

RFC Reliability Standards Voting Process

Comments & Responses

8/31/09 1:40 pm

BAL-502-RFC-2 Planning Resource Adequacy Analysis, Assessment and Documentation

08/18/2008 through 09/16/2008

1. Based on industry comments and a supplemental SAR approved by the RFC Standards Committee on 08/11/08, the Applicability section and subsequent Requirements have been modified to include the Planning Coordinator and remove the LSE (along with references to the PRSG). Do you agree with the change in Applicability section of this proposed standard? If no, provide specific suggestions that would make the Applicability section acceptable to you.

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment:
Answer: **Yes**

Organization: **AEP**
Department: **Regulatory Services**

Name: **Chai, Jianmei**
Phone: **517-788-1310**
Segment:
Answer: **Yes**

Organization: **Consumers Energy**
Department: **Electric & Gas Supply**

Name: **Swanson, Matthew**
Phone: **651-632-8484**
Segment:
Answer: **Abstain**

Organization: **MISO**
Department: **Regulatory Standards**

Name: **Brown, Patrick A**
Phone: **610-666-4597**
Segment:
Answer: **Yes**

Organization: **PJM**
Department: **NERC and Regional Coordin**

Name: **Ciccione, Sam J**
Phone: **330-252-6383**

Organization: **Cleveland Electric Illuminating Company**
Department: **FERC Compliance**

Group Members

<u>Name</u>	<u>Organization</u>
Hohlbaugh, Douglas G	Ohio Edison Company
Martinko, Robert M	American Transmission Systems, Inc.
Folk, David L	Pennsylvania Power Company

Segment:
Answer: **Yes**

Comment

We agree that the ultimate responsibility for resource adequacy assessment should be charged to the PC. The PC has the proper tools to gather and study the necessary generation and transmission data due to their wide-area coordination.

Response

Thank you for your support

Name: **Norton, Chris**
Phone: **614-337-6222**
Segment:
Answer: **Abstain**

Organization: **American Municipal Power - Ohio, Inc.**
Department:

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

We Energies does not support the revised standard addressing the "Planning Coordinator"(PC) as the applicable entity for this Standard. It is our position that there is a potential for gaps in analyses if performed under the PC, and that the LSE is responsible for the planning and reliability related to their load. Given the need for an Applicability change, the remainder of the standard would need to be revised to coordinate with the Applicable entity.

Response

Per the NERC Functional Model, the SDT believes the Planning Coordinator is the correct Applicable entity to carry out assessments and not the LSE. One of the relationships a Planning Coordinator has with a LSE is collecting Demand forecasts, and demand response program data from Load-Serving Entities. As such there should be no gaps in the analysis.

The LSE may still be responsible for the planning and reliability related to their load imposed by other standards or tariff requirements.

2. Do you agree with the Requirements of this proposed standard? If no, provide specific suggestions that would make the requirements acceptable to you.

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment:
Answer: **Yes**

Organization: **AEP**
Department: **Regulatory Services**

Name: **Chai, Jianmei**
Phone: **517-788-1310**
Segment:
Answer: **Yes**

Organization: **Consumers Energy**
Department: **Electric & Gas Supply**

Name: **Swanson, Matthew**
Phone: **651-632-8484**
Segment:
Answer: **No**

Organization: **MISO**
Department: **Regulatory Standards**

Comment

 R1.6 Documentation of this requirement could be difficult. We would like the drafting team to clarify how that documentation should look; either in the standard, or in an FAQ document.

 R1.7 Documentation of the load included in the study could be accomplished but the certification that each end use customer was included in only one Resource Adequacy analysis seems excessive and could be beyond the control of the Planning Coordinator. Take, for example the concurrent efforts of ATC and MISO. In this instance some end use customers would be included in two Resource Adequacy Analyses and it would not create issues for end use customers. Each Planning Coordinator should only be responsible for ensuring that their load is included in an analysis while Reliability First could handle the coordination of studies within their footprint. The second half of this requirement should be omitted.

 R2.1 Removal of the phrase ?in the ten year period? would make this requirement clearer.

Response

R1.6 has been modified based on your comment.

R1.7 has been modified based on your comment.

R2.1 has been modified based on your comment.

Name: **Brown, Patrick A**

Organization: **PJM**

Comment

PJM respectfully submits the following changes for the consideration of the Drafting Team

R1.1.1 Change ?Demand Side Management? to ?Load Management?. Demand Side Management includes passive programs, such as energy efficiency & conservation. PJM believes that only ?dispatchable? programs such as Direct Load Control & contractually interruptible loads should be referenced here.

R1.3.1 Bullet #2 should read ?Load forecast uncertainty (reflects variability in the load forecast due to weather, regional economic forecasts and modeling error).?

R1.3.3.1 PJM requests clarifying language to be added here to confirm that these ?transmission facility additions? are the ones included to confirm generator deliverability.

R1.5 PJM believes that this could be valuable in the future, however, TADS is in its infancy, and not nearly enough data is available to draw credible conclusions.

Definitions: PJM suggests that there are actually two definitions included in the Net Internal Demand definition. The NID definition should read ?Net Internal Demand - Total of all end-use customer demand and electric system losses within specified metered boundaries, less Load Management.? The rest of the text in that paragraph describes Load Management. That should appear as a new definition that reads ?Load Management - The amount of demand curtailment of all end-use customer demand that can contractually be curtailed or is under direct control to be curtailed within the specified metered boundaries by the system operator.?

Response

R1.1.1 has been modified based on your comment. The NERC-defined terms Direct Control Load Management and Interruptible Demand have been utilized and added to the standard.

R1.3.1 has been modified base on your comment.

The SDT feels that the language in R1.3.3.1 is clear

R1.5 bullet 2 has been removed based on your comment. The SDT believes that this is addressed in other areas.

The SDT has included the NERC defined Terms Direct Control Load Management and Interruptible Demand to address your concern.

Name: **Cicccone, Sam J**
Phone: **330-252-6383**

Organization: **Cleveland Electric Illuminating Company**
Department: **FERC Compliance**

Group Members

<u>Name</u>	<u>Organization</u>
Hohlbaugh, Douglas G	Ohio Edison Company
Martinko, Robert M	American Transmission Systems, Inc.
Folk, David L	Pennsylvania Power Company

Segment:
Answer: **No**

Comment

Although the requirements appear to be complete, they could use some general clean-up and possible enhancements. We have reviewed the requirements and provided comments, observations, and suggestions as follows:

Title - As an observation, the MRO standard does not include analysis and documentation in title.

Purpose - As an observation, the MRO standard has a much simpler written purpose.

R1 - The SDT should consider removing the phrase "and document" since it is covered elsewhere and in R2.

R1.1 - "Planning" should not be capitalized since it is not a NERC defined term.

R1.1.1 - In the phrase "The utilization of Demand Side Management does", "does" should be replaced with "shall". Also, as an observation, this DSM requirement does not seem to be addressed by the MRO standard.

R1.1.2 - Suggest adding term "margin" after "reserve". Also, with regard to the phrase "(planning reserve margin)", this phrase does not seem to be required.

R1.2.1 - As an observation, the MRO standard seems to require analysis for all years of one through ten.

R1.3.1, R1.3.2, and R1.3.3 - As an observation, the MRO standard does not specifically require that all the characteristics in R1.3.1, R1.3.2, and R1.3.3 be used, just document why they were/were not used.

R1.3.4 - Is "interconnected" referring to the 3 interconnections? If so, this term should be capitalized since it is a NERC defined term. Also, "transmission" should be capitalized since it is a NERC defined term.

R1.4 - "Resource" should not be capitalized since it is not a NERC defined term. Also, as an observation, the MRO standard includes Demand-Side Management, energy limitations of hydroelectric units, and merchant plant availabilities in these characteristics. Lastly, in the 2nd and 4th bullets, the term "Resource" and phrase "Response Programs" should not be capitalized, respectively, since they are not NERC defined terms.

Response

The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

The SDT believes that the requirement is correct as written.

R1.1 has been modified based on your comment.

R1.1.1 has been modified based on your comment. The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

R1.1.2 has been modified base on your comment.

The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

?Interconnected? does not refer to the 3 interconnections. ?Transmission? has been capitalized based on your comment.

R1.4 has been modified based on your comment.

R2.3 - As a suggestion, instead of simply requiring the information to be publicly posted, it may be better if the specific entities that needed this information were specifically included in the requirement (i.e. TSP, TP, DP, state regulatory authorities, etc..)

1.3 - Data Retention - As an observation, the MRO standard requires five (5) years of data retention.

Resource Adequacy Definition - We suggest that the SDT consider adding "(including losses)" after "energy requirements"; this would match the proposed definition in the current NERC SAR. Also, as an observation and for consideration, the MRO standard ends the definition with "with a specified degree of reliability".

Net Internal Demand Definition - The term "curtailment" should be capitalized since it is a NERC defined term.

Year One - Regarding the phrase "peak period" in this definition, the SDT may want to consider defining this period. As an observation, the MRO standard defines "peak period" in R1.1.2 as "a period consisting of two (2) or more calendar months but less than seven (7) calendar months, which includes the period during which the [responsible entity's] annual peak demand is expected to occur".

The SDT believes that if this information is publicly posted, it will be available to all entities including but not limited to the TSP, TP, DP, state regulatory authorities, etc.

The SDT believes that any data retention past the two prior years is in excess. The intention is to be consistent with the intent of the MRO standard but not specifically identical. The SDT took the MRO standard and enhanced it based on industry experience.

The definition has been modified based on your comment.

the SDT did not intend to use the NERC definition for ?Curtailment? in this standard and thus it is not capitalized.

A definition for ?Peak Period? has been added based on your comment.

Name: **Norton, Chris**
Phone: **614-337-6222**
Segment:
Answer: **Abstain**

Organization: **American Municipal Power - Ohio, Inc.**
Department:

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

Given the need for an Applicability change, the Requirements would need to be revised. If the PC Applicability is retained then we have the following concerns: R1.6, R1.7 - If there are multiple PC's that have authority over the same geographical area, who is responsible to meet the standard.

R1.3 - Although there is specificity of major inputs here, how to reconcile detailed assumption and methodology disagreements that stakeholders may have with the PC?

Response

All PC in the RFC footprint are required to comply with this standard. It is up to both of the PC's which may have authority over the same geographical area to document how they meet requirements R1.6 and R1.7. R1.6 and R1.7 have been modified to further clarify.

The SDT believes it is outside the scope of the standard to address a process for PCs to involve Stakeholders.

Segment:
Answer: **Abstain**

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

Given the need for an Applicability change, the Measures would need to be revised.
If the PC Applicability is retained then we have the following concerns:
M1 - It is not clear how/who validates the analysis as a second party check.
Does/Should RFC review/validate that the study was appropriately done in some way? It is also not clear what accountability that a PC would have for the results of the study.

Response

You are correct; this standard does not include any requirements dealing with the review or validation of the analysis. It is not the job of RFC to judge the quality of an analysis. This standard simply prescribes what items are to be included within the analysis.

Answer: **No**

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **Abstain**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

5. Do you agree with the Violation Severity Levels of this proposed standard? If no, provide specific suggestions that would make the requirements acceptable to you.

Name: **Ness, Thad K** Organization: **AEP**
Phone: **614-716-2053** Department: **Regulatory Services**
Segment:
Answer: **Abstain**

Name: **Chai, Jianmei** Organization: **Consumers Energy**
Phone: **517-788-1310** Department: **Electric & Gas Supply**
Segment:
Answer: **Yes**

Name: **Swanson, Matthew** Organization: **MISO**
Phone: **651-632-8484** Department: **Regulatory Standards**
Segment:
Answer: **No**

Comment

Response

 Violation Severity Levels The removal of the Violation related to R1.6 may be appropriate as requirement R1.6 itself should be removed.

Under the Severity Levels for R2 the wording associated with R2.1 in the Moderate Column should read. ?The Planning Coordinator failed to document its projected load and resource capability, for each area of transmission constrained sub-area identified in the Resource Adequacy analysis for one of the three years per R2.1.

R1.6 and associated VSL have been modified to further clarify.

R2.1 and the associated VSL have been modified to further clarify.

Name: **Brown, Patrick A** Organization: **PJM**
Phone: **610-666-4597** Department: **NERC and Regional Coordin**
Segment:
Answer: **Yes**

Name: **Ciccone, Sam J** Organization: **Cleveland Electric Illuminating Company**
Phone: **330-252-6383** Department: **FERC Compliance**

Group Members

<u>Name</u>	<u>Organization</u>
Hohlbaugh, Douglas G	Ohio Edison Company
Martinko, Robert M	American Transmission Systems, Inc.
Folk, David L	Pennsylvania Power Company

Segment:
Answer: **Abstain**

Name: **Norton, Chris**
Phone: **614-337-6222**
Segment:
Answer: **No**

Organization: **American Municipal Power - Ohio, Inc.**
Department:

Comment

"The Planning Coordinator Resource Adequacy analysis failed to document that all load in the Planning Coordinator area is included in a Resource Adequacy analysis and each end-use customer is included in one and only one Resource Adequacy analysis per R1.7."

It is important that all load is included in the analysis. If a load is included twice it should not be considered a Moderate violation. Including load more than once would tend to create a more conservative estimate of the system's future condition. It would be akin to a high forecast. The one and only one reference should be eliminated or moved to lower.

Response

R1.7 has been modified based on your comment.

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

Given the need for an Applicability change, the VSL's would need to be revised. If the PC Applicability is retained then we have the following concern: It is not clear whether this standard considers that the PC may not be able to obtain needed data from internal or external sources?

Response

Based on the NERC Functional Model, the PC should already have access to the data needed to perform the analysis.

6. Do you agree with the Implementation Plan of this proposed standard? If no, provide specific suggestions that would make the requirements acceptable to you.

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment:
Answer: **No**

Organization: **AEP**
Department: **Regulatory Services**

Comment

Response

To ultimately be a NERC/FERC enforceable standard, FERC has to also ? approve? it, otherwise it would only be an RFC criteria.

You are correct.

Name: **Chai, Jianmei**
Phone: **517-788-1310**
Segment:
Answer: **Yes**

Organization: **Consumers Energy**
Department: **Electric & Gas Supply**

Name: **Swanson, Matthew**
Phone: **651-632-8484**
Segment:
Answer: **Abstain**

Organization: **MISO**
Department: **Regulatory Standards**

Comment

Response

 MRO Coordination
If this standard development is to continue, coordination with MRO to ensure compatible standards will be necessary as any conflicts could create compliance issues for the Midwest ISO.

MRO and RFC are actively in coordination regarding these standards.

Name: **Brown, Patrick A**
Phone: **610-666-4597**
Segment:
Answer: **Yes**

Organization: **PJM**
Department: **NERC and Regional Coordin**

Name: **Cicccone, Sam J**
Phone: **330-252-6383**

Organization: **Cleveland Electric Illuminating Company**
Department: **FERC Compliance**

Group Members

<u>Name</u>	<u>Organization</u>
Hohlbaugh, Douglas G	Ohio Edison Company
Martinko, Robert M	American Transmission Systems, Inc.
Folk, David L	Pennsylvania Power Company

Segment:
Answer: **Abstain**

Name: **Norton, Chris**
Phone: **614-337-6222**
Segment:
Answer: **No**

Organization: **American Municipal Power - Ohio, Inc.**
Department:

Comment

Response

The effective date should be upon FERC approval for non-RFC members.

The Implementation Plan has been modified to further clarify.

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

Response

It is not clear whether the implementation will be seamless and require a transition period so that Compliance requirements are coordinated

The proposed Implementation plan is only applicable to the PC within the RFC footprint.

7. Do you agree that this standard is ready for Ballot? If no, provide specific suggestions that would make it acceptable to you.

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment:
Answer: **Yes**

Organization: **AEP**
Department: **Regulatory Services**

Comment

Response

Yes providing the effective date (Implementation Plan) is fleshed out more, as needed.

Please see responses to your previous comments.

Name: **Chai, Jianmei**
Phone: **517-788-1310**
Segment:
Answer: **Yes**

Organization: **Consumers Energy**
Department: **Electric & Gas Supply**

Name: **Swanson, Matthew**
Phone: **651-632-8484**
Segment:
Answer: **No**

Organization: **MISO**
Department: **Regulatory Standards**

Comment

Response

 Necessity of Standard
With the approval of Module E of the Midwest ISO TEMT this standard seems to become superfluous as the Midwest ISO is already required by conditionally approved FERC tariff to perform a LOLE study.

It is outside of the scope of this SDT to determine the necessity of this standard. Since there are several PC within the RFC region, the SDT believes that one consistent regional standard is needed for reliability.

 Tariff Comparison
To quote from Module E: "The PRM analysis shall consider factors including, but not limited to: the Generator Forced Outage rates of Capacity Resources, Generator Planned Outages, expected performance of Load Modifying Resources, the LSE's forecasted Demand uncertainty, system operating reserve requirements, transmission congestion, external firm capacity sales and available transmission import capability." Thus, many of the requirements of the Standard are already mandated by the Midwest ISO's Tariff.

Name: **Brown, Patrick A**
Phone: **610-666-4597**
Segment:
Answer: **No**

Organization: **PJM**
Department: **NERC and Regional Coordin**

Comment

Response

If the SDT gives due consideration to the recommendations listed above, PJM believes that the standard will be ready for Ballot.

Thank you for your support and see responses to your comments above.

Name: **Ciccone, Sam J**
Phone: **330-252-6383**

Organization: **Cleveland Electric Illuminating Company**
Department: **FERC Compliance**

Group Members

<u>Name</u>	<u>Organization</u>
Hohlbaugh, Douglas G	Ohio Edison Company
Martinko, Robert M	American Transmission Systems, Inc.
Folk, David L	Pennsylvania Power Company

Segment:
Answer: **No**

Comment

We commend the SDT for making significant improvement to this standard in a relatively short time. Although we agree that the standard is close to being ready for ballot, we would like the SDT to consider and respond to our comments from above.

Please be aware that our "NO" answers above only refer to the need for additional considerations to enhance this standard and in no way implies that we are not supportive of the standard. We believe that the standard is necessary due to the lack of consistent resource adequacy requirements across the RFC footprint. Although MISO (through Module E) and PJM, as planning coordinators for a large portion of the RFC footprint, have been developing their own resource adequacy requirements for their member companies through FERC approved tariffs, there needs to be a tie between reliability, the tariff rules, and state or jurisdictional resource adequacy enforcement. We believe that the only way to properly begin this process of enforcement is the development of consistent reliability assessment requirements and believe that the development of this standard achieves that goal.

Response

Thank you for your support. Please see responses to your previous comments.

Name: **Norton, Chris**
Phone: **614-337-6222**
Segment:
Answer: **Abstain**

Organization: **American Municipal Power - Ohio, Inc.**
Department:

Name: **Rulf, Howard F**
Phone: **262-574-6046**
Segment:
Answer: **No**

Organization: **Wisconsin Electric Power**
Department: **Electric System Operation**

Comment

We believe there is more work needed to the Applicability Section before this is ready for Ballot.

Response

Please see responses to your previous comments.