Draft Directive #2011 CAG-001 Regarding Generator Transmission Leads

Comments

The industry would be better served by allocating resources to the Project 2010-07 Standard Drafting Team for Generator Requirements at the Transmission Interface as opposed to implementing the draft Compliance Directive.

The SDT’s proposal of altering the appropriate TO/TOP standards to address any identified reliability gaps and to increase their applicability to Generator Owners and/or Generator Operators is preferable to the Directive’s approach of registering most Generator Owners and/or Generator Operators as Transmission Owners/Transmission Operators whose compliance obligations will vary based on Regional discretion. This unnecessary interim step will carry high administrative costs, circumvent the NERC Standards Development Process, and divert resources from NERC’s own Standard Drafting Team that has been charged with solving this issue.

Specific Issues

- The Directive has the potential to circumvent FERC’s authority since it seeks to modify approved NERC Reliability Standards by increasing their applicability without prior Commission approval.
- While the Directive appears to limit its applicability to Generator Owners/Operators with certain characteristics, those characteristics appear to encompass a large number of generators. Furthermore, it is evident that any perceived increase in reliability is purely subjective given that the Standards Process has not been followed – the Standards Process allows companies to assess the benefits and burdens associated with applying new or modified Standard requirements.
- Providing Regional Entities with the discretion to negotiate with Registered Entities in determining which standards will apply will create an uneven application both within a given Region and across Regional boundaries and thereby undermine the Directive’s stated goal of achieving consistency.
- The suggested applicable TO/TOP requirements are broader than the proposals of the SDT and the GO/TO team before it. Since those teams have involved broad industry representation and have been considering this issue for years, their proposals should be reflected (and not expanded) in any interim Directive.
- The assumption is being made that a Generator Owner/Operator with a generator lead meets the Registry Criteria for registering as a TO/TOP in that the entity is presumed to own and/or operate an integrated transmission facility. This assumption has not been resolved by the Commission. (See FERC’s Cedar Point Wind, LLC Order, Oct. 11, 2011, at P 15).