Unofficial Comment Form
Generator Requirements at the Transmission Interface (Project 2010-07)

Please **DO NOT** use this form to submit comments. Please use the [electronic comment form](#) to submit comments on the first formal posting for Project 2010-07—Generator Requirements at the Transmission Interface. The electronic comment form must be completed by **November 18, 2011**.

2010-07 Project Page

If you have questions please contact Mallory Huggins at mallory.huggins@nerc.net or 202-383-2629.

**Background**

With the exception of the errata change to PRC-004-2.1, which is being posted for the first time, this is the second formal comment period and first ballot period for the standards included in Project 2010-07. The standards will be posted for formal comment for 45-days, with a ballot during the final 10 days of the comment period. Ballot pool formation will take place during the first 30 days of the comment period, and [the SDT is hosting an interactive webinar on October 6](#).

A 30-day formal comment period took place earlier this year, from June 17-July 17, 2011. The SDT thanks all those who provided feedback during that comment period. The SDT has reviewed and considered all comments submitted, and has incorporated many of them into its latest proposed standards, as explained in the Consideration of Comments form posted at the Project 2010-07 project page.

The purpose of Project 2010-07 is to ensure that all generator-owned Facilities are appropriately covered under NERC’s Reliability Standards. While many Generator Owners and Generator Operators operate Elements and Facilities that are considered by some entities to be Transmission, these are most often radial Facilities that are not part of the integrated grid, and as such should not be subject to the same standards applicable to Transmission Owners and Transmission Operators who own and operate Transmission Elements and Facilities that are part of the integrated grid.

As part of the BES, generators affect the overall reliability of the BES. However, registering a Generator Owner or Generator Operator as a Transmission Owner or Transmission Operator, as has been the solution in some cases in the past, may decrease reliability by diverting the Generator Owner's or Generator Operator’s resources from the operation of the equipment that actually produces electricity – the generation equipment itself.

The drafting team’s goal is to ensure that an adequate level of reliability is maintained in the BES by clearly describing which standards need to be applied to generator interconnection Facilities that are not already applicable to Generator Owners or Generator Operators. The SDT believes this can be accomplished by properly applying FAC-001, FAC-003, and PRC-004-2.1 to Generator Owners as proposed in the redline standards posted for comment.

**NOTE:** The Project 2007-07 Vegetation Management team will likely be posting a sixth draft of FAC-003-2 for recirculation ballot during the Project 2010-07’s comment period. Both teams acknowledge this overlap, and have been in contact to discuss best strategies moving forward. The
changes proposed by the Project 2010-07 SDT in FAC-003-3 are minimal, and serve only to apply the standard and its requirements to qualifying Generator Owners. The SDT recognizes that a number of scenarios may occur with respect to the filing and approval of Versions 2 and 3 of FAC-003 and has attempted to account for those in the FAC-003-3 implementation plan.

You do not have to answer all questions. Enter all comments in Simple Text Format.

1. Based on stakeholder comment, the SDT clarified the applicability language of FAC-001-1 and removed the Generator Owner from R4. Do you support the proposed redline changes to FAC-001-1? (Please refer to the posted FAC-001-1 technical justification document for more information about the SDT’s rationale for its changes.)
   - ☐ Yes
   - ☒ No

Comments: The intent of the draft language in FAC-001-1 is to provide guidance for addressing the alleged reliability gap that exists between GO/GOPs that own/operate transmission facilities but are not registered as TO/TOPs.

The impact of the revised language will depend on the characterization of the generator lead after the "third party " connects to the existing generator lead.

**IF the generator lead is owned by the TO utility after the third party connection:**

The proposed DRAFT FAC-001 language suggests that within 45 days of a 3rd party having an executed Agreement to evaluate the reliability impact of interconnecting, the existing generator needs to document and publish facility connection requirements. The proposed language suggests that a third party can commandeer existing generators leads and interconnect. A reclassification would be required because “third party” power would flow through the downstream portions of the existing leads. This introduces **significant challenges** for defining ownership/transfer of installed assets as well as real property, easements, operational jurisdiction, O&M cost responsibility, etc.

The FERC approved pro-forma Attachment X Interconnection Agreement clearly states that the project Developer must meet all **Applicable Reliability Standards** which means that all requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Developer’s Large Generating Facility is directly interconnected. As an example, to accommodate this NERC proposal, the FERC approved NYISO pro-forma tariff would need to be revised to allow this “third party” use. The pro-forma interconnection tariff also states that the Developer must provide updated project information prior to the Facilities Study. The Facilities Study might not be made until several years after the Interconnection Request/Feasibility Study is made (“executed Agreement to evaluate the reliability impact of interconnecting” in this proposed draft is akin to the Interconnection Request/Feasibility Study).

Placing the requirement to have the existing Generator Owner publish reliability requirements for a potential “third party user”, without the generator having any knowledge of the potential reliability outcomes or asset transfer/ownership issues is not a reasonable expectation.
The interconnection of a third party to an existing generator lead would force existing generators to revise their Interconnection Agreements with FERC.

The “third party”, would at a minimum, need to comply with the existing Generators reliability obligations as specified in the Interconnection Agreement.

**IF the third party connects to the GO owned generator lead, the GO will be considered a TO:**
A TO would not be involved, other than review of the SRIS and Facilities reports.
The difficult thing for an existing GO would be to prepare, within 45 days of having an executed Agreement to evaluate the reliability impact of interconnecting a third party Facility to the Generator Owner’s existing Facility, a document listing the requirements.

To allow for the above possibilities, the language for applicability of FAC-001 to GO’s or GOP’s, should be:

“Each applicable Generator Owner shall, at least 60 days prior to execution of a Facilities / Class Year Study Agreement to evaluate the reliability impact of interconnecting a third party Facility to the Generator Owner’s existing Facility that is used to interconnect to the Transmission System, document and publish its Facility connection requirements to ensure compliance with NERC Reliability Standards and applicable Regional Entity, sub regional, Power Pool, and individual Transmission Owner planning criteria and Facility connection requirements.”

2. Do you support the one year compliance timeframe for Generator Owners as proposed in the Implementation Plan for FAC-001-1?
   - Yes
   - No
   Comments:

3. With respect to FAC-003, many commenters focused on the half-mile qualifier in FAC-003. Some commenters found the half-mile length too short, others found it too long, and still others found the choice among the starting points of the switchyard, generating station, or generating substation to be confusing. The drafting team attempted to address all of these concerns with its latest proposed standard changes. The qualifier now reads: “...that extends greater than one mile beyond the fenced area of the generating station switchyard...” We believe that the one mile length is a reasonable approximation of line of sight, and that using a fixed starting point (at the fenced area of the generation station switchyard) eliminates confusion and any discretion on the part of a Generator Owner or an auditor. Finally, we maintain that it is appropriate to include this qualifier for Generator Owners because there is a very low risk from vegetation within the line of sight, and thus the formal steps in this standard are not necessary to ensure reliability of these lines.

Taking into consideration that only one of the versions of FAC-003 will actually be implemented, a decision that will be made as Project 2007-07—Vegetation Management moves forward, do you support the proposed redline changes to FAC-003-X and FAC-003-3?
Comments: Suggest in FAC-003-X; 4.3.1. that Regional Entity be changed to RE as listed in 4.2.1 for consistency. Also Regional Entity is used throughout the rest of the document, suggest using RE for consistency.

In FAC-003-3; 4.3.1. add station to the following: "Overhead transmission lines that extend greater than one mile or 1.609 kilometers beyond the fenced area of the generation station switchyard and are" to show consistency as it is written in FAC-003-X 4.3.1.

The technical justification characterized the exclusion (i.e., one mile or 1.609 kilometers beyond the fenced area of the generating station switchyard) as "approximate line of sight [sic] from a fixed point” and noted that this line of sight may be limited by local terrain. Where line of sight of the radial corridor is limited on a clear day due to terrain, the one mile exemption must be limited in distance to no more than the line of sight on a clear day beyond the fenced area.

4. Do you support compliance timeframe for Generator Owners as included and explained in the Implementation Plans for FAC-003-X?
   ☒ Yes
   ☐ No
   Comments:

5. In the FAC-003-3 implementation plan, the SDT has attempted to account for a number of different scenarios that could play out with respect to the filing and approvals of FAC-003-2 and FAC-003-3. Do you support this approach? If there are other scenarios that the SDT needs to account for, please suggest them here.
   ☒ Yes
   ☐ No
   Comments:

6. In its technical justification document, the SDT reviews all standards that had been proposed for substantive modification in the Ad Hoc Group’s original support and explains why, with the exception of FAC-003, modifying them would not provide any reliability benefit. Do you support these justifications? If you believe the SDT needs to add more information to its rationale for any of these decisions, please include suggested language here.
   ☒ Yes
   ☐ No
   Comments:

7. The SDT is attempting to modify a set of standards so that radial generator interconnection Facilities are appropriately accounted for in NERC’s Reliability Standards, both to close reliability
gaps and to prevent the unnecessary registration of GOs and GOPs at TOs and TOPs. Does the set of standards currently posted achieve this goal?

☑ Yes
☐ No
Comments:

8. If you answered “yes” to Question 7, are the modifications the SDT has made in this posting the appropriate ones?

☑ Yes
☐ No
Comments:

9. If you answered “no” to Question 7, what standards need to be added or removed to achieve the SDT’s goal? Please provide technical justification for your answer.

☐ Yes
☐ No
Comments:

10. Do you have any other comments that you have not yet addressed? If yes, please explain.

☐ Yes
☒ No
Comments: