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 to submit comments on the Standards. The electronic comment form must be completed by August 25, 2014.

If you have questions please contact Sean Cavote or by telephone at 404.446.9697.

All documents for this project are available on the project page.

Background Information
This posting solicits formal comments on 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).

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:

- PRC-004-2.1a;
- PRC-005; and
- VAR-002.2

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1 The current version of the White Paper can be downloaded on the Project web page at http://www.nerc.com/pa/Stand/Pages/Project-2014-01-Standards-Applicability-for-Dispersed-Generation-Resources.aspx.

2 Relevant versions of PRC-005 (PRC-005-2(X), PRC-005-3(X), and PRC-005-X(X)) and VAR-002 (VAR-002-2b(X) and VAR-002-4) were posted for a 45-day comment period on June 12, 2014.
Because each of the “high-priority” standards has recently been revised or is undergoing revision in another current project, the DGR SDT has developed revisions to multiple versions of each standard to allow for different possibilities in the timing of regulatory approvals. When the revisions are being applied to a version that is not the last approved version of the standard or to a version that is pending regulatory approval, the version is noted with “(X)” after it. For example, this posting includes PRC-004-2.1a(X), which proposes applicability changes to PRC-004-2.1a, as well as PRC-004-3(X), which proposes applicability changes to PRC-004-3.3 Please note that any versions of the standards posted under this project with an “X” suffix will have a version number applied at a later time in order to manage sequencing of version numbers. The intent of balloting the recommended applicability revisions separately from the technical changes that are ongoing in other projects is to provide flexibility to allow approved applicability revisions to move forward on an expedited timeline as needed to support implementation of the revised definition of BES.

The DGR SDT responded to industry comments as contained in its Consideration of Comments, which is posted on the project page, along with the DGR SDT’s response to comments on the original Standards Authorization Request (SAR) that defines the scope of this Project.

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. The DGR SDT Coordination Plan posted on the project page details that coordination.

Summary of Proposed Changes

The DGR’s recommended changes are limited to revising the applicability of the relevant versions of PRC-004 to ensure that the requirements of the standard are applied appropriately for dispersed power producing resources included in the Bulk Electric System through Inclusion I4 of the definition of Bulk Electric System. Although the redlined versions of the standard included with this posting contain changes that appear structurally different, the substance of the changes in each respective set of standards is the same.

The drafting team has posted the following standards, along with corresponding implementation plans:

- PRC-004-2.1a(X) (clean and redlined against PRC-004-2.1a)
- PRC-004-3(X) (clean and redlined against PRC-004-3)

Please note that the DGR SDT has not revised the Violation Risk Factors (VRFs) or Violation Severity Levels (VSLs) associated with the subject standards because the proposed revisions do not change the reliability intent or impact of any of the requirements. If the applicability recommendations are approved by

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3 PRC-004-2.1a is the currently effective version of the standard, while PRC-004-3 is in active standard development in Project 2010-05.1 Protection System (Misoperations). PRC-004-3 also was posted for a 45-day formal comment period from May 16, 2014 through June 30, 2014.
industry, the DGR SDT’s intent is that the VRFs and VSLs for each requirement would be unchanged from those either previously approved (for currently enforceable versions of standards or those pending regulatory approval) or would be developed by the drafting team responsible for revising technical content (for those versions of standards currently in development in another standards project).

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 PRC-004-2.1a(X) to clarify applicability of PRC-004-2.1a 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: X

No:

Comments: The definition of the BES will lead to additional costs imposed on renewable generation that could inhibit the development of these resources. In New England in particular, states have enacted aggressive renewable energy polices and are actively working to implement them cost-effectively. The SDT’s efforts recognize the unique design and operating characteristics of dispersed generation resources such as wind and solar facilities. At the same time, as expressed in the SDT’s April 14, 2014 Draft White Paper, any revisions are intended to ensure that they do not “create a reliability gap.” These are critical considerations. The SDT is appropriately evaluating how the obligations imposed on these asset owners and operators translate to reliability benefits, which is consistent with larger efforts within NERC to incorporate cost-effectiveness analyses into the standards development process. As is the case with all standards, the revisions here would be subject to ongoing evaluation of further changes in light of experience and, in this case, the likely increased integration of dispersed power resources.

The initiation of this project is beneficial to industry and this SDT’s advancement of the objectives set forth in the Draft White Paper. To provide the owners and operators of dispersed generation resources (and potential future developers) with an expectation of their compliance obligations and associated costs, this effort should move forward as expeditiously as possible.

2. Do you agree with the revisions made in proposed PRC-004-3(X) to clarify applicability of PRC-004-3 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:
No: X

Comments: Refer to the response to Question 1. In addition, the redlined standard posted on the project page is the redlined Draft 4: January 17, 2014 of PRC-004-3 (Project 2010-5.1). There have been two drafts of PRC-004-3 after that and the latest Draft 6 has passed its final ballot. The Rationale Box for the Introduction (the Rationale Box does not have a title) states that the only revisions to this posting are to Section 4.2 Facilities, yet there are revisions indicated throughout the entirety of the posted standard.

There are some important changes that have been approved in Draft 6 that are missing in the redlined version posted for Project 2014-01. Suggest taking the clean version of the final ballot passed PRC-004-3 and redline the Applicability Section changes only for entities to have a clear picture of what the standard is going to be. You cannot have two different versions of the same standard being balloted under different projects.

The similar comment applies to the posted PRC-004-2.1a(X). The untitled Rationale Box for the Introduction states that the only revisions are to R2 and R3, yet there is redlining throughout the standard.

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

Yes: X

No:

Comments: Regarding RC-004-3 (x):

- M2; since the subparts have been updated, 2.3 needs to be removed in M2.
- Guidelines and Technical Basis section-Definitions; Protection System Definition - 4th bullet should be revised to remove the word “station” from within the parentheses to be consistent with the currently approved definition of Protection System in the Glossary of Terms Used in NERC Reliability Standards.

In the PRC-004-3 (X) Implementation Plan, under the effective date section, there is no mention of the differences/exceptions listed in this standard for the Western Interconnection effective dates. This should be updated.

PRC-004-2.1a(X) and PRC-004-3 (X) Rationale for Applicability – The sentence that says “Misoperations occurring on the Protection Systems of individual generation...”, is misleading because by definition (I4), the individual resources are BES, therefore misoperations occurring on the Protection Systems of individual resources would have an impact on BES reliability, while noting that “material impact” is not defined.
In PRC-005-2(X), suggest adding the term “non-dispersed” to the wording of Part 4.2.5 to read “Protection Systems for the following non-dispersed BES generator facilities . . . .” The same suggestion for PRC-005-3(X).

There is confusion surrounding the concurrent development of PRC-004-2.1a(X) and PRC-004-3(X). Is the intent to have both these versions merged into one? If so, that should be made clear. If not, then the numbering for one or the other should be changed. The NERC Standards Numbering System stipulates that the “one-digit numeral identifying the version of that standard” is the last number in the standards number. PRC-004-2.1a(X) and PRC-004-3(X) deal with different topics.