-2, R2 this requirement might appear administrative at first glance, but annually reviewing and approving the Operating Plan is about more than the possession of a piece of paper; it's about updating the Operating Plan any time a change in required action might be necessary. Thus, the VRF should remain Medium, as proposed.

IRO-008-1, R1: NERC's explanation was contradictory, but NERC staff maintains that the change is appropriate. The explanation has been modified for clarity.

PER-005-1, R1: For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators *will* directly lead to instability, separation, or Cascading – similar to the thought process NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same logic applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.

Independent Electricity System Operator	No	We agree with most of the proposed changes, but have the following

Organization	Yes or No	Question 1 Comment
		comments/disagreements:
		Non-substantive revisions: OK
		BAL-003-0.1b: OK
		BAL-005-0.1b: OK
		EOP-005-2: OK
		EOP-006-2: OK
		EOP-008-1, R1:
		• We do not agree with raising the VRFs for R1 from a Medium to a High, despite FERC's rationale. Having the backup control center capability is intended to be, as suggested by the name, a backup for continuous operation with the same level of capability. This is an insurance measure, not a primary measure for reliable operations. Unlike backup protection, which is needed to ensure faults are cleared when the primary protection fails to operate, experience has shown that actual use of BU control center has been very infrequent and far between, if at all. This illustrates that the loss of the primary control center (capability) is a rare event for which the risk impact is minimal. It follows that in the case of R1, we are unable to rationalize and justify that failure to have a current Operating Plan describing the manner in which the entity continues to meet an entity's functional obligations should be assigned a high VRF. Furthermore, the absence of a plan does not nor would not directly cause or contribute to Bulk-Power System instability, separation, or a cascading sequence of failures, or could place the Bulk- Power System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition, these being the conditions for assignment of a high risk. We therefore suggest that the VRFs for R1 be retained at the Medium level.

Organization	Yes or No	Question 1 Comment
		FAC-010-2.1: OK
		FAC-011-2: OK
		IRO-001-1.1: OK
		IRO-002-2: OK
		IRO-005-3a: OK
		IRO-008-1: OK
		IRO-009-1: OK
		IRO-010-1a: OK
		IRO-015-1: OK
		MOD-028-1: OK
		MOD-029-1a: OK
		NUC-001-2: OK
		PER-005-1, R1: • We do not believe that simply prescribing the methodology used to develop the training program should increase the VRF from medium to high for requirement R1. The requirement is administrative in nature and does not meet the guideline test for assignment of high risk. The risk of non-compliance does not increase as a result of the new methodology.
		TOP-001-1a: OK
		TOP-002-2b: OK
		TOP-006-2: OK
		TOP-007-0: OK
		TPL-001-1.1: OK
		TPL-002-0a: OK
		TPL-003-0a: OK

Organization	Yes or No	Question 1 Comment

Response: Thank you for your detailed comments.

EOP-008-1, R1: Upon further review, NERC agrees with your concern and has changed the VRF back to Medium. NERC staff does not believe that the comparison between EOP-005-2, R1 and EOP-008-1, R1 is an equitable one. EOP-005-2, R1 deals with the restoration plan for the primary control center. EOP-008-1, R1 deals with the backup facility. The capability of the backup facility is not a primary measure for reliable operations, and not having an Operating Plan for the backup facility could not cause or directly contribute to instability, separation, or Cascading. Failing to have a backup facility that provides the same functionality as the primary facility, covered in EOP-008-1 R3 and R4, could cause or directly contribute to instability, separation, or Cascading, and NERC is appropriately proposing that those VRFs be raised to High. For these reasons, NERC believes that the VRF assignment for R1 should remain Medium.

PER-005-1, R1: For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to instability, separation, or Cascading – similar to the thought process NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same logic applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to concentrated training and drills specifically for "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.

Oncor Electric Delivery	No	VRFs EOP-008-1 R1 Oncor recommends the VRF should remain at Medium. NERC Guidelines criteria for a "High VRF" is a requirement, if violated, will directly result in instability, separation, or cascading failures. The failure to have an Operating Plan for continued operations, backup control center, due to the loss of a primary control center does not rise to the level of an absolute whereas, it could directly affect the stability of the BES which would align to a "Medium VRF" criteria.

Organization	Yes or No	Question 1 Comment
		EOP-008 R5
		• Oncor recommends the VRF should remain at Low. An annual review is administrative in nature and would have little to no impact on the continued operations; therefore this aligns with the "Low VRF" criteria.
		PER-005-1 R1
		• Oncor recommends the VRF should remain at Medium. NERC Guidelines criteria for a "High VRF" is a requirement, if violated, will directly result in instability, separation, or cascading failures. There are multiple methodologies which ensure training is successful and effective; it is not a one size fits all. The industry is very diverse and entities need to develop training which fits the organization and objectives. Whether a company trains its system operators by using a systematic approach to training or if they have other means of providing training does not warrant a High Violation Risk Factor.
		PER-005-1 R3
		• Oncor recommends the VRF should remain at Medium. Whether or not the entity trains its system operators for 32 hours in Emergency Operations every 12 months, does not create an absolute "will" result in instability, separation, or cascading failures.
		VSLs
		PER-005 R2
		• Oncor does not think R2 is a "pass or fail" requirement and as a result, the VSL should be established with a range for noncompliance performance. The VSL level could be defined as

Organization	Yes or No	Question 1 Comment
		a percentage for example,ï,§ Lower - The responsible entity failed to verify less than 5% of its System Operators capabilities to perform each new or modified task within six months of making a modification to its BES company specific reliability related task listï,§ Severe - The responsible entity failed to verify any of its System Operators capabilities to perform each new or modified task within six months of making a modification to its BES company specific reliability related task listOncor also recommends the same criteria for the reliability related tasks should apply to new tasks and therefore the R2.1 criteria should be given the same consideration for a Moderate VSL when an entity failed to verify new tasks for 5% or less of its System Operators, High for over 5% to 10%, and Severe for over 10%. Those changes would align the new task verification with existing task verification which provides more consistency within the overall requirement. Implementing new or changes in existing tasks should not be given a higher VSL than those reliability related tasks that already exist and are assigned a graduated VSL. TOP-006-2 R3 • Oncor does not support the distribution percentages as outlined in the new VSL. If the reliability objective is to ensure all operations personnel have access to every relay setting on every relay on an entity's area, then the lower percentages would be warranted. However, with fewer than 100 IEEE Device Numbers, there is a very small population of "appropriate technical information concerning protective relaying." Currently, IEEE has only 94 relay types identified and not all of those relays are utilized in the ERCOT system. If an entity failed to provide technical information for just one type of relay, the Lower VSL would never be reached, and the lowest possible VSL with the

Organization	Yes or No	Question 1 Comment
		new percentages would be a moderate VSL. Oncor recommends keeping the current (5%, 10%, and 15%) VSL percentages.

Response: Thank you for your detailed comments.

VRFs

EOP-008-1, R1: Upon further review, NERC agrees with your concern and has changed the VRF back to Medium. NERC staff does not believe that the comparison between EOP-005-2, R1 and EOP-008-1, R1 is an equitable one. EOP-005-2, R1 deals with the restoration plan for the primary control center. EOP-008-1, R1 deals with the backup facility. The capability of the backup facility is not a primary measure for reliable operations, and not having an Operating Plan for the backup facility could not cause or directly contribute to instability, separation, or Cascading. Failing to have a backup facility that provides the same functionality as the primary facility, covered in EOP-008-1 R3 and R4, could cause or directly contribute to instability, separation, or Cascading, and NERC is appropriately proposing that those VRFs be raised to High. For these reasons, NERC believes that the VRF assignment for R1 should remain Medium.

EOP-008-1, R5: Similar to EOP-005-2, R2 this requirement might appear administrative at first glance, but annually reviewing and approving the Operating Plan is about more than the possession of a piece of paper; it's about updating the Operating Plan any time a change in required action might be necessary. Thus, the VRF should remain Medium, as proposed.

PER-005-1, R1 and R3: For the R1 VRF, NERC staff reviewed its original justification and all comments, and it has been persuaded that a High VRF assignment is inappropriate. It is a reach to say that failure to provide general training for System Operators _will_ directly lead to instability, separation, or Cascading – similar to the thought process NERC staff used in the VRF assignment for EOP-005-2 R10, which was left at a Medium VRF. The same logic applies to the VRF for R3. For that VRF, FERC also drew a comparison to PER-002-0 R4, which is assigned a High VRF. NERC staff does not believe that the comparison to PER-002-0 R4 is an equitable comparison, because PER-002-0 R4 pertains to with concentrated training and drills specifically for "… positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System," or "… positions directly responsible for complying with NERC standards." This is different from general training required for all System Operators.

VSLs

PER-005-1, R2: NERC staff agrees that some gradation was necessary in the timelines for R2.1's VSLs and has added a High assignment to reflect that.

Organization	Yes or No	Question 1 Comment
TOP-006-2, R3: NERC staff agrees with commenters that its proposed changes did not add clarity, and modified the VSL assignments so that percentage gradation was not used, as it would be difficult to assign percentages to "amounts" of appropriate technical information. The assignments are now gradated without percentages, with a High and Severe VSL only.		
Idaho Power Co.	Yes	Additionally for FAC-008, FAC-009, and VAR standards.
Response: Thank you for your comments.		
Southern Company	Yes	No comments.
Puget Sound Energy	Yes	
Westar Energy	Yes	

END OF REPORT