Unofficial Comment Form

Project 2019-06 Cold Weather
Standard Authorization Request

Do not use this form for submitting comments. Use the Standards Balloting and Commenting System (SBS) to submit comments on the **Project 2019-06 Cold Weather Standard Authorization Request (SAR).** Comments must be submitted by **8 p.m. Eastern, Thursday, March 19, 2019.**

Additional information is available on the project page. If you have questions, contact Senior Standards Developer, Jordan Mallory (via email), or at 404-446-2589.

Background Information

In July 2019, the FERC and NERC staff report titled *The South Central United States Cold Weather Bulk Electronic System Event of January 17, 2018* (Report) was released. Following the Report, Southwest Power Pool, Inc. (SPP) submitted a SAR proposing a new standard development project to review and address the recommendations in the Report. The formal comment period for the SAR's initial posting concluded November 5, 2019 and the drafting team has reviewed the comments received.

Based on the review and further discussions, the drafting team is recommending the SAR be modified to: 1) clarify aspects of the recommendations contained in the Report; and 2) ensure communication between functional entities when generator unit availability is expected to be affected by all ambient weather conditions (including, but not limited to, cold weather temperatures)[1]. Of particular note, the requirements of this SAR are intended to apply to Generator Owners/Generator Operators that own/operate facilities that qualify as Bulk Electric System, regardless of fuel-type.

[1] The basis for NERC Staff's recommendation is that communication is important for reliability as it allows RCs and BAs to be better prepared for next day studies and even hour ahead studies. It is important that entities know that a unit can be counted on based on the data provided. NERC Staff recommended including the issue in this project, rather than addressing in a subsequent project, in the interest of administrative efficiency and to avoid the burdens that could come from having multiple successive versions of a standard become effective in a short time.

Questions

1. The drafting team modified the SAR to include communication between functional entities when generator unit availability is expected to be affected by all ambient weather conditions. (Note: the preparedness will remain focused on cold weather.) Do you agree with this proposed scope as described in the SAR? If you do not agree, or if you agree but have comments or suggestions for the project scope, please provide your recommendation and explanation.

   Yes

   No

   Comments: As discussed in more detail in response to Question 2, RCs and BAs are already able to require GO/GOPs to provide information about when and how generator unit availability is expected to be affected by ambient weather conditions, pursuant to IRO-010-2 and TOP-003-3, respectively. Furthermore, with respect to those two standards, the SER Phase 2 Team's Operational Data Exchange Simplification SAR, currently posted for comment, suggests that "more clarity regarding the scope of the core BES reliability-related tasks would be beneficial and is desired. The scope of the data specification would then just reflect the information necessary to cover the scope of the core BES reliability-related tasks for the individual Registered Entity." The Operational Data Exchange Simplification SAR's proposed approach could reduce the administrative burden associated with TOP-003 and IRO-010, while clarifying the information to be requested and supplied. It does not make sense to use this concurrent SAR to try to specifically call out weather conditions.

2. If you have any additional comments on the SAR, please provide them here.

   Comments: This SAR is not needed. As noted in TAPS's response to Question 1, IRO-010-2 and TOP-003-3 already give RCs and BAs, respectively, the authority to require GO/GOPs to provide information about generator unit availability and how it is expected to be affected by ambient weather conditions. The SDT noted in response to comments on the first posting of the SAR that those standards "do not specifically address freezing issues that occur to combustion turbines, boilers and balance of plant equipment," but there is no need for such specificity; the standards require BAs and RCs to maintain "[a] list of data and information" that they need to carry out their responsibilities. Indeed, as noted by City Utilities of Springfield in its comments on this SAR, NERC's 2013 petition for approval of the TOP-003 requirements referenced above stated that the requirements "emphasize the need for Transmission Operators and Balancing Authorities to obtain all of the data that they need for reliability purposes and mandate that entities that have this data and that are requested to supply it, provide it to the Transmission Operator and Balancing Authority in an approved and timely manner." Plainly, information about the impact of the weather on generator availability falls into the category of necessary information. And in much of the United States - MISO, PJM, and ISO-NE, for example - such information is in fact routinely requested and used. If requesting and communicating generator capability and availability information is in fact currently within the scope of the IRO-010 and TOP-003 standards, then any failure by registered entities to request or supply such information appears to be a

shortcoming in executing the CMEP. If additional clarity is required, then TAPS recommends that the communication aspect of the Cold Weather SAR be transferred to the SER Phase 2 Operational Data Exchange Simplification SAR with the goal of clarifying core BES reliability-related tasks and their associated data specifications.

Generating units being unavailable when called upon, due to cold weather or other foreseeable problems, is a planning issue: the BA and RC should know the temperature constraints of the units in their areas, and should take those constraints into account in their planning, including calculating reserve margin. As described above, the standards requiring the necessary information exchange already exist.

In response to comments, the SDT states that market incentives for generators to avoid unexpected unit unavailability are inadequate because "plant freezing issues continue to occur when precautions have not been taken to prevent freezing during these [c]onditions." Our response to that assertion is threefold. First, even given perfect information, a perfectly-maintained new plant may fail to synch on a blue-sky day. But the BA should have adequate operating reserves (that are rated to operate under then-current conditions) to withstand such a contingency. Second, it does not make sense from an economic or reliability perspective to winterize every generator in all regions, some of which may see a handful of hard freezes during a unit's useful life. We should not be charging ratepayers to harden facilities when the issue can be addressed through communications and planning. Finally, and perhaps most importantly, Section 215(i)(2) of the Federal Power Act does not give NERC authority over the "adequacy… of electric facilities." If there were a widespread need to retrofit generators to withstand colder temperatures - which TAPS does not believe to be the case - it would not be a problem NERC could solve with a standard.

TAPS strongly believes that this SAR should not proceed, and that if it does, it should be rolled into the Operational Data Exchange Simplification SAR and handled as a planning/communications issue, as described above. To the extent the SDT nevertheless decides to focus on increasing generating unit availability, it must at minimum avoid creating the type of requirements that the SER initiative has been focused on retiring and revising, and instead strive for a results-based standard. As stated in Order 672 (P 331), standards "should be designed to apply throughout the interconnected North American Bulk-Power System, to the maximum extent this is achievable with a single Reliability Standard," and "should not be based on a single geographic... model but should take into account geographic variations in... weather, and other such factors." Any standard prescribing actions that should reasonably be taken by registered entities in Florida, Minnesota, and California would necessarily be vague. Development and implementation of a cold weather preparedness plan, as contemplated by the SAR, might improve unit availability in cold weather; but such an approach is not results-based, and would create a new administrative burden for every GO/GOP. On the other hand, a results-based requirement could, for example, be based on unit availability when called to run (with a proviso that unavailability only "counts" where the BA and RC requested and received accurate information about the unexpectedly unavailable generator's constraints, and they factored that information into their plans). Such a requirement would result in generators being penalized twice for failure to start - first by the market and then,

if too many failures occurred, by NERC - but would at least avoid creating additional paperwork for those generators whose procedures are already adequate.

Finally, we note that the NERC Statement of Compliance Registry Criteria defines the Balancing Authority as "[t]he responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real-time." BAs are thus the entities that should be studying the effects of all extreme conditions, including cold weather, well ahead of the operating horizon and preparing operating plans to mitigate the risk of shortages. It is within the BA's purview to commit more generation online and maintain more operating reserves as needed to ride through an event. If market monitors are hindering that activity to minimize costs, then FERC needs to decide whether reliability or economics takes precedence in this matter. In addition, as noted above, we question whether forcing generators to winterize is overall the more economic option.