Unofficial Comment Form
Project 2014-01 Standards Applicability for Dispersed Generation Resources

Please **DO NOT** use this form for submitting comments. Please use the [electronic form](http://www.nerc.com/pa/Stand/Pages/Project-2014-01-Standards-Applicability-for-Dispersed-Generation-Resources.aspx) to submit comments on the Standards. The electronic comment form must be completed by **October 9, 2014**.

If you have questions please contact [Sean Cavote](mailto:Sean.Cavote@nerc.com) or by telephone at 404.446.9697.

All documents for this project are available on the [project page](http://www.nerc.com/pa/Stand/Pages/Project-2014-01-Standards-Applicability-for-Dispersed-Generation-Resources.aspx).

**Background Information**
This posting solicits formal comments on VAR-002-4, one of three Project 2014-01 Dispersed Generation Resources (DGR) “high-priority” Reliability Standards as identified in the draft white paper (White Paper) prepared by the Project 2014-01 (Project) drafting team (DGR SDT). Please note that NERC posted recommended applicability changes to VAR-002-2b(X) on June 12, 2014. However, FERC approved VAR-002-3 on August 2, 2014, which supersedes VAR-002-2b(X) effective on October 1, 2014. Therefore, recommended applicability changes to VAR-002-2b(X) were not subsequently posted for ballot. VAR-002-4 would supersede the recently approved VAR-002-3 upon successful ballot and final regulatory approval of that version.

The goal of the Project is to ensure that the Generator Owners (GOs) and Generator Operators (GOPs) of dispersed power producing resources are appropriately assigned responsibility for requirements that impact the reliability of the Bulk Power System, as the characteristics of operating dispersed power producing resources can be unique. In light of the revised Bulk Electric System (BES) definition approved by the Federal Energy Regulatory Commission in 2014, the intent of this Project is generally to maintain the status quo for applicability of the standards as they have been applied over time with respect to dispersed power producing resources where the status quo does not create a reliability gap.

The DGR SDT performed a review of all standards that apply to GOs and GOPs and categorized how each standard should be applied to dispersed power producing resources to accomplish the reliability purpose of the standard. The DGR SDT developed the White Paper to explain its approach, which was posted on April 17, 2014 for an informal comment period. The industry feedback received on the White Paper allowed the DGR SDT to refine its approach and finalize recommended revisions to the standards. As part of this review the DGR SDT determined that there are three high-priority standards in which immediate attention is required to provide direction to industry stakeholders as soon as feasible regarding how to appropriately direct compliance related preparations:

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The DGR SDT responded to industry comments as contained in its Consideration of Comments, which is included with this posting.

The DGR SDT continues to coordinate with other NERC Reliability Standards projects currently under development to ensure continuity and to develop a posting strategy that ensures all applicability changes approved by ballot are filed and implemented as quickly as possible without adversely impacting other projects.

Summary of Proposed Changes
The DGR’s recommended changes are limited to revising the applicability of VAR-002 to appropriately exclude certain dispersed power producing resources from the standard. Although the redlined version of VAR-002 included with this posting contains changes that appear structurally different, the substance of VAR-002 remains the same.

The drafting team has posted the following standard, along with its corresponding implementation plan:

- VAR-002-4 (clean and redlined against the previously posted VAR-002-4)
  In addition, the drafting team has posted the following supporting document:
- DGR SDT Response to Comments on PRC-005 and VAR-002

Please note that the DGR SDT has not revised the Violation Risk Factors (VRFs) or Violation Severity Levels (VSLs) associated with VAR-002 because the proposed revisions do not change the reliability intent or impact of any of the requirements. If the applicability recommendations are approved by industry, the DGR SDT’s intent is that the VRFs and VSLs for each requirement would be unchanged from VAR-002-3.

You do not have to answer all questions. Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained.

Questions

1. Do you agree with the revisions made in proposed VAR-002-4 to clarify applicability of VAR-002-3 to dispersed power producing resources included in the BES through Inclusion I4 of the BES definition? If not, please provide technical rationale for your disagreement along with suggested language changes.
   Yes:

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2 The DGR SDT posted applicability revisions to relevant versions of PRC-004 for comment and ballot from July 10, 2014 to August 25, 2014, after the comment period and ballot of that standard in Project 2010-05.1 concluded.
3 The DGR SDT posted applicability revisions to relevant versions of PRC-005 for comment and ballot from June 12, 2014 to July 29, 2014. Relevant versions of that standard are now posted for final ballot.
No:

Comments:

2. Do you have any additional comments to assist the DGR SDT in further developing its recommendations?

Yes: X

No:

Comments: For VAR-002-4, the Drafting Team should consider adding start-up and shutdown from footnotes 1 and 2 to the NERC Glossary. For footnote 2 on page 5 suggest replacing “prepared” with “intended”.

Because the Rationale Boxes stay with the standard after approval, the Drafting Team should consider moving the information in the footnotes to the appropriate Rationale Boxes, and deleting the footnotes.