

**COMMENT FORM
Proposed Resource Adequacy Assessments Standard**

This form is to be used to submit comments on the proposed Resource Adequacy Assessments Standard Authorization Request. Comments must be submitted by **March 21, 2005**. You may submit the completed form by emailing it to: sarcomm@nerc.com with the words “Resource Adequacy Assessments SAR Comments” in the subject line. If you have questions please contact Mark Ladrow at mark.ladrow@nerc.net or by telephone at 609-452-8060.

ALL DATA ON THIS FORM WILL BE TRANSFERRED AUTOMATICALLY TO A DATABASE AND IT IS THEREFORE IMPORTANT TO ADHERE TO THE FOLLOWING REQUIREMENTS:

- DO:**
- Do enter text only, with no formatting or styles added.
 - Do use punctuation and capitalization as needed (except quotations).
 - Do use more than one form if responses do not fit in the spaces provided.
 - Do submit any formatted text or markups in a separate WORD file.

- DO NOT:**
- Do not insert tabs or paragraph returns in any data field.
 - Do not use numbering or bullets in any data field.
 - Do not use quotation marks in any data field.
 - Do not submit a response in an unprotected copy of this form.

Individual Commenter Information		
(Complete this page for comments from one organization or individual.)		
Name:		
Organization: 1		
Telephone:		
Email:		
NERC Region		Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/>	1 - Transmission Owners
<input type="checkbox"/> ECAR	<input checked="" type="checkbox"/>	2 - RTOs, ISOs, Regional Reliability Councils
<input type="checkbox"/> FRCC	<input type="checkbox"/>	3 - Load-serving Entities
<input type="checkbox"/> MAAC	<input type="checkbox"/>	4 - Transmission-dependent Utilities
<input type="checkbox"/> MAIN	<input type="checkbox"/>	5 - Electric Generators
<input type="checkbox"/> MAPP	<input type="checkbox"/>	6 - Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/> NPCC	<input type="checkbox"/>	7 - Large Electricity End Users
<input type="checkbox"/> SERC	<input type="checkbox"/>	8 - Small Electricity End Users
<input type="checkbox"/> SPP	<input type="checkbox"/>	9 - Federal, State, Provincial Regulatory or other Government Entities
<input type="checkbox"/> WECC		
<input type="checkbox"/> NA - Not Applicable		

Comment Form – Proposed Resource Adequacy Assessments Standard

Background Information:

The purpose of this standard is to implement certain recommendations from the *Resource and Transmission Adequacy Task Force (RTATF) Report* and the *Gas/Electricity Interdependency Task Force Report* related to resource adequacy. Both reports were approved by the NERC Board on June 15, 2004.

This SAR would lead to the establishment of requirements for various entities to: 1) create a metric(s) to assess resource adequacy that takes into account various factors, including, but not limited to, fuel deliverability, 2) perform resource adequacy assessments, 3) make the results of the assessments available to the industry and appropriate regulatory agencies, and 4) make the assessments and associated data available to NERC for their review.

The requestor would like to receive industry comments on this SAR and to obtain the input of the industry prior to determining the final scope and requirements of the SAR. Accordingly, we request your comments included on this form, emailed with the subject “Resource Adequacy Assessments SAR Comments” by March 21, 2005.

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Question 1: Do you agree there is a reliability need for specifying that resource adequacy studies should be required to demonstrate that the region's reliability is not threatened by the loss of a fuel source or other common mode failure?

Yes

No

If no, please explain in the space provided below.

The question implies that planning criteria should be established around the failure of an entire fuel source in a Region. Since this type of failure, or any other common mode failure, has never occurred on a region-wide basis, it is viewed as an extreme contingency and could be studied as a sensitivity case. As such the IRC believe it is inappropriate to set criteria around it.

Comments

The IRC participating members agree that resource adequacy is a key component of reliability and that there is a need for this standard. We also agree that associated criteria should reflect the impacts such as transmission constraints, fuel delivery limitations, environmental restrictions, and other relevant factors. In addition to specifying the time horizon such criterion applies to.

The resource adequacy assessments and criteria should consider the Regional diversity since the associated needs vary from Region to Region and from jurisdiction to jurisdiction. We agree that each Region should assess the resource adequacy requirements of its sub-Region entities to ensure that the adequacy requirements for the Region are met.

With regards to the statement outlined in item 3) of the SAR (re: "the region should describe available mechanisms to mitigate the impacts of fuel interruptions on ability to serve load reliably"), we are of the opinion that the "sub-regions" rather than "region" should identify and develop the specific process/mechanisms to mitigate the impacts of fuel interruption(s) on its ability to serve load reliably, based on its specific needs. The region should however, provide overall guidelines.

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Question 2: Do you agree with the scope and applicability of the proposed standard?

Yes

No

If no, please explain in the space provided below.

Item 6 of the detailed description suggests NERC and the Region will conduct periodic reviews concerning deliverability of resources to load. It is the IRC's view that demonstration of "deliverability" may pose some Regions difficulty due to the ambiguity in its definition..

Comments

The IRC members strongly supports establishment of a Resource Adequacy Standard, and is in general agreement with the proposed scope of the Standard as described in the SAR. We do, however, have comments concerning the scope of the proposed standard, as follows:

1) It is important that the Standard clearly distinguish between (a) criteria for establishing capacity margin or reserve margin requirements (the Region should be given the option of using either one of these measures), and (b) criteria for the conduct of resource adequacy assessments by the Region or NERC. Such assessments should demonstrate whether there is sufficient planned capacity to meet the required reserve margin established by criteria in (a) over an appropriate assessment period. Assessments should cover a wide range of scenarios, such as fuel supply interruptions (see our response to Question #1), environmental restrictions, higher load than forecast, loss of interconnections, etc. The IRC recommend that the Regions or sub-Regions specify the extreme conditions to be tested or sensitivities, since they have a better understanding of which issues are important to their individual area.

2) The IRC recommends that the Resource Adequacy criterion specify the various factors that must be considered in the analysis for establishing installed reserve requirements. As a minimum, it is recommended that resource availability, e.g., forced outage rates and maintenance; transmission constraints; and load forecast uncertainty factors be specified in the Standard. To the extent that a particular resource's expected future resource availability recognizes historical fuel supply and environmental restrictions, these factors would be included in the forced outage rate. The standard should allow consideration of capacity or reserve sharing assistance from neighboring Regions and sub-Regions. The Regions should specify additional factors, if appropriate, for their areas.

3) The IRC further recommends that the Resource Adequacy criteria be based on a metric such as LOLE. It is NPCC's understanding that nine of the ten Regions use a LOLE or LOLP criterion; and of the nine that do, six utilize LOLE and one uses both LOLE and LOLP. It is further recommended that the LOLE of disconnecting firm load will be specified in the standard as "no more than 0.1 days per year". Many Regions now specify this requirement. This criterion should be the basis for determining Regional or sub-Regional installed reserves requirements.

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Question 3: Are there additional sensitivities that should be included as part of the resource adequacy requirements that are not explicitly included in the SAR?

Yes

No

If yes, please indicate additional risks that should be considered.

See Item #1 of our response to Question #2 as to which sensitivities should be included, i.e., loss of fuel supply, environmental restrictions, higher loads than forecast, and loss of interconnections. Others could include reduced transmission capabilities; reduced value of emergency procedures (e.g., voltage reductions); higher than projected outage rates; and the possible addition of new resources with low availabilities, such as wind power.

Comments

Although we have identified possible sensitivities above, we recommend that the Regions have the responsibility of defining sensitivity case requirements for their areas. However, we agree that the NERC Standard could require certain basic sensitivities, such as loss of fuel supply, if and where appropriate.

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Question 4: Are there additional considerations or restriction that should be included as part of the public availability of these adequacy results?

Yes

No

If yes, please indicate additional considerations or restrictions.

The IRC members agree that the results of all Regional and sub-Regional assessments be made public. However, it should be recognized that certain data and assumptions used in these studies may be confidential.

Any parties that have access to confidential data should be bound by non-disclosure agreements.

Comments

It is our understanding that the confidentiality of documents/data (where applicable) would be strictly maintained. We suggest that item # 4) should be revised to clearly specify that critical security related information and data requiring confidentiality will not be made public.

Only aggregate level results could/should be in public domain. Individual company information should not be posted for public consumption.

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Question 5: Do you have any additional comments regarding the SAR that you believe should be addressed?

Yes

No

If yes, please share those comments in the space provided below.

The IRC strongly supports the notion and the need for recognizing the Regional Diversity in establishing an international resource adequacy standard. The Standard should require the Regions or sub-Regions to prepare procedures or guidelines for meeting the Standard. These should include methodologies for conducting installed reserve margin requirement studies and assessments, factors to that must be considered, source of assumptions, reliability models, deliverability issues, inter-Regional coordination, sensitivities, etc.

With regards to paragraph items 5) and 6), there is a need to prescribe associated compliance measures.