

## **High Level Comments On Violation Risk Factor Survey**

**Submitted by IESO  
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The IESO submits this set of comments in addition to our response to the NERC Violation Risk Factors Survey because we believe there are some important considerations that the drafting team need to be aware of when reviewing industry responses to the survey. These comments are directed at the basis upon which the risk levels are assigned to the standard requirements.

We thank the drafting team and NERC Staff in advance for consideration of these additional comments. Separately, you will find our risk level assignments detailed the Violation Risk Factor survey comment form.

### Our High Level Comments

The IESO assesses that many of the standards are not written in a format that clearly conveys its underlying intent and applicability. Because of that lack of clarity in many of the standards, the IESO had to decide whether to rate the risk level of each requirement according to its intent, or to the way it is written. In the end, we decided to rate them according to the intent of the requirement.

However, after completing the survey, we are unsure of, and concerned about, what assumptions others may have made to complete the survey. In the following examples, we illustrate how differing assumptions can lead to different rankings on a particularly standard.

#### BAL-002-0 R4.2

It is unclear whether these requirements are intended to set the numerical limits, or whether the purpose of the standard is administrative in nature. If it is the former, the risk for a cascading outage would be much greater than if the purpose of the requirement was the latter.

#### EOP-003-0 R.3

Based upon the words of the standard, the intent of this requirement is unclear. This appears to be a Regional "fill in the blank" type standard. Are these requirements only to ensure that a Region have a Plan? It is also unclear what the extent of "coordinate" means? Are there conditions that must be met to satisfy "coordination"? Based upon the wide variation of how pervasive this standard can be upon reliability, the risk of a violation to cascading outage could be high.

Contingency Reserves requirements serve as another good example of how the lack of clarity and specificity in the standard could lead to a wide variation in rankings. The Contingency Reserve standard allows a Regional council to define (however that council so desires) the magnitude and combination of synchronized and non-synchronized generation that if violated will "directly cause or contribute to instability, ....". As the standard is written, this requirement will allow Council A to have 1% of it largest unit as the Contingency Reserve requirement and all of that coming from non-synchronized units; while Council B could require 200% of the largest unit and all coming from

synchronize units. Because of this lack of specificity in the NERC standard, how can one presume that Council A and Council B will be providing for the same level of Risk?

The IESO urges the Violation Risk Factors standard drafting team to take a step back and consider the possible drivers of diverse viewpoints in the rankings as have been pointed out here. One cannot assume that all respondents to the survey have the same mindset in how they ranked each requirement. A more meaningful approach to getting industry feedback on ranking the violation risks would be to focus on the standards themselves and obtain industry consensus on their true reliability intent before making any conclusions about how these standards should rank in terms of penalties and importance.

The IESO views the NERC Reliability Standards as a good starting point and recognizes the need for clear, concise and enforceable standards. IESO also complements NERC for their efforts to date. However, the shortcomings of the Standards as currently written dictate that the results of any survey of those Standards could be highly suspect. The issue is not with the survey, but rather with ambiguities, lack of compliance criteria, and lack of clearly stated requirements of the Reliability Standards. While we are confident that these deficiencies will be corrected in time, the Violation Risk Factors survey must eventually, of necessity, deal with the Reliability Standards as currently written. We believe that the Survey may provide some insight useful in guiding the discussion of relative importance of standards and magnitude of penalties. We also strongly believe that the issues of relative importance and penalty must be revisited, possibly by survey again, after the Standards are revised to remove their current shortcomings. More deliberation is required before any policies regarding relative importance or penalty are set.