Review of MOD-029-1a—Rated System Path Methodology (Deferred)

http://www.nerc.com/files/MOD-029-1a.pdf

VSLs for Requirement R5:

Standard,	Requirement	Lower	Moderate	High	Severe	Comments
Require-	Language					
ment						
MOD-029-	When calculating ETC	For a specified	For a specified	For a specified	For a specified	FERC staff was
1a, R5	for firm Existing	period, the	period, the	period, the	period, the	concerned about the
	Transmission	Transmission	Transmission	Transmission	Transmission Service	"grace period" of 15%
	Commitments (ETCF)	Service Provider	Service	Service Provider	Provider calculated a	beginning in the
	for a specified period	calculated a firm	Provider	calculated a firm	firm ETC with an	Lower VSL.
	for an ATC Path, the	ETC with an	calculated a	ETC with an	absolute value	
	Transmission Service	absolute value	firm ETC with	absolute value	different than that	NERC staff notes that
	Provider shall use the	different than	an absolute	different than that	calculated in M7 for	the "grace" period is
	algorithm below:	that calculated	value different	calculated in M7	the same period, and	not a grace period,
		in M7 for the	than that	for the same	the absolute value	but rather a way to
	$ETC_F = NL_F + NITS_F +$	same period,	calculated in	period, and the	difference was more	account for
	$GF_F + PTP_F + ROR_F +$	and the	M7 for the	absolute value	than 45% of the value calculated in the measure or 45MW, whichever is greater.	calculation variances.
	OS _F	absolute value	same period,	difference was		Regardless, this
		difference was	and the	more than 35% of		percentage comes
	Where:	more than 15%	absolute value	the value		from M7: "To account
		of the value	difference was	calculated in the		for differences that
	NL_F is the firm	calculated in the	more than 25%	measure or		may occur when
	capacity set aside to	measure or	of the value	35MW, whichever		recalculating the
	serve peak Native	15MW,	calculated in	is greater, but not		value (due to mixing
	Load forecast	whichever is	the measure or	more than 45% of		automated and
	commitments for the	greater, but not	25MW,	the value		manual processes),
	time period being	more than 25%	whichever is	calculated in the		any recalculated value
	calculated, to include	of the value	greater, but	measure or		that is within +/-15%
	losses, and Native	calculated in the	not more than	45MW, whichever		or 15 MW, whichever
	Load growth, not	measure or	35% of the	is greater.		is greater, of the

otherwise included in	25MW,	value		originally calculated
Transmission	whichever is	calculated in		value, is evidence that
Reliability Margin or	greater.	the measure or		the Transmission
Capacity Benefit		35MW,		Service Provider used
Margin.		whichever is		the algorithm in R5 to
		greater.		calculate its firm ETC.
NITS _F is the firm				(R5)
capacity reserved for				
Network Integration				Thus, the VSLs are
Transmission Service				appropriate as
serving Load, to				written and no
include losses, and				change is necessary.
Load growth, not				
otherwise included in				
Transmission				
Reliability Margin or				
Capacity Benefit				
Margin.				
GF _F is the firm				
capacity set aside for				
grandfathered				
Transmission Service				
and contracts for				
energy and/or				
Transmission Service,				
where executed prior				
to the effective date				
of a Transmission				
Service Provider's				
Open Access				
Transmission Tariff or				
"safe harbor tariff."				

PTP _F is the firm			
capacity reserved for			
confirmed Point-to-			
Point Transmission			
Service.			
Service.			
ROR _F is the firm			
capacity reserved for			
Roll-over rights for			
contracts granting			
Transmission			
Customers the right			
of first refusal to take			
or continue to take			
Transmission Service			
when the			
Transmission			
Customer's			
Transmission Service			
contract expires or is			
eligible for renewal.			
eligible for renewal.			
OS_F is the firm			
capacity reserved for			
any other service(s),			
contract(s), or			
agreement(s) not			
specified above using			
Firm Transmission			
Service as specified in			
the ATCID.			
THE ATCID.			<u> </u>]

Original Guideline Explanations for R5 in <u>December 1, 2010 Filing Addressing MOD VRFs and VSLs</u>:

- *Guideline 1:* This is a new standard. Accordingly, no historic performance has been established.
- Guideline 2: The VSLs comply with Guideline 2. The requirement has gradated VSLs; therefore, Guideline 2a is not applicable. The gradated VSLs ensure uniformity and consistency among all approved Reliability Standards in the determination of penalties. Therefore, no changes to the VSLs were required. Additionally, NERC has reviewed the VSL text and has determined that, as written, the VSL text is clear, specific and objective and does not contain general, relative or subjective language satisfying Guideline 2b. Thus, the text is not subject to the possibility of multiple interpretations of the VSL(s) and provides the clarity needed to permit the consistent and objective application of the VSL(s) in the determination of penalties by the Compliance Enforcement Authority.
- *Guideline 3:* NERC reviewed the existing requirement VSLs to the stated requirement language to ensure the VSLs do not redefine or undermine the requirement's reliability goal. In accordance with Guideline 3, the VSL assignment(s) are consistent with the requirement and the degree of compliance can be determined objectively and with certainty.
- *Guideline 4:* The VSL assignments comply with Guideline 4, because they are based on a single violation of a Reliability Standard and are not based on a cumulative number of violations of the same requirement over a period of time.

Standard,	Requirement	Lower	Moderate	High	Severe	Comments
Require-	Language					
ment						
MOD-029-	When calculating ETC	For a specified	For a specified	For a specified	For a specified	FERC staff was
1a, R6	for non-firm Existing	period, the	period, the	period, the	period, the	concerned about the
	Transmission	Transmission	Transmission	Transmission	Transmission Service	"grace period" of 15%
	Commitments	Service Provider	Service	Service Provider	Provider calculated a	beginning in the
	(ETCNF) for all time	calculated a	Provider	calculated a non-	non-firm ETC with an	Lower VSL.
	horizons for an ATC	non-firm ETC	calculated a	firm ETC with an	absolute value	
	Path the	with an absolute	non-firm ETC	absolute value	different than that	NERC staff notes that
	Transmission Service	value different	with an	different than that	calculated in M8 for	the "grace period" is
	Provider shall use the	than that	absolute value	calculated in M8	the same period, and	not really a grace
	following algorithm:	calculated in M8	different than	for the same	the absolute value	period, but rather a
		for the same	that calculated	period, and the	difference was more	way to account for
	$ETC_{NF} = NITS_{NF} + GF_{NF}$	period, and the	in M8 for the	absolute value	than 45% of the	calculation variances.
	+ PTP_{NF} + OS_{NF}	absolute value	same period,	difference was	value calculated in	Regardless, the
		difference was	and the	more than 35% of	the measure or	percentage comes
	Where:	more than 15%	absolute value	the value	45MW, whichever is	from M8: "To account

VSLs for Requirement R6:

	of the value	difference was	calculated in the	graator	for differences that
NITC is the new firm	calculated in the	more than 25%		greater.	
NITS_{NF} is the non-firm			measure or		may occur when
capacity set aside for	measure or	of the value	35MW, whichever		recalculating the
Network Integration	15MW,	calculated in	is greater, but not		value (due to mixing
Transmission Service	whichever is	the measure or	more than 45% of		automated and
serving Load (i.e.,	greater, but not	25MW,	the value		manual processes),
secondary service),	more than 25%	whichever is	calculated in the		any recalculated value
to include losses, and	of the value	greater, but	measure or		that is within +/-15%
load growth not	calculated in the	not more than	45MW, whichever		or 15 MW, whichever
otherwise included in	measure or	35% of the	is greater.		is greater, of the
Transmission	25MW,	value			originally calculated
Reliability Margin or	whichever is	calculated in			value, is evidence that
Capacity Benefit	greater.	the measure or			the Transmission
Margin.		35MW,			Service Provider used
		whichever is			the algorithm in R6 to
GF_{NF} is the non-firm		greater.			calculate its non-firm
capacity set aside for					ETC. (R5)"
grandfathered					
Transmission Service					Thus, the VSLs are
and contracts for					appropriate as
energy and/or					written and no
Transmission Service,					change is necessary.
where executed prior					
to the effective date					
of a Transmission					
Service Provider's					
Open Access					
Transmission Tariff or					
"safe harbor tariff."					
PTP_{NF} is non-firm					
capacity reserved for					
confirmed Point-to-					
Point Transmission					
. enterransmission	l	l	1		

Service.			
OS _{NF} is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service as specified in the			
ATCID.			

Original Guideline Explanations for R6 in <u>December 1, 2010 Filing Addressing MOD VRFs and VSLs</u>:

- *Guideline 1:* This is a new standard. Accordingly, no historic performance has been established.
- *Guideline 2:* The VSLs comply with Guideline 2. The requirement has gradated VSLs; therefore, Guideline 2a is not applicable. The gradated VSLs ensure uniformity and consistency among all approved Reliability Standards in the determination of penalties. Therefore, no changes to the VSLs were required. Additionally, NERC has reviewed the VSL text and has determined that, as written, the VSL text is clear, specific and objective and does not contain general, relative or subjective language satisfying Guideline 2b. Thus, the text is not subject to the possibility of multiple interpretations of the VSL(s) and provides the clarity needed to permit the consistent and objective application of the VSL(s) in the determination of penalties by the Compliance Enforcement Authority.
- *Guideline 3:* NERC reviewed the existing requirement VSLs to the stated requirement language to ensure the VSLs do not redefine or undermine the requirement's reliability goal. In accordance with Guideline 3, the VSL assignment(s) are consistent with the requirement and the degree of compliance can be determined objectively and with certainty.
- *Guideline 4:* The VSL assignments comply with Guideline 4, because they are based on a single violation of a Reliability Standard and are not based on a cumulative number of violations of the same requirement over a period of time.