NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Energy Reliability Assessment Task Force (ERATF) Industry Webinar Q&A

May 22, 2022

1: (Jennie Wike) - An entity's risk tolerance and risk appetite will be vastly different from each other. Some entities will tolerate more risk than others, especially if those entities are resource constrained. Since risk tolerance is subjective and variable, without targeted criteria, how will we ensure there's a consistent approach across the industry for CAPs? Also, how do we ensure that there's a consistent ERO audit approach, as auditors will also have a different risk tolerance than an entity?

While risk tolerance can vary from entity to entity, the SAR seeks to add more consistency by defining energy assessment features, requiring energy assessments be conducted by entities, and documenting entities' assessment methods and targets. Defining energy assessments and their features should provide more consistency. Documenting the methods and targets can reduce the variability by clearly quantifying energy adequacy risk in a reproducible and understandable way. Additionally, reporting entities' targets, even if not the same for all entities, will help reveal and hopefully align risk tolerance levels.

We cannot say exactly how the Standards Drafting Team(s) (SDT) will specify further details as part of the Standard development process and implementation plan. The SDT efforts will be consistent with NERC ROP Appendix 3A, Standards Processes Manual. Further, as set forth in the NERC Compliance Guidance Policy, during standards development, the SDT may identify example(s) of how to comply with a standard. The SDT may identify example(s) of how to comply with a standard and include that in the posting for industry comment for vetting purposes. In addition, the Project Management and Oversight Subcommittee (PMOS) liaison and NERC standards developer may determine whether to elevate to Implementation Guidance and request ERO Enterprise endorsement per the Compliance Guidance Policy. This provides additional opportunity to enhance consistent approaches across industry, to the extent determined appropriate.

2: (Sing Tay) - When will the SARs be posted for public viewing?

The SARs will be posted on May 25 as part of the RSTC meeting agenda package.

3: (202ACCCE Bloodworth) - What is the total estimate of time for the SARs to become final SARs – will it take longer than two years. Does FERC have to approve them?

The typical estimated time to complete the standard development process is 18 months, however, it is not possible to predict the duration of any specific standard. Yes, Reliability Standards are subject to NERC Board of Trustees and then FERC approval. For additional information, please refer to the NERC ROP Appendix 3A, Standards Processes Manual.

4: (Mayer Sasson Sasson) - Will the Planning SAR set new or modified TPL standards?
The Standards Drafting Team (SDT) will evaluate this question as part of its duties.

5: (Quintin Lee) - I noticed on the draft SAR that Transmission Planner is not included in the section that asks which Functional Entities this would apply to. Is that just an oversight?
You are correct, thank you. We will update the documentation and add 'Transmission Planner' on the Planning SAR.

6: (Jennie Wike) - Instead of writing new Standards, has there been a discussion about performing a study to determine what are appropriate metrics or collect data to determine what are predictors for poor energy resource availability? If we can't measure it, then how do we know we've fixed the problem? Standards are supposed to be measurable.
We did discuss the potential for alternatives to new Standards including studies, reliability guidelines, and technical references. Our recommendation for modifications to Reliability Standards is based on the urgent need to assess and mitigate energy risk expressed by the RISC, participants in the ERATF, and survey respondents as well as recent reliability events that have energy insecurity as a significant contributing factor. Our full technical justification for the SAR can be found in Appendix A of the SAR (including in upcoming RSTC meeting agenda package).

The SARs propose performance based, rather than prescriptive, Reliability Standard modifications. The SARs inherently recognize that each entity has a unique operating environment. There have been a discussions on appropriate metrics and the SARs have listed several NERC Reliability Guidelines that include some recommendations on doing energy reliability assessments. In addition, the ERATF and RSTC sub-teams are available to assist in developing additional metrics. Moreover, please see response to Question 2 above.

7: (Christopher Grier) - Since the drafting teams will need common language – what is the timeline for definition of energy assessment terms?
The SDT's duties will include consideration of potential definitions – please see response to Question 4. The ERATF has provided some working definitions of key terms to support this effort and provide technical support for the SARs consistent with industry comments.