

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.¹ 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

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

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 New England States Committee on Electricity (NESCOE) appreciates the work of the Dispersed Generation Resources Standard Drafting Team (SDT) in moving forward important clarifications regarding the applicability of certain standards to dispersed power producing resources. NESCOE supports the specific revisions reflected in the identified PRC standards, as well as the general intent of this Project.

In comments on the first draft of the proposed BES definition, NESCOE cautioned that the definition might lead to unnecessary costs imposed on renewable generation that could inhibit the development of these resources. That remains a concern in New England, where states have enacted aggressive renewable energy policies 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 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.

NESCOE appreciates the initiation of this project 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, NERC should work to move this effort forward as expeditiously as possible. Thank you for your consideration of these comments.

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: **X**

No:

Comments: **See comments above.**

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

Yes: **X**

No:

Comments: **While the deadline for providing comments on proposed revisions to PRC-005 and VAR-002 under this Project 2014-01 has passed, NESCOE supports these proposed changes for the same reasons discussed above and offers the following minor suggestions for clarity:**

- **PRC-005-2(X) – suggest adding the term “non-dispersed” to the wording of 4.2.5 to read “Protection Systems for the following non-dispersed BES generator facilities”**
- **PRC-005-3(X) – same suggestion.**