

Item 12. Recommendation 9 – Operating Policy Changes

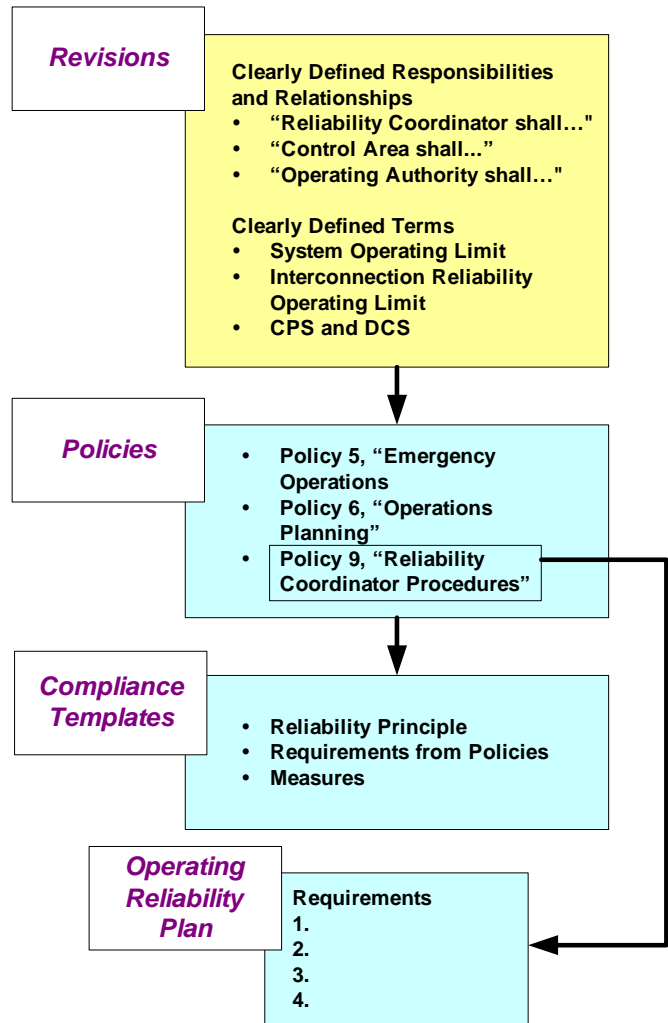
- a. Policy 5, “Emergency Operations”
- b. Policy 6, “Operations Planning”
- c. Policy 9, “Reliability Coordinator Procedures”

Action

Review changes to the following operating policies recommended by the Operating Reliability Subcommittee and Reliability Coordinator Working Group and decide on whether to ballot in mid-April. **Please note that the Reliability Coordinators believe these changes are necessary to provide them with clear lines of responsibility and authority, and to eliminate ambiguity between their role and that of the control areas and other operating authorities within the Reliability Coordinators’ purview. Furthermore, Policies 5 and 9 include additional training requirements for system operators and Reliability Coordinators as required under Recommendation 6.**

Operating Reliability Subcommittee chairman Roger Harszy (MISO) will be joined by Reliability Coordinator Working Group chairman Jim Castle (NYISO) and working group member Kim Warren (The IMO) to lead this discussion.

Please note that these policy changes must align with the proposed compliance templates that the committee will discuss in the next agenda item. Also, Policy 9 has been restructured to provide the framework for the new Reliability Coordinator (and Reliability Authority) plan template. (See diagram at right.)



Attachments

Policy 5, “Emergency Operations”

Policy 6, “Operations Planning”

Policy 9, “Reliability Coordinator Procedures”

Note: Due to the extensive revisions, markup copies are not available.

Background

Recommendation 9 of the report titled “August 14, 2003 Blackout: NERC Actions to Prevent and Mitigate the Impacts of Future Cascading Blackouts,” dated February 10, 2004 states in part:

Ambiguities in the NERC operating policies may have allowed entities involved in the August 14 blackout to make different interpretations regarding the functions, responsibilities, capabilities, and authorities of reliability coordinators

and control areas. Characteristics and capabilities necessary to enable prompt recognition and effective response to system emergencies must be specified.

NERC operating policies do not adequately specify critical facilities, leaving ambiguity regarding which facilities must be monitored by reliability coordinators. Nor do the policies adequately define criteria for declaring transmission system emergencies. Operating policies should also clearly specify that curtailing interchange transactions through the NERC Transmission Loading Relief (TLR) Procedure is not intended as a method for restoring the system from an actual Operating Security Limit violation to a secure operating state.

Recommendation 9 requires that the Operating Committee, by June 30, “Evaluate and revise the operating policies and procedures, or provide interpretations, to ensure reliability coordinator and control area functions, responsibilities, and authorities are completely and unambiguously defined.” The Operating Reliability Subcommittee and Reliability Coordinator Working Group are recommending significant revisions to Policies 5, 6, and 9 for discussion and consideration by all three standing committees for subsequent email ballot in April to accomplish this portion of the recommendation..

When the blackout recommendations were first drafted last fall, the Operating Reliability Subcommittee and Reliability Coordinator Working Group began reviewing those operating policies that dealt with the interrelationships between Reliability Coordinators and the control areas within the Reliability Coordinator Areas (that is, the Reliability Coordinator’s “footprint”). The ORS and RCWG found considerable lack of clarity within and among Policies 5, 6, and 9 and Appendix 9D, “Reliability Coordinator Responsibilities,” including:

1. Extensive use of passive voice that did not clearly explain who was supposed to do what.
2. Imprecise references, such as “operating problems,” “reliability problems,” and “overload.”
3. Use of the term “Operating Security Limit,” which is defined only by inference in Policy 2, “Transmission,” and has a different definition in the “Terms” section of the Operating Manual.
4. Confusing relationships between Policy 9 and its related Appendix 9D.

This lack of clarity was also evident in some of the Reliability Coordinator audits that NERC conducted over the last two years.

To remedy these problems, the ORS and RCWG have rewritten these policies so that they:

1. Use active voice that clearly identifies the control area or Operating Authority or Reliability Coordinator responsibilities.
2. Reference specifically defined terms such as System Operating Limit, Interconnection Reliability Operating Limit, Control Performance Standard, and so on, in place of imprecise references to “operating problems” and Operating Security Limits.
3. Incorporate the Reliability Coordinator responsibilities from Appendix 9D into Policy 9.

The ORS’s and RCWG’s primary goal was to clarify and add precision to these policies, not to change their intent or philosophy. However, even a simple change to active voice or other wording changes that provide more clarity may seem like a substantive change in those cases where the passive voice or general terms left responsibilities and intentions open to interpretation.

Compliance Templates. The Compliance and Certification Managers Committee (<http://www.nerc.com/~comply/ccmc.html>) and newly formed Compliance Template Task Force have been updating the compliance templates associated with the operating polices and planning standards. Those template revisions incorporate these policy changes as well. **Therefore, the subcommittee’s**

decision to proceed with these Policy revisions is critical to the success of the blackout Recommendation 2. (See following agenda item.)