PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9S, Airspace Designations and Reporting Points, signed October 3, 2008, and effective October 31, 2008 is amended as follows:

Paragraph 6005. Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

AWP NV E5 Reno, NV [Modified]

Reno/Tahoe International Airport, NV
(Lat. 39°29′57″ N., long. 119°46′05″ W.)
Mustang VORTAC
(Lat. 39°31′53″ N., long. 119°39′22″ W.)

That airspace extending upward from 700 feet above the surface beginning at lat. 40°00′20″ N., long. 120°00′04″ W.; thence clockwise via the 32.0-mile radius of the Reno/Tahoe International Airport to lat. 40°01′31″ N., long. 119°40′01″ W.; to lat. 39°49′35″ N., long. 119°34′05″ W.; thence clockwise via the 21.7-mile radius to lat. 39°25′12″ N., long. 119°18′45″ W.; to lat 39°13′00″ N., long 119°47′04″ W.; to lat. 39°08′20″ N., long. 119°47′04″ W.; to lat. 39°10′20″ N., long.120°00′04″ W., to the point of beginning. That airspace extending upward from 1,200 feet above the surface within a 39.1-mile radius of the Mustang VORTAC excluding the area east of long.119°00′04″ W., and west of long. 120°19′04″ W.; and that airspace northwest of the Reno/Tahoe International Airport extending from the 39.1-mile radius bounded on the northeast by the southwest edge of V–452 and on the west by long. 120°19′04″ W. That airspace extending upward from 13,100 feet MSL beginning at lat. 38°54′56″ N., long. 119°22′47″ W.; thence clockwise via the 39.1-mile radius to the eastern edge of V–165, thence southbound along the eastern edge of V–165 to the northern edge of V–244, thence eastbound to lat.38°04′00″ N., long. 119°15′24″ W., to the point of beginning. That airspace extending upward from 12,300 feet MSL beginning at lat. 38°52′20″ N., long. 119°35′44″ W.; to lat. 38°52′20″ N., long.119°47′54″ W.; to lat. 38°28′00″ N., long. 119°52′44″ W.; to lat. 38°01′30″ N., long.119°51′34″ W.; to lat. 38°01′00″ N., long.119°38′04″ W.; to lat. 38°27′30″ N., long.119°33′44″ W., to the point of beginning.

* * * * *

Issued in Seattle, Washington, on March 19, 2009.

H. Steve Karnes,

Acting Manager, Operations Support Group, Western Service Center.

[FR Doc. E9–6994 Filed 3–27–09; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 40

[Docket No. RM08–11–000; Order No. 722]

Version Two Facilities Design, Connections and Maintenance Reliability Standards

Issued March 20, 2009.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule.

SUMMARY: Pursuant to section 215 of the Federal Power Act, the Commission approves three revised Reliability Standards developed by the North American Electric Reliability Corporation (NERC), which the Commission has certified as the Electric Reliability Organization responsible for developing and enforcing mandatory Reliability Standards. The three revised Reliability Standards, designated by NERC as FAC–010–2, FAC–011–2 and FAC–014–2, set requirements for the development and communication of system operating limits of the Bulk-Power System for use in the planning and operation horizons. In addition, the Commission approves, with modifications, the violation severity levels for the three Reliability Standards.

DATES: *Effective Date:* This rule will become effective April 29, 2009.

FOR FURTHER INFORMATION CONTACT:

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Before Commissioners: Jon Wellinghoff, Chairman; Suedeen G. Kelly, Marc Spitzer, and Philip D. Moeller.

1. Pursuant to section 215 of the Federal Power Act,[1] the Commission approves three revised Reliability Standards concerning Facilities Design, Connections and Maintenance (FAC) that were developed by the North American Electric Reliability Corporation (NERC), which the Commission has certified as the Electric Reliability Organization (ERO) responsible for developing and enforcing mandatory Reliability Standards. The three revised Reliability Standards, designated by NERC as FAC–010–2, FAC–011–2, and FAC–014–2, set requirements for the development and communication of system operating limits of the Bulk-Power System for use in the planning and operation horizons. In addition, the Commission approves, with modifications, the violation severity levels for the three Reliability Standards.

I. Background

A. Mandatory Reliability Standards

2. Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, which are subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.[2]

B. NERC's Proposed Version Two FAC Reliability Standards

3. In Order No. 705, the Commission approved three ''version one'' FAC Reliability Standards, FAC–010–1, FAC–011–1, and FAC–014–1,[3] which require planning authorities and reliability coordinators to establish methodologies to determine system operating limits for the Bulk-Power System in the planning and operation horizons.[4] In addition, the Commission directed the ERO to develop modifications to the Reliability Standard; and remanded the ERO's proposed definition of ''Cascading Outage.''

4. On June 30, 2008, in response to the Commission's directives in Order No. 705, NERC submitted for Commission approval three revised FAC Reliability Standards:[5] System Operating Limits Methodology for the Planning Horizon—FAC–010–2, System Operating Limits Methodology for the Operations Horizon—FAC–011–2, and Establish and Communicate System Operating Limits—FAC–014–2. NERC requests that FAC–010–2 be made effective on July 1, 2008, FAC–011–2 on October 1, 2008, and FAC–014–2 on January 1, 2009, consistent with the implementation dates of version one of these Reliability Standards.

C. Notice of Proposed Rulemaking

5. On October 16, 2008, the Commission issued a notice of proposed rulemaking (NOPR) proposing to approve the revised FAC Reliability Standards.[6] In addition, the Commission expressed concern with several of NERC's proposed assignments of violation severity levels and proposed modifications. Further, the Commission proposed to apply the violation risk factors associated with the version one FAC Reliability Standards to the version two Reliability Standards approved here.

6. In the NOPR, the Commission required that comments be filed within 30 days after publication in the **Federal Register**, or November 24, 2008. Five parties filed comments in response to the FAC NOPR: NERC, the Midwest Independent System Operator, Inc. (Midwest ISO), the Bonneville Power Administration (BPA), the United States Department of the Interior, Bureau of Reclamation (Bureau of Reclamation), and the Independent Electric System Operator of Ontario (IESO). The Commission addresses these comments below.

7. On October 15, 2008, NERC filed violation risk factors for the version two FAC Reliability Standards and a regional difference for the Western Interconnection. The violation risk factors filed by NERC are identical to the violation risk factors assigned to the version one FAC Reliability Standards.

8. Notice of NERC's October 15, 2008 filing was published in the **Federal Register**, 74 FR 8082 (2009), with comments due on March 5, 2009. None was filed.

II. Discussion

9. As discussed below, the Commission finds the three FAC Reliability Standards to be just, reasonable not unduly discriminatory or preferential, and in the public interest. Further, the proposed Reliability Standards are consistent with our directives in Order No. 705. The Commission therefore approves Reliability Standards FAC–010–2, FAC–011–2, and FAC–014–2, effective 30 days after publication of this final rule in the **Federal Register**.[7]

10. In addition, as discussed below, we approve the ERO's proposed violation severity levels and violation risk factors for the three FAC Reliability Standards and direct the ERO to make certain modifications to the violation severity levels within 30 days of the effective date of this final rule.

11. In the sections below, we address each of the proposed revisions to the FAC Reliability Standards as well as comments received in response to the FAC NOPR.

[1] 16 U.S.C. 824o.

[2] 16 U.S.C. 824o(e)(3).

[3] NERC designates the version number of a Reliability Standard as the last digit of the Reliability Standard number. Therefore, version one Reliability Standards end with ''–1'' and version two Reliability Standards end with ''–2.''

[4] *Facilities Design, Connections and Maintenance Reliability Standards,* Order No. 705, 73 FR 1770 (Jan. 9, 2008), 121 FERC ¶ 61,296 (2007), *order on reh'g and clarification,* 123 FERC ¶ 61,239 (2008).

[5] The FAC Reliability Standards are not codified in the CFR and are not attached to the Final Rule. They are, however, available on the Commission's eLibrary document retrieval system in Docket No. RM08–11–000 and are available on the ERO's Web site, *http://www.nerc.com.*

[6] *Version Two Facilities Design, Connections and Maintenance Reliability Standards,* 73 FR 63105 (Oct. 23, 2008), FERC Stats. & Regs. ¶ 32,637 (2008) (NOPR).

[7] Reliability Standards cannot become effective before the effective date of a Commission order approving them. *See, e.g., Mandatory Reliability Standards for Critical Infrastructure Protection,* Order No. 706, 73 FR 7368 (Feb. 7, 2008), 122 FERC ¶ 61,040 (2008) at n.190.

A. Load Greater Than Studied

12. Sub-requirement R2.3.2 of FAC–011–1 (the ''version 1'' standard) provided that the system's response to a single contingency may include, *inter alia,* ''[i]nterruption of other network customers, only if the system has already been adjusted, or is being adjusted, following at least one prior outage, or, if the real-time operating conditions are more adverse than anticipated in the corresponding studies, e.g., load greater than studied.'' NERC asserted that a significant gap between actual and studied conditions (such as a large error in load forecast) could be treated as though it were a contingency under the version 1 of FAC–011–1 Reliability Standard.

13. In Order No. 705, the Commission disagreed with NERC's explanation of FAC–011–1, sub-Requirement R2.3.2 and use of the phrase ''load greater than studied.'' [8] However, the Commission found that the meaning of Requirement R2.3 and sub-Requirement R2.3.2 was clear without the phrase. The Commission therefore approved FAC–011–1, but directed the ERO to revise the Reliability Standard through the Reliability Standards development process. The Commission suggested that NERC could address the Commission's concern by deleting the phrase, ''e.g., load greater than studied.'' [9]

NERC Filing

14. In response to the Commission's directive, NERC revised the Reliability Standard to remove the phrase ''*e.g.* load greater than studied'' from Requirement R2.3.2. NERC described the phrase as an example and stated that its removal does not materially change the requirement.

NOPR Proposal

15. In the NOPR, the Commission proposed to approve NERC's removal of the phrase ''*e.g.*, load greater than studied'' from sub-requirement R2.3.2 of FAC–011–2. The Commission noted that NERC's revision in FAC–011–2 appeared reasonable and did not appear to change or conflict with the stated requirements set forth in the version one Reliability Standards approved in Order No. 705.

Commission Determination

16. The Commission approves the ERO's removal of the phrase ''e.g., load greater than studied'' from sub-requirement R2.3.2 of FAC–011–2. As we explained in the NOPR, while NERC described the phrase ''load greater than studied'' as simply an example and its removal does not materially change the requirement, Order No. 705 found that the operating conditions referred to in sub-Requirement R2.3.2 exacerbated circumstances that were distinct from the actual contingency to be addressed that is referred to in Requirement R2.3. Further, the Commission, in Order No. 705, did not support treating ''load greater than studied'' as a contingency.[10] Rather, correcting for load forecast error is not accomplished by treating the error as a contingency, but is addressed under other Reliability Standards.[11] The removal of the phrase ''load greater than studied'' resolves our concern and, accordingly, we approve the revision.

B. Cascading Outages

17. With the version one FAC Reliability Standards, NERC proposed to add the term ''Cascading Outages'' to its glossary. In Order No. 705, the Commission noted that, although the glossary did not include a definition of Cascading Outages, it included a previously-approved definition of ''Cascading,'' which seemed to describe the same concept. The Commission remanded NERC's proposed definition of Cascading Outages because NERC did not describe either the need for two definitions that seem to address the same matter or the variations between the two. The Commission also raised specific concerns with NERC's proposed definition of Cascading Outages. However, the Commission allowed NERC to file a revised definition that addresses the Commission's concerns.[12]

NERC Proposal

18. In response, NERC proposed to withdraw the definition of Cascading Outages. Further, NERC revised Reliability Standards FAC–010–2 and FAC–011–2 by removing the term Cascading Outages and replacing it with Cascading.

NOPR Proposal

19. In the NOPR, the Commission proposed to approve NERC's substitution of Cascading for Cascading Outage in the FAC Reliability Standards.[13] The Commission noted that NERC's proposed revisions to FAC–010–2 and FAC–011–2 appeared reasonable and did not appear to change or conflict with the stated requirements set forth in the version one Reliability Standards approved in Order No. 705.

Commission Determination

20. The Commission approves the ERO's decision to withdraw the definition of Cascading Outage, and to remove the term Cascading Outage from the FAC Reliability Standards and replace it with the term Cascading. This approach is consistent with Order No. 705 and provides further clarity to the FAC Reliability Standards.

C. Loss of Consequential Load

21. Reliability Standard FAC–010–1 (version 1) Requirement R2.3, provided that the system's response to a single contingency may include, *inter alia*, ''planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the Faulted Facility or by the affected area.'' [14] In response to a question raised by the Commission, NERC clarified that the provision in FAC–010–1, Requirement R2.3 is limited to loss of load that is directly connected to the facilities removed from service as a direct result of the contingency, i.e., consequential load loss.

22. In Order No. 705, the Commission reiterated its holding that addressed similar language on loss of load in Order No. 693, regarding Reliability Standard TPL–002–0. In Order No. 693, the Commission noted that ''allowing for the 30 minute system adjustment period, the system must be capable of withstanding an N–1 contingency, with load shedding available to system operators as a measure of last resort to prevent cascading failures.'' [15] Order No. 693 directed the ERO to clarify the planning Reliability Standard TPL–002–0 accordingly. The Commission reached the same conclusion in Order No. 705. In Order No. 705, the Commission approved Reliability Standard FAC–010–1, Requirement R2.3 and directed the ERO to ensure that the clarification developed in response to Order No. 693 is made to the FAC Reliability Standards as well.[16]

[8] Order No. 705, 121 FERC ¶ 61,296 at P 70.

[9] *Id.*

[10] NOPR, FERC Stats. & Regs. ¶ 32,637 at P 10 (citing Order No. 705, 121 FERC ¶ 61,296 at P 69).

[11] *Id.* (citing Order No. 705, 121 FERC ¶ 61,296 at P 68, which states that ''transmission operators are required to modify their plans whenever they receive information or forecasts that are different from what they used in their present plans. Furthermore, variations in weather forecasts that result in load forecast errors are more properly addressed through operating reserve requirements.'').

[12] Order No. 705, 121 FERC ¶ 61,296 at P 111.

[13] NOPR, FERC Stats. & Regs. ¶ 32,637 at P 13.

[14] Identical language appears in FAC–011–1, Requirement R2.3.

[15] *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, 72 FR 16416 (Apr. 4, 2007), FERC Stats. & Regs. ¶ 31,242 at P 1788, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

[16] Order No. 705, 121 FERC ¶ 61,296 at P 53.

NERC Filing

23. NERC, in its June 30, 2008 filing, stated its belief that revisions to the term ''loss of consequential load'' is best addressed in its ongoing project to modify the transmission planning (TPL) group of Reliability Standards. NERC explains that the term ''loss of consequential load'' is intrinsic to the scope of the project to revise the TPL Reliability Standards and will be addressed there.

NOPR Proposal

24. In the NOPR, the Commission proposed to allow the ERO to address revisions to the term ''loss of consequential load'' in the modification being made to the TPL Reliability Standards. The Commission advised that such revisions should be consistent with the Commission's prior determinations in Order Nos. 693 and 705.[17] The Commission preliminarily found that FAC–010–2 and FAC–011–2 were clearly understood as written and clarified in Order No. 705, including its holding with respect to ''loss of consequential load,''[18] and that NERC's proposal to deal with ''loss of consequential load'' in a more related project was appropriate.

Commission Determination

25. The Commission adopts its NOPR proposal approving the ERO's proposal to address revisions to the term ''loss of consequential load'' in the modification being made to the TPL Reliability Standards.

D. Violation Severity Levels

26. In the event of a violation of a Reliability Standard, NERC will establish the initial value range for the corresponding base penalty amount. To do so, NERC will assign a violation risk factor for each requirement of a Reliability Standard that relates to the expected or potential impact of a violation of the requirement on the reliability of the Bulk-Power System. In addition, NERC will define up to four violation severity levels—Lower, Moderate, High, and Severe—as measurements for the degree to which the requirement was violated in a specific circumstance.

27. In Order No. 705, the Commission approved 63 of NERC's 72 proposed violation risk factors for the version one FAC Reliability Standards and directed NERC to file violation severity level assignments before the version one FAC Reliability Standards become effective.[19] Subsequently, NERC developed violation severity levels for each requirement of the Commission-approved FAC Reliability Standards, as measurements for the degree to which the requirement was violated in a specific circumstance.

28. On June 19, 2008, the Commission issued an order approving the violation severity level assignments filed by NERC for the 83 Reliability Standards approved in Order No. 693.[20] In that order, the Commission offered four guidelines for evaluating the validity of violation severity levels, and ordered a number of reports and further compliance filing to bring the remainder of NERC's violation severity levels into conformance with the Commission's guidelines. The four guidelines are: (1) Violation severity level assignments should not have the unintended consequence of lowering the current level of compliance; (2) violation severity level assignments should ensure uniformity and consistency among all approved Reliability Standards in the determination of penalties;[21] (3) violation severity level assignments should be consistent with the corresponding requirement; and (4) violation severity level assignments should be based on a single violation, not a cumulative number of violations.[22] The Commission found that these guidelines will provide a consistent and objective means for assessing, *inter alia*, the consistency, fairness and potential consequences of violation severity level assignments. The Commission noted that these guidelines were not intended to replace NERC's own guidance classifications, but rather, to provide an additional level of analysis to determine the validity of violation severity level assignments.

NERC Filing

29. In its initial filing, NERC identified violation severity levels for FAC–010–2, FAC–011–2, and FAC–014–2. NERC acknowledged that it developed these violation severity levels prior to the issuance of the Violation Severity Level Order. NERC asked the Commission to accept its violation severity levels, as filed, for the version two FAC Reliability Standards even though it has not yet assessed their validity using the four guidelines established in the Violation Severity Level Order. NERC committed to assessing the violation severity levels for the FAC Reliability Standards in the six-month compliance filing required by the Violation Severity Level Order.[23]

NOPR Proposal

30. The NOPR proposed to approve, with modification, NERC's proposed violation severity levels for FAC–010–2, FAC–011–2, and FAC–014–2.[24] The Commission acknowledged that NERC assigned its proposed violation severity levels before the Commission established the four guidelines for evaluating the validity of violation severity levels, and preliminarily found that certain proposed violation severity levels for the version two FAC Reliability Standards would not meet our guidelines. The Commission therefore proposed certain modifications to the violation severity levels to form a complete set of violation severity levels. The Commission acknowledged that NERC committed to assessing the violation severity levels in the compliance filing required by the Violation Severity Level Order and encouraged NERC to do so.[25] If, however, NERC did not include an assessment of its FAC violation severity levels in its six-month evaluation following the issuance of the Violation Severity Level Order, the Commission proposed to direct the ERO to submit an assessment of the FAC violation severity levels within six months of the effective date of the final rule in this docket.

31. In the sections below, the Commission addresses comments and approves, with modification, violation severity levels for FAC–010–2, FAC–011–2 and FAC–014–2.

[17] *See* NOPR, FERC Stats. & Regs. ¶ 32,637 at P 17 (citing Order No. 705, 121 FERC ¶ 61,296 at P 53); Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1788 & n.461.

[18] *See id.* P 53.

[19] Order No. 705, 121 FERC ¶ 61,296 at P 137.

[20] *North American Electric Reliability Corp.*, 123 FERC ¶ 61,284 (Violation Severity Level Order), *order on reh'g*, 125 FERC ¶ 61,212 (2008) (Violation Severity Level Order on Rehearing and Clarification).

[21] Guideline 2 contains two sub-parts: (a) The single violation severity level assignment category for binary requirements should be consistent and (b) violation severity levels assignments should not contain ambiguous language.

[22] *Id.* P 17.

[23] NERC June 30, 2008 Filing, Docket No. RM07–3–000 at 5 (citing Violation Severity Level Order, 123 FERC ¶ 61,284 at P 42 (requiring NERC, within six months from the issuance of the Violation Severity Level Order, to conduct a review of the approved violation severity levels pursuant to the Commission guidelines, and submit a compliance filing)).

[24] NOPR, FERC Stats. & Regs. ¶ 32,637 at P 22.

[25] The Violation Severity Level Order also, among other things, directed that the ERO submit a compliance filing within six months certifying that it had reviewed each of the violation severity levels for consistency with Guidelines 2b, 3, and 4, validating the assignments that meet those guidelines and proposing revisions to those that do not. The Violation Severity Level Order on Rehearing and Clarification extended the submission of ERO's compliance filing by six months to September 18, 2009.

1. General Matters

Comments

32. NERC requests clarification regarding the Commission's direction in paragraph 24 of the NOPR. In that paragraph, the Commission states that it is concerned with several of the proposed violation severity levels and then provides two examples. NERC asks the Commission to clarify whether or not this was intended as a generic statement to preface later paragraphs of the NOPR. NERC also asks if the Commission has identified additional violation severity levels that need revision beyond those identified in the body of the NOPR.

33. As a general matter, IESO supports the NERC's proposed modifications to the FAC Reliability Standards, including the associated violation risk factors and violation severity levels and asks the Commission to accept them as filed. IESO states that the violation risk factors and violation severity levels were developed in a stakeholder process with active industry participation through NERC's standards development process. IESO contends that the industry has the resources, technical capability, and the experience necessary to develop violation risk factors and violation severity levels that reflect the requirements embedded in the various reliability standards. IESO recommends that the Commission accept the industry developed and balloted violation risk factors and violation severity levels where these are established by NERC and the industry in adherence to a timely and due process.

34. By contrast, the Bureau of Reclamation advocates that because the violation severity levels require refinement, the Commission should not approve NERC's proposed Reliability Standards. The Bureau of Reclamation states that the Commission relies on NERC to develop Reliability Standards and in the event a standard is found to be inadequate, the Commission should remand the standard back to NERC. The Bureau of Reclamation asks the Commission to rely on the existing version until the proposed changes are made and resubmitted to the Commission for approval. Otherwise, the Bureau of Reclamation contends, it will be difficult for regulating entities to enforce uncertain Reliability Standards.

Commission Determination

35. In response to NERC's comment, we clarify that the Commission's statement in paragraph 24 of the NOPR that it is concerned with several of the proposed violation severity levels was intended as a generic statement to preface later paragraphs. In general, the Commission approves the violation severity levels proposed by NERC. As discussed in the NOPR, however, the Commission identified several violation severity levels that appeared either unclear or inconsistent with the Commission's guidelines for violation severity levels. In this final rule, the Commission approves certain violation severity levels as proposed by NERC and directs certain modifications, as discussed below.

36. The Commission disagrees with IESO's proposal that because the violation severity levels proposed by NERC in this proceeding were developed by industry participants through NERC's standard development process, the Commission should approve the violation severity levels as filed. The Commission has previously determined that, similar to violation risk factors, violation severity levels are not part of the Reliability Standard and, thus, are appropriately treated as an appendix to NERC's Rules of Procedure.[26] Revisions of violation severity levels do not modify the Reliability Standard. Accordingly, NERC is not required to comport with the Reliability Standards development provisions of Federal Power Act section 215 when revising a violation severity level assignment.[27] It is for this reason that the Commission also rejects the Bureau of Reclamation's request that the Commission not approve the proposed Reliability Standards because the proposed violation severity levels applicable to them require additional work.

2. Assignment of Violation Severity Levels to Sub-Requirements

NERC Filing

37. NERC did not propose any violation severity level assignments for sub-requirements.

NOPR Proposal

38. The Commission has directed NERC to develop violation severity levels for each requirement and sub-requirement of each Reliability Standard.[28] The Commission therefore proposed to direct the ERO to assign binary violation severity levels for all of the proposed sub-requirements.[29] In Order No. 705, the Commission found that the binary approach is appropriate for certain violation severity level assignments.[30] In this instance, the Commission determined that the binary approach is appropriate because the violation severity level of the base requirement is established by whether a sub-requirement is violated or not, not to the extent a sub-requirement is violated. Thus, the Commission preliminarily found that the proposed binary requirements satisfy guideline 3, which calls for consistency between the violation severity level assignments and their corresponding requirements. For example, FAC–010–2 Requirement R1.1 states that the planning authority's system operating limit methodology shall ''[b]e applicable for developing system operating limits used in the planning horizon.'' [31] Because NERC did not propose any violation severity levels for this sub-requirement, the Commission proposed a binary severe violation severity level that would be triggered when the planning authority system operating limit methodology is not applicable for developing system operating limits in the planning horizon. The Commission stated that this binary approach for sub-requirements provides clear criteria to determine the violation severity level for a violation of the sub-requirement. The Commission proposed to direct the ERO to file the revised violation severity levels within 30 days of the final rule in this proceeding.

Comments

39. NERC states that it did not intend to assign a penalty or sanction based on the violation of each sub-requirement of a Reliability Standard separate and distinct from the base requirement it supports. Where a sub-requirement is phrased like a requirement and addresses a different reliability objective from the base requirement, NERC agrees that it is appropriate to assign a violation risk factor to the primary requirement and to each sub-requirement that addresses differing reliability objectives. NERC contends, though, that the version two FAC Reliability Standards do not include any sub-requirements serving a reliability objective separate from the base requirement. NERC states that each of these sub-requirements is crafted as an integral component of the base requirement, and is not intended to be assessed for compliance independent of the base requirement. NERC states that each base requirement is assigned a

[26] Violation Severity Level Order, 123 FERC ¶ 61,284 at P 15.

[27] *See North American Electric Reliability Corporation*, 120 FERC ¶ 61,145, at P 16 (2007).

[28] *North American Electric Reliability Corp.*, 119 FERC ¶ 61,248 at P 80 (June 2007 Order), *order on clarification*, 120 FERC ¶ 61,239 (2007).

[29] Binary requirements of Reliability Standards define compliance in terms of ''pass'' or ''fail.''

[30] Order No. 705, 121 FERC ¶ 61,296 at P 24.

[31] NERC June 30, 2008 Filing, Docket No. RM07–3–000, ex. A.

violation risk factor and a set of violation severity levels that incorporates each sub-requirement, irrespective of the number of sub-requirements associated with the base requirement. Thus, NERC contends, the severity of violating the reliability objective of the base requirement and its associated sub-requirements is best assessed on the whole at the base requirement level rather than on the individual sub-requirement level.

40. NERC disagrees with the Commission's statement that NERC did not propose any violation severity level assignments for sub-requirements. NERC states that it proposed violation severity levels for each sub-requirement by reference in the associated base requirement of the related sub-requirement. NERC also disagrees with the Commission's proposal to direct the ERO to assign ''Severe'' binary violation severity levels for all of the proposed sub-requirements of the base requirement. NERC contends that the assignment of ''Severe'' binary violation severity levels for all of the proposed sub-requirements of a base requirement will create an overlap of violation severity levels between the base and sub-requirements that will have the unintended consequence of confusing the application of the NERC sanction guidelines to a particular set of circumstances that involves compliance with a particular sub-requirement as part of the base requirement. NERC further contends that its proposed application of violation severity levels relative to base and sub-requirements is consistent with the Commission's criterion for approving Reliability Standards.[32] NERC contends that the approach proposed by the Commission would create inconsistencies in the application of the violation severity levels, contrary to the Commission's guidelines in Order No. 672. NERC further contends that the Commission's proposed approach fails to acknowledge that the purpose of the sub-requirement is to support the singular reliability objective of, and is a component of, the total intent of the base requirement and, as such, is not to be assessed independently from the base requirement.

41. IESO and Midwest ISO agree with NERC that the application of violation severity levels should be consistent and that the Commission should not require the assignment of a violation severity level to every sub-requirement. Midwest ISO contends that, in the event a sub-requirement covers a different reliability objective than the base requirement and therefore does need its own violation severity level, the Commission should direct NERC to strike the sub-requirement and rewrite it as a separate base requirement. Midwest ISO also requests Commission confirmation that a penalty should be assessed through the main requirement rather than through the criteria in the sub-requirements. Further, Midwest ISO contends that, because the violation severity levels of these base requirements cover the violation of the criteria in the sub-requirements, the violation risk factors associated with the sub-requirements should be removed, eliminating the need for additional violation severity levels for sub-requirements.

Commission Determination

42. NERC's proposal to assign a penalty or sanction for a violation of a sub-requirement based on the violation severity level of the corresponding main requirement is not consistent with Commission precedent or with NERC's Sanction Guidelines. The Commission has directed NERC to develop violation severity levels for every requirement and sub-requirement.[33] In addition, the Violation Severity Level Order stated that each requirement assigned a violation risk factor also must be assigned at least one violation severity level.[34] As set forth in the NERC's Sanction Guidelines, the intersection of these two factors is the first step in the determination of a monetary penalty for a violation of a requirement of a Reliability Standard. The ERO and Regional Entities may assess penalties that relate to violations of particular sub-requirements of a requirement, where appropriate. For these reasons, the Commission disagrees with commenters who argue that the Commission should not require the assignment of violation severity levels to every sub-requirement.

43. The Commission understands that the Reliability Standards (Version 0 and Version 1) approved in Order No. 693 are, for the most part, a direct translation of the then voluntary NERC Operating Policies and Planning Standards, which employed a numbering hierarchy that does not consistently facilitate the assignment of violation risk factors and, consequently, violation severity levels. This numbering hierarchy, carried over during the translation, is at the heart of the distinction between ''main'' and ''sub'' requirements with respect to compliance with mandatory Reliability Standards.[35]

44. The Commission appreciates the ERO's initiative to develop an alternative approach to facilitate the assignment of factors necessary for its compliance and enforcement program. As NERC acknowledges, some Reliability Standards include requirements with sub-requirements that address a different reliability objective from the main requirement. The Commission understands that the varied nature of the relationship between the main requirements and sub-requirements throughout the Reliability Standards has created concern whether a violation of a sub-requirement is also a violation of the requirement itself. Due to these concerns, the Commission believes that it is premature to change its current policy in the current proceeding, which is limited to the three FAC Reliability Standards submitted by NERC.

45. Rather, the Commission encourages the ERO to develop a new and comprehensive approach that would better facilitate the assignment of violation severity levels and violation risk factors both prospectively and to existing, Commission-approved, Reliability Standards. The ERO could raise its proposal for an alternative approach in a separate filing. This would allow the Commission to better understand the implications of the proposed change in approach, as opposed to having to act on an ad hoc basis.

46. The Commission expects that the ERO's filing of its alternative approach would include a more detailed description of the proposal to assign violation severity levels for main requirements that would apply to sub-requirements, as well as the specific conditions under which its application

[32] *See Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, Order No. 672, 71 FR 8662 (Feb. 17, 2006), FERC Stats. & Regs. ¶ 31,204 (2006); *order on reh'g*, Order No. 672–A, 71 FR 19814 (Apr. 18, 2006), FERC Stats. & Regs. ¶ 31,212 (2006). Order No. 672 states that ''[t]he possible consequences, including range of possible penalties, for violating a proposed Reliability Standard should be clear and understandable by those who must comply.'' Order No. 672, FERC Stats. & Regs. ¶ 31,204 at P 326.

[33] June 2007 Order, 119 FERC ¶ 61,248 at P 80.

[34] Violation Severity Level Order, 123 FERC ¶ 61,284 at P 3 (citing June 2007 Order, 119 FERC ¶ 61,248 at P 74).

[35] NERC November 24, 2008 Comments at 6. As NERC points out in its comments, some requirements assigned to Version 0 Reliability Standards included sub-requirements that were phrased like a separate requirement and, in fact, addressed a separate reliability objective.

would or would not be appropriate.[36] The Commission also expects that the ERO's filing would propose implementation of its approach comprehensively to all requirements of approved Reliability Standards and how that implementation would be accomplished. The ERO's filing of its alternative approach, however, must not postpone or preclude the Guideline 2b, 3, and 4 compliance filing which is due in September 2009. Therefore, until the Commission has an opportunity to review such a proposal, the Commission directs the ERO to submit violation severity levels for all requirements and sub-requirements at issue in this proceeding within 30 days from the effective date of this final rule, as discussed below and as indicated in Attachment A. In light of concerns raised in the comments, the Commission has also made minor clarifying edits to the violation severity levels for certain of the requirements and sub-requirements approved in this proceeding.[37] These clarifying edits are also reflected in Attachment A.

3. Removal of Unnecessary Violation Severity Level Assignments

NERC Filing

47. NERC submitted violation severity levels for Requirement R2 of FAC–010–2 and Requirement R2 of FAC–011–2. Requirements R2 of FAC–010–2 and FAC–011–2 require planning authorities and reliability coordinators to include in their system operating limit methodology a requirement that the system operating limits provide bulk electric system performance consistent with the terms established in the sub-requirements.

NOPR Proposal

48. In Order No. 705, the Commission found that Requirement R2 of FAC–010–1 and Requirement R2 of FAC–011–1, without their sub-requirements, include no required performance or outcome.[38] As such, no violation severity levels need to be assigned to these requirements. The Commission therefore proposed to delete the proposed violation severity levels for Requirement R2 of FAC–010–2 and FAC–011–2.

Comments

49. NERC disagrees with the Commission's proposal to remove the violation severity levels assigned to Requirement R2 of FAC–010–2 and Requirement R2 of FAC–011–2. NERC states that it did not intend to assign a penalty or sanction based on the violation of each sub-requirement of a Reliability Standard. NERC states that although it has assigned a violation risk factor to every base requirement and sub-requirement to comply with a Commission directive, it continues to expect that the compliance enforcement authority will assess each base requirement in total, irrespective of the number of sub-requirements associated with the base requirement.

Commission Determination

50. As discussed above, each requirement that is assigned a violation risk factor also must be assigned at least one violation severity level. If the ERO does not assign a violation risk factor to a requirement, it should not assign violation severity levels. The NOPR identified requirements belonging to the proposed Reliability Standards that do not establish a required outcome or performance. In the Violation Risk Factor Order, the Commission described these types of requirements as explanatory statements, phrases and/or text, and determined that violation risk factors need not be assigned to such requirements.[39] The Commission finds that Requirements R2 and R2.6 of FAC–010–2 and Requirement R2 of FAC–011–2 are such explanatory statements as they include no required performance or outcome. Accordingly, the Commission adopts the NOPR proposal and directs the ERO to remove violation severity level assignments for Requirements R2 and R2.6 of FAC–010–2 and Requirement R2 of FAC–011–2. The ERO shall submit its revisions to the Commission within 30 days from the issuance of this final rule, as discussed above and as indicated in Attachment A.

4. Compliance With the Commission's Violation Severity Level Guidelines

51. The Commission offers the following clarifications regarding its proposals for compliance with the guidelines established in the Violation Severity Level Order. As an initial matter, it has come to the Commission's attention that, in the NOPR, certain discussions were based on a draft version rather than the filed version of the ERO's proposed violation severity levels. As a result, some of the Commission's proposed revisions would not be appropriate to adopt here. Upon further examination of the ERO's filed violation severity levels, the Commission revises its earlier statements where appropriate, as discussed below.

52. Since the Commission's concerns in these instances were not discussed in the NOPR for comment, the Commission approves the violation severity levels for those requirements as filed by the ERO. However, to ensure that the violation severity levels approved for those requirements are consistent with the guidelines established in the Violation Severity Level Order in a timely manner, the Commission directs the ERO to review those requirements for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review the earlier of six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing due in September 2009, whichever is earlier.

53. Not all of the Commission's proposed modifications of the violation severity levels were based on an unfiled draft of the violation severity levels. Where appropriate, the Commission clarifies its proposed modifications and adopts the NOPR proposal, as discussed below.

a. Requirement R1 of FAC–010–2 and FAC–011–2

NERC Filing

54. Requirement R1 of FAC–010–2 and FAC–011–2 require planning authorities and reliability coordinators to establish a documented system operating limit methodology that satisfies the elements detailed in the sub-requirements. NERC proposed violation severity levels for both of these requirements based on whether the applicable entity has a documented system operating limit methodology and, if it does, the number of elements, from the sub-requirements, the planning authority or reliability coordinator was missing from its system operating limit methodology.

NOPR Proposal

55. In the NOPR, the Commission commented on a lack of uniformity between FAC–010–2 Requirement R1

[36] The Commission understands that this approach would also be applied in the assignment of violation risk factors to requirements of Reliability Standards.

[37] In particular, the Commission directs clarifying revisions to the violation severity levels that the Commission proposed to assign to sub-requirements R2.1, R2.2 and R2.5 of FAC–010–2 and R2.1 and R2.2 of FAC–011–2. In addition, the Commission has made several typographical revisions to the violation severity levels the Commission proposed to assign to other sub-requirements. As noted above, these revisions are set forth in full in Attachment A to this order.

[38] Order No. 705, 121 FERC ¶ 61,296 at P 159.

[39] North American Electric Reliability Corporation, 119 FERC ¶ 61,145 at P 45 (Violation Risk Factor Order), *order on reh'g*, 120 FERC ¶ 61,145 (2007) (Violation Risk Factor Order on Rehearing and Clarification); Order No. 705, 121 FERC ¶ 61,296 at P 159.

and FAC–011–2 Requirement R1. Accordingly, the Commission proposed to direct the ERO to modify the violation severity levels assigned to FAC–011–2 Requirement R1 to make them consistent with the violation severity levels proposed for FAC–010–2 Requirement R1. The Commission reasoned that this uniformity would assist in the compliance and enforcement of these Reliability Standards because it is logical that nearly identical requirements should have nearly identical violation severity level structures.

Comments

56. NERC states that the violation severity levels it filed with the Commission for FAC–010–2 Requirement R1 matched the set of violation severity levels balloted for FAC–011–2 Requirement R1. NERC therefore contends that the Commission's proposed modification to FAC–011–2 is unnecessary. Midwest ISO agrees that Requirement R1 of FAC–010–2 and Requirement R1 of FAC–011–2 were consistent as filed.

57. Midwest ISO also asks the Commission to direct the ERO to remove the violation risk factors associated with the sub-requirements of Requirement R1 of FAC–010–2 and Requirement R1 of FAC–011–2. Midwest ISO states that these sub-requirements represent criteria that the system operating limit methodology must contain that are already considered and encompassed in the violation severity levels associated with the main requirement. Removing the violation risk factors associated with the sub-requirements, Midwest ISO contends, would eliminate the need for additional violation severity levels that would be duplicative of the violation severity level associated with the main requirement. Further, Midwest ISO requests that the Commission confirm that a penalty should be assessed through the main requirement rather than through the criteria in the sub-requirements.

Commission Determination

58. FAC–010–2 Requirement R1 and FAC–011–2 Requirement R1 establish the same requirements for the planning authority and reliability coordinator, respectively. Accordingly, the Commission believes that the ERO should assign similar violation severity levels for these requirements, which it did. The Commission therefore approves the violation severity levels assigned to FAC–010–2 Requirement R1 and FAC–011–2 Requirement R1 as filed by the ERO.

59. Midwest ISO's request to eliminate violation severity levels for sub-requirements and assess a penalty through the violation severity level and violation risk factor assigned to the main requirements is similar to NERC's proposed alternative approach for assigning violation severity levels, which the Commission addresses above. For the same reasons discussed above, the Commission rejects Midwest ISO's request to remove violation risk factors for sub-requirements. Also, for the reasons discussed above, the Commission finds that Midwest ISO's request is a Reliability Standards compliance issue best addressed in the context of a Reliability Standards compliance proceeding.

b. FAC–010–2 Requirement R4

NERC Filing

60. FAC–010–2 Requirement R4 requires the planning authority to issue its system operating limit methodology, and any change to that methodology, to several identified entities prior to the effectiveness of the change. Sub-requirements R4.1 through R4.3 list the required entities to which the planning authority should provide the system operating limit methodology. NERC's proposed violation severity level assignments for FAC–010–2 Requirement R4 measure compliance based, in part, on the number of days the applicable entity failed to provide it system operating limit methodology to the required entities.

NOPR Proposal

61. The Commission stated that it is difficult to discern which conditions trigger specific violation severity levels assigned to FAC–010–2 Requirement R4. The Commission therefore proposed to direct the ERO to make modifications to clarify those conditions without changing the substance of the violation severity levels.

Comments

62. NERC does not oppose the Commission's proposed change to the violation severity levels for FAC–010–2 Requirement R4, because, NERC states, the proposed modifications do not change the intent of the categories of the violation severity levels. NERC contends, however, that the Commission's proposed revisions are inconsistent with other violation severity levels already approved by the Commission. NERC also questions why the Commission would identify the violation severity levels for FAC–010–2 in paragraph 23 of the NOPR among other proposed assignments that are consistent with the Commission's violation severity level guidelines, and then propose modification in the following paragraph.

63. IESO states that there is a time factor in question with respect to Requirement R4 of FAC–010–2 that requires a planning authority to issue to appropriate entities its system operating limit methodology, and any change to that methodology, prior to the effectiveness of the change. IESO contends that NERC's proposed violation severity level for Requirement R4 of FAC–010–2 accurately captures this requirement.

Commission Determination

64. The Commission approves the violation severity levels for Requirement R4, as filed by NERC because the NOPR was silent as to NERC's proposal. However, to ensure that the violation severity levels approved for Requirement R4 are consistent with the guidelines established in the Violation Severity Level Order in a timely manner, the Commission directs the ERO to review the violation severity levels assigned to Requirement R4 for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier.[40]

65. Although the Commission approves the violation severity levels assigned to Requirement R4 as filed by NERC, the Commission also adopts the NOPR proposal to direct the ERO to assign binary violation severity levels to each sub-requirement. Sub-requirements R4.1 through R4.3 are binary

[40] Based on the record to date, the Commission believes that NERC's proposed violation severity level assignment may not be consistent with Guideline 3, which requires that violation severity levels be consistent with the text of the corresponding requirement. The text of Requirement R4 states that, ''[t]he planning authority shall issue its system operating limit methodology, to all of the following prior to the effectiveness of the change.'' To whom the methodology must be issued is described in each of the sub-requirements R4.1 through R4.3. The violation severity levels NERC proposes, however, would base compliance, in part, on the number of days the planning authority failed to deliver its system operating limit methodology to the required entities. The Commission believes that, consistent with Guideline 3, violation severity levels for Requirement R4 should be assigned based on the number of R4 sub-requirements that are not met. For example, since there are three sub-requirements, a ''Moderate'' violation severity level would be triggered if the applicable entity did not comply with one of the three required sub-requirements; a ''High'' violation severity level if the applicable entity did not comply with two of the three sub-requirements; and, a ''Severe'' violation severity level if the applicable entity did not comply with any of the sub-requirements.

requirements and should be assigned a single violation severity level. The ERO shall submit its revisions to sub-requirements R4.1 though R4.3 to the Commission within 30 days from the issuance of this final rule, as discussed above and as indicated in Attachment A.

c. FAC–011–2, Requirement R3

NERC Filing

66. Requirement R3 of FAC–011–2 requires a reliability coordinator to include in its methodology for determining system operating limits a description of the elements listed in the sub-requirements, ranging from R3.1 through R3.7, along with any reliability margins applied for each. NERC proposed to assign a ''Severe'' violation severity level if the reliability coordinator's methodology for determining system operating limits is missing a description of *three or more* of the sub-requirements. At the same time, NERC proposed to assign a ''High'' violation severity level if the reliability coordinator's methodology for determining system operating limits includes a description for all but *three* sub-requirements within the same range.

NOPR Proposal

67. In the NOPR, the Commission pointed out that, under NERC's proposed violation severity level assignments, if a reliability coordinator's methodology for determining system operating limits is missing a description of three sub-requirements, the resulting violation could be assigned both a ''High'' and a ''Severe'' violation severity level. To eliminate this overlap, the Commission proposed to direct the ERO to assign a ''Severe'' violation severity level to Requirement R3 of FAC–011–2 where the reliability coordinator is missing a description of *four* or more sub-requirements, within the range of R3.1 through R3.7, from its methodology for determining system operating limits.

Comments

68. NERC states that it agrees with the Commission's proposed modification to the violation severity level for Requirement R3 of FAC–011–2.

69. Although Midwest ISO states that the Commission's proposal is reasonable, Midwest ISO requests that the Commission direct the ERO to assign violation severity levels for Requirement R3 based on the quartile approach.[41] Midwest ISO argues that NERC's internal violation severity level development guidelines encourage a multi-component or quartile methodology for assigning violation severity levels where the requirement has multiple sub-components or sub-requirements that direct the responsible entity to comply with a multiple number of sub-requirements or sub-sub-requirements. Accordingly, Midwest ISO requests that the Commission direct the ERO to modify the violation severity levels for Requirement R3 of FAC–011–2 as detailed in the table below.

Requirement	Lower	Moderate	High	Severe
FAC–011–2 R3.	The Reliability Coordinator has a methodology for determining [system operating limits] that includes a description for all but one or two of the following: 3.1 through R3.7.	The Reliability Coordinator has a methodology for determining [system operating limits] that includes a description for all but three of the following: 3.1 through R3.7.	The Reliability Coordinator has a methodology for determining [system operating limits] that includes a description for all but four or five of the following: 3.1 through R3.7.	The Reliability Coordinator has a methodology for determining [system operating limits] that includes a description for all but six or seven of the following: 3.1 through R3.7.

Commission Determination

70. The Commission directs the ERO to modify Requirement R3 of FAC–011–2 to assign a ''Severe'' violation severity level to Requirement R3 of FAC–011–2 where the reliability coordinator is missing a description of *four* or more sub-requirements, within the range of R3.1 through R3.7, from its methodology for determining system operating limits.

71. The Commission finds that Midwest ISO proposed violation severity levels are not appropriate for this requirement. In the Violation Severity Level Order, the Commission expressed concern that, in some instances, although consistent with NERC's guidelines, the quartile approach could result in the arbitrary assignment of violation severity levels and a reduction of the current levels of compliance.[42] The assignment of violation severity levels is arbitrary when based on nothing other than ensuring an even distribution of the full range of missed sub-requirements to each of the four violation severity level categories under the premise of applying NERC's quartile approach. The Commission therefore adopts the NOPR proposal agreed to by NERC and directs the ERO to file revised violation severity levels for FAC–011–2, Requirement R3 within 30 days of the issuance of this final rule, as discussed above and as indicated in Attachment A.

d. FAC–011–2, Requirement R4

NERC Filing

72. Requirement R4 requires the reliability coordinator to issue its system operating limit methodology and any changes to that methodology, prior to the effectiveness or change of the methodology to all of the required entities identified in sub-requirements R4.1 through 4.3. NERC's proposed violation severity levels for the subject requirement incorporate as a measure of compliance the number of days the applicable entity failed to issue its system operating limits methodology and any changes to that methodology, prior to the effectiveness or change of the methodology to the required entities.

NOPR Proposal

73. The Commission did not discuss this requirement in the NOPR.

Commission Determination

74. The Commission approves the violation severity levels for Requirement R4, as filed by the ERO because the NOPR was silent as to NERC's proposal. However, to ensure that the violation severity levels approved for Requirement R4 are consistent with the guidelines established in the Violation Severity Level Order in a timely manner, the Commission directs the ERO to review the violation severity levels assigned to Requirement R4 for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and

[41] In general, a quartile approach measures compliance in 25 percent intervals by either using straight percentages around a determined value or 100 percent or by defining a minimum value and applying quartiles between the minimum value and 100 percent. NERC, *Violation Severity Level Guidelines Criteria*, Project 2007–23 at 18 (2008), *available at: http://www.nerc.com/docs/standards/sar/VSLDT_Guidelines_Final_Draft_08Jan08.pdf.*

[42] Violation Severity Level Order on Rehearing and Clarification, 125 FERC ¶ 61,212 at P 25.

submit the results of the review either within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier.[43]

75. Although the Commission approves the violation severity levels assigned to Requirement R4 as filed by NERC, the Commission also adopts the NOPR proposal to direct the ERO to assign binary violation severity levels to each sub-requirement. Sub-requirements R4.1 through R4.3 are binary requirements and should be assigned a single violation severity level. The ERO shall submit its revisions to sub-requirements R4.1 through R4.3 to the Commission within 30 days from the issuance of this final rule, as discussed above and as indicated in Attachment A.

e. FAC–014–2, Requirements R1 Through R4

NERC Filing

76. Requirements R1 through R4 of FAC–014–2 address the development of system operating limits and interconnection reliability operating limits consistent with the methodologies outlined in FAC–010–2 and FAC–011–2. NERC proposed to assign violation severity levels to these requirements based on a quartile division of the total number of inconsistencies between the assigned system operating limits and the system operating limits that would be produced using the methodologies outlined in FAC–010–2 and FAC–011–2. For example, NERC proposed to assign a ''Lower'' violation severity level where 1 to 25 percent of a registered entity's system operating limits are inconsistent with the applicable entity's system operating limit methodology.

NOPR Proposal

77. In the NOPR, the Commission expressed its belief that each time a system operating limit is inconsistent with the applicable entity's system operating limit methodology, the applicable entity violates the pertinent requirement of FAC–014–2. The Commission stated that its fourth guideline for evaluating violation severity levels makes clear that violation severity level assignments should be based on a single violation, not on a cumulative number of violations. To remedy this deficiency, the Commission proposed to direct the ERO to modify its violation severity levels for FAC–014–02 Requirement R1 through R4 based on the percentage of deviation from the system operating limit methodology for each violation.

Comments

78. NERC contends that the Commission's application of Guideline 4 is confusing and inconsistent. NERC points to the approved violation severity levels for Reliability Standard VAR–001–1, where the Commission allowed NERC to use percentage ranges relating to the number of violations of system operating limits to define the violation severity levels. By contrast, NERC states, the Commission proposed in the NOPR to require every single violation of system operating limit to have a single penalty.

79. Midwest ISO agrees with NERC that referencing percentage ranges relating to the number of violations of system operating limits is consistent with Guideline 4. Midwest ISO also contends that the use of percentage ranges facilitates enforcement. Because an entity may have tens of thousands of system operating limits, Midwest ISO contends that it is not practical to set a single penalty for every single violation of a system operating limit. Midwest ISO contends that a requirement with multiple sub-components or requirements should have a quartile approach applied to the violation severity levels, considering the full range of missed sub-components or requirements possibilities.

80. In addition, NERC states that the Commission's proposed modifications to the violation severity levels for Requirements R1 through R4 of FAC–014–02 are inconsistent with the modifications indicated in Attachment A to the NOPR. NERC states that the Commission's proposed modifications to the violation severity levels, set forth in Attachment A to the NOPR, includes some typographical errors. For example, NERC states that there appears to be an errant ''75%'' in the text of the ''Severe'' category for Requirement R1. NERC also points out that the ''Severe'' category for Requirement R4 includes both the NERC-proposed text and the Commission-inserted text. NERC requests that the Commission clarify its direction on these points. If the Commission decides to direct the ERO to modify its violation severity levels for FAC–014–2 Requirements R1 through R4 based on the percentage of deviation from system operating limit methodology for each violation, NERC requests additional clarification on the specific methodology to be used to determine the percentage of deviation from the system operating limit.

Commission Determination

81. The Commission approves the violation severity levels for Requirement R1 through R4, as filed by the ERO because the NOPR was silent as to NERC's proposal. However, to ensure that the violation severity levels approved for Requirement R1 through R4 are consistent with the guidelines established in the Violation Severity Level Order in a timely manner, the Commission directs the ERO to review the violation severity levels assigned to the subject requirements for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review either within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier.[44]

[43] Based on the record to date, the Commission believes that NERC's proposed violation severity level assignment for FAC–011–2 Requirement R4 may not be consistent with Guideline 3, which requires that violation severity levels be consistent with the text of the corresponding requirement. The text of Requirement R4 states that, ''[t]he planning authority shall issue its system operating limit methodology, to all of the following prior to the effectiveness of the change.'' To whom the methodology must be issued is described in each of the sub-requirements R4.1 through R4.3. The violation severity levels NERC proposes, however, would base compliance, in part, on the number of days the reliability coordinator failed to deliver its system operating limit methodology to the required entities. The Commission believes that, consistent with Guideline 3, violation severity levels for Requirement R4 should be assigned based on the number of R4 sub-requirements that are not met. For example, since there are three sub-requirements, a ''Moderate'' violation severity level would be triggered if the applicable entity did not comply with one of the three required sub-requirements; a ''High'' violation severity level if the applicable entity did not comply with two of the three sub-requirements; and, a ''Severe'' violation severity level if the applicable entity did not comply with any of the sub-requirements.

[44] Based on the record to date, the Commission believes that the violation severity levels assigned by NERC to Requirement R1 through R4 of FAC–014–2 may not be consistent with Guideline 4 because they evaluate compliance based on a cumulative number of violations instead of on a single violation. Since the Commission believes compliance with this requirement hinges on whether or not the applicable entity established its system operating limits and interconnection reliability operating limits consistent with its methodology (''pass'') or did not do so (''fail''), a binary approach is most appropriate for this requirement. By contrast, Requirement R10 of Reliability Standard VAR–001–1 requires each transmission operator to correct violations of interconnection reliability operating limits or system operating limits resulting from reactive resources deficiencies (interconnection reliability operating limit violations must be corrected within 30 minutes) and complete the required interconnection reliability operating limit or system operating limit violation reporting.

In the Violation Severity Level Order, the Commission directed revisions to VAR–001–1 Requirement R10 that assigned violation severity levels based on the percentage of interconnection reliability operating limit and system operating

Continued

f. FAC–014–2, Requirement R5

NERC Filing

82. Requirement R5 requires that the reliability coordinator, planning authority, and transmission planner shall each provide its system operating limits and interconnection reliability operating limits to those entities that have a reliability related need for those limits and provide a written request that includes a schedule for delivery of those limits as described in sub-Requirements 5.1 through 5.4. NERC's proposed violation severity levels for the subject requirements factor in, as measure of compliance, the number of days the applicable entity failed to issue its system operating limits methodology and any changes to that methodology, prior to the effectiveness or change of the methodology to the required entities.

NOPR Proposal

83. The Commission did not comment on this requirement in the NOPR.

Commission Determination

84. The Commission finds that the consideration of the time period for which an entity failed to issue its system operating limits methodology, as it relates to Requirement R5 of FAC–014–2, is not consistent with the text of the requirement and, thus, not consistent with Guideline 3. The Commission believes that the violation severity levels for Requirements R5 should be assigned based on the number of required elements, as identified in the relevant sub-requirements, with which the applicable entity did not comply. Sub-requirements R4.1 through R4.3 and sub-requirements R5.1 through R5.4 are binary requirements and should be assigned a single violation severity level. Since the Commission's proposals for this requirement were not discussed in the NOPR for comment, the Commission approves the violation severity levels for Requirement R4, as filed by the ERO. To ensure that the violation severity levels approved for Requirement R4 are consistent with the guidelines established in the Violation Severity Level Order in a timely manner, the Commission directs the ERO to review the violation severity levels assigned to Requirement R4 for consistency with Violation Severity Level Order Guidelines 2b, 3, and 4 and submit the results of its review either within six months of the effective date of the final rule or in its Violation Severity Level Order Guideline 2b, 3, and 4 compliance filing, whichever is earlier.

g. FAC–014–2, Requirement R6

NERC Filing

85. Requirement R6 of FAC–014–2 requires a planning authority to identify the subset of multiple contingencies (if any) from Reliability Standard TPL–003, which results in stability limits. Sub-requirements R6.1 and R6.2 require that the planning authority provide the list to the reliability coordinator, or if no multiple contingencies exist, to notify the reliability coordinator, respectively. NERC assigned violation severity levels based on a combination of compliance scenarios relevant to sub-requirements R6.1 and R6.2.

NOPR Proposal

86. In the NOPR, the Commission expressed concern that the violation severity levels assigned to FAC–014–2 Requirement R6 do not address a scenario where the planning authority fails to provide a complete subset of contingencies to the reliability coordinator and proposed a revision of the violation severity level assignments. The Commission expressed concern that this omission could prevent the reliability coordinator from having the information it needs for its situational awareness that system operating limits and interconnection reliability operating limits that impact the reliable operation of the Bulk-Power System are being exceeded. The Commission therefore proposed to direct the ERO to add the following ''Lower'' violation severity level: ''The Planning Authority failed to provide a complete subset of contingencies to the reliability coordinator in accordance with R6.'' The Commission also proposed to direct the ERO to reassign NERC's current ''Lower'' violation severity level as the new ''Moderate'' violation severity level to emphasize the need to notify the reliability coordinator.[45] The Commission stated that the proposed revisions would make the violation severity level assignments for Requirement R6 consistent with NERC's own guidelines for the development of violation severity levels related to communication or coordination requirements.[46]

Comments

87. NERC disagrees with the Commission's assertion that the proposed violation severity levels for Requirement R6 of FAC–014–2 do not identify a situation where a planning authority fails to provide a complete subset of contingencies to the reliability coordinator. NERC contends that the ''High'' and ''Severe'' violation severity levels for Requirement R6 of FAC–014–2 satisfy the Commission's concerns by stating that the planning authority identified the subset of multiple contingencies which result in stability limits but did not provide the list of multiple contingencies and associated limits to one or more reliability coordinators that monitor the facilities associated with these limits. NERC contends that a planning authority will fail to comply with sub-requirement R6.1 of FAC–014–2 if they do not provide the complete set of contingencies to the reliability coordinator.

88. The Bureau of Reclamation and IESO separately take issue with the Commission's proposed revisions to violation severity levels applicable to Requirement R6 of FAC–014–2. The Bureau of Reclamation contends that the Commission's proposal would require auditors to perform studies independent from the planning authority in order to determine whether all contingencies were considered. IESO contends that both the ''High'' and ''Severe'' violation severity levels address the planning authority's failure to communicate multiple contingency scenarios to the reliability coordinator. IESO, however, agrees with the Commission that there

limit violations that the applicable entity did not correct and/or report. Since a reactive resource deficiency may result in more than one violation of an interconnection reliability operating limit and system operating limit, the Commission believes the aggregate treatment, in this instance, of interconnection reliability operating limit and system operating limit violations attributable to a single deficiency in reactive resources for the purpose of assigning violation severity levels is appropriate. This treatment is consistent with the provisions of NERC's Sanction Guidelines, which states at section 3.21, ''[s]ome Reliability Standards may not support the assessment of penalties on a 'per day, per violation' basis, but instead should have penalties calculated based on an alternative penalty frequency or duration.'' With regard to Reliability Standard FAC–014–2 Requirements R1 through R4, the Commission believes that each instance that the applicable entity did not establish a system operating limit or interconnection reliability operating limit consistent with the applicable entity's methodology would be a violation. Thus, the Commission's adherence to Guideline 4 has been consistent as applied to the Commission's revisions of violation severity levels assigned to VAR–001–1 Requirement R10 and its concerns with the violation severity levels NERC assigned to FAC–014–2 Requirement R1 through R4.

[45] NERC did not propose a ''Moderate'' violation severity level for requirement R6.

[46] NERC, *Violation Severity Level Guidelines Criteria*, Project 2007–23 at 19 (2008), *available at: http://www.nerc.com/docs/standards/sar/VSLDT_Guidelines_Final_Draft_08Jan08.pdf.* The NERC Guidelines indicate that a Moderate violation severity level should be selected when the responsible entity's coordination/communication is non-compliant with respect to at least one significant element within the requirement. In this case, the significant element is the failure to notify the Reliability Coordinator.

should not be a gap in the violation severity levels and states that the ''Lower'' violation severity level for FAC–014–2 Requirement R6 should be assigned a ''Moderate'' violation severity level.

Commission Determination

89. The Commission agrees with NERC that a planning authority's requirement to provide the reliability coordinator with a complete set of contingencies is addressed in the ''High'' and ''Severe'' violation severity levels assigned to Requirement R6 of FAC–014–2. However, the Commission also believes that it is appropriate to apply a binary, pass/fail approach to the violation severity levels because a planning authority either will or will not satisfy this requirement. As proposed by NERC, violations of the sub-requirements are addressed only in the violation severity levels assigned to the main requirement. In keeping with the Commission's decision that the ERO must assign a violation severity level to every sub-requirement, the Commission adopts the NOPR proposal and directs the ERO to assign binary violation severity levels to Requirement R6 and sub-requirements R6.1 and R6.2. Although the enforcement of Requirement R6, and its sub-requirements, may require the use of auditors, this is a compliance issue best addressed on a case-by-case basis in the context of a compliance proceeding. The Commission directs the ERO to file revised violation severity levels for Reliability Standard FAC–014–2 Requirement R6 within 30 days of the effective date of this final rule, as discussed above and indicated in Attachment A.

E. Violation Risk Factors

90. NERC did not submit violation risk factors for the version two FAC Reliability Standards in its original filing. On October 15, 2008, NERC filed violation risk factors for the version two FAC Reliability Standards.

NOPR Proposal

91. In the NOPR, the Commission noted that the Commission approved the majority of NERC's proposed violation risk factors for the version one FAC Reliability Standards in Order No. 705.[47] On April 1, 2008, NERC filed revised violation risk factors for the version one FAC Reliability Standards. These were accepted by delegated authority on May 29, 2008. The Commission proposed to direct the ERO to apply those same violation risk factors to the version two FAC Reliability Standards approved in the final rule in this proceeding. With respect to the Western Interconnection regional difference, the Commission proposed to direct Western Electricity Coordinating Council (WECC) to apply the NERC violation risk factors to the Western Interconnection regional difference until after WECC develops its own violation risk factors and they are approved by the ERO and the Commission.

NERC's Violation Risk Factor Filing

92. On October 15, 2008, NERC filed violation risk factors for the proposed version two FAC Reliability Standards. These violation risk factors were identical to the version one violation risk factors. NERC asked the Commission to apply the violation risk factors and violation severity levels filed for FAC–010–2, Requirements R2.4 and R2.5, and FAC–011–2, Requirement R3.3, to the Western Interconnection regional differences for these same requirements.

Commission Determination

93. The Commission approves the violation risk factors filed by NERC for the version two FAC Reliability Standards. Because these violation risk factors are identical to the violation risk factors approved for the version one FAC Reliability Standards, this approval is consistent with our direction in the NOPR.

F. WECC Regional Differences

NERC Filing

94. Although NERC submitted requirements for FAC–010–2 and FAC–011–2 that address the Western Interconnection regional difference, NERC did not submit violation severity levels or violation risk factors for these requirements in its initial filing. On October 15, 2008, NERC filed violation risk factors for the version two FAC Reliability Standards and asked the Commission to accept the violation risk factors and violation severity levels filed for FAC–010–2, Requirements R2.4 and R2.5, and FAC–011–2, sub-requirement R3.3, to apply to the WECC regional difference.

NOPR Proposal

95. The Commission proposed to adopt the proposed regional differences for FAC–010–2 and FAC–011–2. The Commission also proposed to direct NERC to modify the violation severity levels assigned to the national versions of FAC–010–2 and FAC–011–2 to accommodate the regional differences. The Commission noted that, in Order No. 705, the Commission approved version one of the FAC Reliability Standards and directed WECC to develop and submit violation risk factors and violation severity levels that apply to the Western Interconnection regional difference.[48] In the interim, the Commission approved WECC's proposal to assign the same violation risk factors to the WECC regional difference as are assigned to NERC sub-requirement R2.4 and R2.5 in FAC–010–1 and sub-requirement R3.3 in FAC–011–1. The Commission directed WECC to file its violation risk factors and violation severity levels no later than the effective date of the applicable version one Reliability Standard. FAC–010–1 became effective on July 1, 2008 and FAC–011–1 became effective on October 1, 2008 without violation severity levels or violation risk factors.

96. To remedy this deficiency, the Commission proposed modifications to the violation severity level assignments assigned to FAC–010–2 and FAC–011–2 that address the Western Interconnection regional differences. Consistent with our decision in Order No. 705, the Commission also proposed to direct WECC to apply the NERC violation risk factors to the Western Interconnection regional difference until after WECC develops its own violation risk factors for the difference and they are approved by the ERO and the Commission.[49] The Commission noted that WECC is still obligated to comply with the Commission's directives in Order No. 705 to file violation risk factors and violation severity levels addressing the Western Interconnection regional difference.

Comments

97. BPA requests that the Commission direct the ERO to designate the regional differences section of FAC–011–2 as section ''E.'' BPA points out that the requirement makes multiple references to the regional differences section for the Western Interconnection as section ''E,'' but there is no corresponding designation of the regional differences section as section ''E.''

Commission Determination

98. The Commission agrees with BPA's comment relevant to designating the Regional Differences section of FAC–011–2 as section ''E'' and directs the ERO to file this revision within 30 days of the effective date of this final rule.

[47] NOPR, FERC Stats. & Regs. ¶ 32,637 at P 31 (citing Order No. 705, 121 FERC ¶ 61,296 at P 137).

[48] NOPR, FERC Stats. & Regs. ¶ 32,637 at P 32 (citing Order No. 705, 121 FERC ¶ 61,296 at P 146).

[49] *Id.*

99. As discussed above, the Commission approves the violation risk factors filed by NERC for the version two FAC Reliability Standards. These violation risk factors are identical to those approved for the version one FAC Reliability Standards. The Commission also adopts the NOPR proposal with respect to the Western Interconnection regional difference and directs WECC to apply the violation risk factors approved for FAC–010–1 Requirements R2.4 and R2.5 and FAC–011–1 Requirement R3.3 to the WECC regional difference version of FAC–010–2 Requirements 1.1 through 1.3 and FAC–011–2 Requirement 1.1 through 1.3.[50] With regard to the WECC regional differences FAC–010–2 Requirement 1 and Requirement 1.4 and FAC–011–2 Requirement 1 and 1.4, the Commission believes that these requirements are explanatory statements and that a violation risk factor need not be assigned.

100. The Commission finds that each of the WECC regional difference requirements is a binary requirement and, therefore, a single violation severity level is appropriate. Accordingly, until such time as WECC develops and submits violation severity levels for the version two FAC Reliability Standards, the Commission adopts the NOPR proposal and directs WECC to assign a ''Severe'' violation severity level to the WECC regional difference FAC–010–2 Requirement 1.1 and FAC–011–2 Requirement 1.1. In addition, the Commission directs WECC to apply a ''Severe'' violation severity level to the WECC regional difference FAC–010–2 Requirement 1.2 through 1.3 and FAC–011–2 Requirements 1.2 through 1.3. These revisions will create a complete and consistent penalty setting mechanism for the WECC regional difference requirements. The Commission directs the ERO to file revised violation risk factors and violation severity levels for the regional difference within 30 days of the effective date of this final rule, as discussed above and indicated in Attachment A.

G. Effective Date

101. NERC requested that the Commission make the version two FAC Reliability Standards effective according to a staggered schedule, consistent with the implementation dates of the version one FAC Reliability Standards. NERC's proposed effective dates have all since passed. Accordingly, the version two FAC Reliability Standards shall become effective April 29, 2009.

III. Information Collection Statement

102. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting and recordkeeping (collections of information) imposed by an agency.[51] The information contained here is also subject to review under section 3507(d) of the Paperwork Reduction Act of 1995.[52] As stated above, the Commission previously approved, in Order No. 705, each of the Reliability Standards that are the subject of the current rulemaking. The modifications to the Reliability Standards are minor and, therefore, they do not add to or increase entities' reporting burden. Thus, the modified Reliability Standards do not materially affect the burden estimates relating to the earlier version of the Reliability Standards presented in Order No. 705.

Title: Version Two Facilities Design, Connections and Maintenance Reliability Standards.

Action: Proposed Collection.

OMB Control No.: 1902–0247.

Respondents: Businesses or other for-profit institutions; not-for-profit institutions.

Frequency of Responses: On Occasion.

Necessity of the Information: This final rule approves three modified Reliability Standards that pertain to facilities design, connections and maintenance. The Reliability Standards will require planning authorities and reliability coordinators to establish methodologies to determine system operating limits for the Bulk-Power System in the planning and operation horizons. This final rule finds the Reliability Standards and interpretations just, reasonable, not unduly discriminatory or preferential, and in the public interest.

103. Interested persons may obtain information on the reporting requirements by contacting: Federal Energy Regulatory Commission, Attn: Michael Miller, Office of the Executive Director, 888 First Street, NE., Washington, DC 20426, Tel: (202) 502–8415, Fax: (202) 273–0873, e-mail: *michael.miller@ferc.gov,* or by contacting: Office of Information and Regulatory Affairs, Attn: Desk Officer for the Federal Energy Regulatory Commission (Re: OMB Control No. 1902–0247), Washington, DC 20503, Tel: (202) 395–4650, Fax: (202) 395–7285, e-mail: *oira_submission@omb.eop.gov.*

IV. Environmental Analysis

104. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.[53] The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. The actions directed here fall within the categorical exclusion in the Commission's regulations for rules that are clarifying, corrective or procedural, for information gathering, analysis, and dissemination.[54] Accordingly, neither an environmental impact statement nor environmental assessment is required.

V. Regulatory Flexibility Act

105. The Regulatory Flexibility Act of 1980[55] generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. Most of the entities, *i.e.*, planning authorities, reliability coordinators, transmission planners and transmission operators, to which the requirements of this final rule apply do not fall within the definition of small entities.[56]

106. As indicated above, based on available information regarding NERC's compliance registry, approximately 250 entities will be responsible for compliance with the three revised Reliability Standards. It is estimated that one-third of the responsible entities, about 80 entities, would be municipal and cooperative organizations. The approved Reliability Standards apply to planning authorities, transmission planners, transmission operators and reliability coordinators, which tend to be larger entities. Thus, the Commission believes that only a portion, approximately 30 to 40 of the municipal and cooperative organizations to which the approved Reliability Standards apply, qualify as small entities.[57] The Commission does

[50] This direction is consistent with NERC's October 15, 2008 proposal.

[51] 5 CFR 1320.11.

[52] 44 U.S.C. 3507(d).

[53] *Regulations Implementing the National Environmental Policy Act,* Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987).

[54] 18 CFR 380.4(a)(5).

[55] 5 U.S.C. 601–612.

[56] The definition of ''small entity'' under the Regulatory Flexibility Act refers to the definition provided in the Small Business Act, which defines a ''small business concern'' as a business that is independently owned and operated and that is not dominant in its field of operation. *See* 15 U.S.C. 632.

[57] According to the Department of Energy's (DOE) Energy Information Administration (EIA), there

not consider this a substantial number. Moreover, as discussed above, the approved Reliability Standards will not be a burden on the industry since most if not all of the applicable entities currently perform system operating limit calculations and the approved Reliability Standards will simply provide a common methodology for those calculations. Accordingly, the Commission certifies that the approved Reliability Standards will not have a significant adverse impact on a substantial number of small entities.

107. Based on this understanding, the Commission certifies that this rule will not have a significant economic impact on a substantial number of small entities. Accordingly, no regulatory flexibility analysis is required.

VI. Document Availability

108. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (*http://www.ferc.gov*) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. Eastern time) at 888 First Street, NE., Room 2A, Washington, DC 20426.

109. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

110. User assistance is available for eLibrary and the FERC's Web site during normal business hours from FERC Online Support at 202–502–6652 (toll free at 1–866–208–3676) or e-mail at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. E-mail the Public Reference Room at *public.referenceroom@ferc.gov.*

VII. Effective Date and Congressional Notification

111. These regulations are effective April 29, 2009. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB, that this rule is not a ''major rule'' as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

By the Commission.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

Attachment A

BILLING CODE 6717–01–P

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R1. The Planning Authority shall have a documented SOL Methodology for use in developing SOLs within its Planning Authority Area. This SOL Methodology shall:	Not applicable.	The Planning Authority has a documented SOL Methodology for use in developing SOLs within its Planning Authority Area, but it does not address R1.2	The Planning Authority has a documented SOL Methodology for use in developing SOLs within its Planning Authority Area, but it does not address R1.3.	The Planning Authority has a documented SOL Methodology for use in developing SOLs within its Planning Authority Area, but it does not address R1.1. OR The Planning Authority has no documented SOL Methodology for use in developing SOLs within its Planning Authority Area.
FAC-010-2 R1.1. Be applicable for developing SOLs used in the planning horizon.	Not applicable.	Not applicable.	Not applicable.	Planning Authority SOL methodology is not applicable for developing SOL in the planning horizon.
FAC-010-2 R1.2. State that SOLs shall not exceed associated Facility Ratings.	Not applicable.	Not applicable.	Not applicable.	Planning Authority SOL Methodology did not state that SOLs shall not exceed associated Facility Ratings
FAC-010-2 R1.3. Include a description of how to identify the subset of SOLs that qualify as IROLs.	Not applicable.	Not applicable.	Not applicable.	Planning Authority SOL Methodology did not include a description of how to identify the subset of SOLs that qualify as IROLs.
FAC-010-2 R2. The Planning Authority's SOL Methodology shall include a requirement that SOLs provide BES performance consistent with the following:	~~The Planning Authority's SOL Methodology requires that SOLs are set to meet BES performance following single and multiple contingencies, but does not address the pre-contingency state (R2.1)~~	~~The Planning Authority's SOL Methodology requires that SOLs are set to meet BES performance in the precontingency state and following single contingencies, but does not address multiple contingencies. (R2.5-R2.6)~~	~~The Planning Authority's SOL Methodology requires that SOLs are set to meet BES performance in the precontingency state and following multiple contingencies, but does not meet the performance for response to single contingencies. (R2.2 –R2.4)~~	~~The Planning Authority's SOL Methodology requires that SOLs are set to meet BES performance in the precontingency state but does not require that SOLs be set to meet the BES performance specified for response to single contingencies (R2.2-R2.4) and does not require that SOLs be set to meet the BES performance specified for response to multiple contingencies. (R2.5-R2.6)~~

were 3,284 electric utility companies in the United States in 2005, and 3,029 of these electric utilities qualify as small entities under the SBA definition. Among these 3,284 electric utility companies are: (1) 883 cooperatives of which 852 are small entity cooperatives; (2) 1,862 municipal utilities, of which 1842 are small entity municipal utilities; (3) 127 political subdivisions, of which 114 are small entity political subdivisions; and (4) 219 privately owned utilities, of which 104 could be considered small entity private utilities. *See* Energy Information Administration Database, Form EIA–861, DOE (2005), *available at http://www.eia.doe.gov/cneaf/electricity/page/eia861.html.*

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R2.1. In the pre-contingency state and with all Facilities in service, the BES shall demonstrate transient, dynamic and voltage stability; all Facilities shall be within their Facility Ratings and within their thermal, voltage and stability limits. In the determination of SOLs, the BES condition used shall reflect expected system conditions and shall reflect changes to system topology such as Facility outages.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority's methodology does not include a requirement that SOLs provide BES performance consistent with sub-requirement R2.1.
FAC-010-2 R2.2. Following the single Contingencies identified in Requirement 2.2.1 through Requirement 2.2.3, the system shall demonstrate transient, dynamic and voltage stability; all Facilities shall be operating within their Facility Ratings and within their thermal, voltage and stability limits; and Cascading or uncontrolled separation shall not occur.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority's methodology does not include a requirement that SOLs provide BES performance consistent with sub-requirement R2.2.
FAC-010-2 R2.2.1. Single line to ground or three-phase Fault (whichever is more severe), with Normal Clearing, on any Faulted generator, line, transformer, or shunt device.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address single line to ground or 3-phase Fault (whichever is more severe), with Normal Clearing, on any Faulted generator, line, transformer, or shunt device.
FAC-010-2 R2.2.2. Loss of any generator, line, transformer, or shunt device without a Fault.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address the loss of any generator, line, transformer, or shunt device without a Fault.
FAC-010-2 R2.2.3. Single pole block, with Normal Clearing, in a monopolar or bipolar high voltage direct current system.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address single pole block, with Normal Clearing, in a monopolar or bipolar high voltage direct current system.
FAC-010-2 R2.3. Starting with all Facilities in service, the system's response to a single Contingency, may include any of the following:	Not applicable.	Not applicable.	Not applicable.	The methodology does not include one or more of the following: 2.3.1. through 2.3.3.

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R2.3.1. Planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the Faulted Facility or by the affected area.	Not applicable.	Not applicable.	Not applicable.	The SOL Methodology does not provide that starting with all Facilities in service, the system's response to a single Contingency may include planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the Faulted Facility or by the affected area.
FAC-010-2 R2.3.2. System reconfiguration through manual or automatic control or protection actions.	Not applicable.	Not applicable.	Not applicable.	The SOL Methodology does not provide that starting with all Facilities in service, the system's response to a single Contingency may include System reconfiguration through manual or automatic control or protection actions.
FAC-010-2 R2.4. To prepare for the next Contingency, system adjustments may be made, including changes to generation, uses of the transmission system, and the transmission system topology.	Not applicable.	Not applicable.	Not applicable.	The SOL Methodology does not provide that in order to prepare for the next Contingency, system adjustments may be made, including changes to generation, uses of the transmission system, and the transmission system topology.
FAC-010-2 R2.5. Starting with all Facilities in service and following any of the multiple Contingencies identified in Reliability Standard TPL-003 the system shall demonstrate transient, dynamic and voltage stability; all Facilities shall be operating within their Facility Ratings and within their thermal, voltage and stability limits; and Cascading or uncontrolled separation shall not occur.	Not applicable.	Not applicable.	Not applicable.	The SOL methodology does not include a requirement that SOLs provide BES performance consistent with sub-requirement R2.5.
FAC-010-2 R2.6. In determining the system's response to any of the multiple Contingencies, identified in Reliability Standard TPL-003, in addition to the actions identified in R2.3.1 and R2.3.2, the following shall be acceptable:	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R2.6.1. Planned or controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted Firm (non-recallable reserved) electric power Transfers.	Not applicable.	Not applicable.	Not applicable.	The SOL Methodology does not provide that in determining the system's response to any of the multiple Contingencies, identified in Reliability Standard TPL-003, in addition to the actions identified in R2.3.1 and R2.3.2, Planned or controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted Firm (non-recallable reserved) electric power Transfers shall be acceptable.
FAC-010-2 R3. The Planning Authority's methodology for determining SOLs, shall include, as a minimum, a description of the following, along with any reliability margins applied for each:	The Planning Authority has a methodology for determining SOLs that includes a description for all but one of the following: R3.1 through R3.6.	The Planning Authority has a methodology for determining SOLs that includes a description for all but two of the following: R3.1 through R3.6.	The Planning Authority has a methodology for determining SOLs that includes a description for all but three of the following: R3.1 through R3.6.	The Planning Authority has a methodology for determining SOLs that is missing a description of four or more of the following: R3.1 through R3.6.
FAC-010-2 R3.1. Study model (must include at least the entire Planning Authority Area as well as the critical modeling details from other Planning Authority Areas that would impact the Facility or Facilities under study).	Not applicable.	Not applicable.	Not applicable.	The methodology does not include a study model that includes the entire Planning Authority Area, and the critical modeling details of other Planning Authority Areas that would impact the facility or facilities under study.
FAC-010-2 R3.2. Selection of applicable Contingencies.	Not applicable.	Not applicable.	Not applicable.	The methodology does not include the selection of applicable Contingencies.
FAC-010-2 R3.3. Level of detail of system models used to determine SOLs.	Not applicable.	Not applicable.	Not applicable.	The methodology does not describe the level of detail of system models used to determine SOLs.
FAC-010-2 R3.4. Allowed uses of Special Protection Systems or Remedial Action Plans.	Not applicable.	Not applicable.	Not applicable.	The methodology does not describe the allowed uses of Special Protection Systems or Remedial Action Plans.
FAC-010-2 R3.5. Anticipated transmission system configuration, generation dispatch and Load level.	Not applicable.	Not applicable.	Not applicable.	The methodology does not include the description of anticipated transmission system configuration, generation dispatch and Load level.

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R3.6. Criteria for determining when violating a SOL qualifies as an Interconnection Reliability Operating Limit (IROL) and criteria for developing any associated IROL T_v.	Not applicable.	Not applicable.	Not applicable.	The methodology does not include a description of the criteria for determining when violating a SOL qualifies as an Interconnection Reliability Operating Limit (IROL) and criteria for developing any associated IROL T_v.
FAC-010-2 R4. The Planning Authority shall issue its SOL Methodology, and any change to that methodology, to all of the following prior to the effectiveness of the change:	One or both of the following: The Planning Authority issued its SOL Methodology and changes to that methodology to all but one of the required entities. For a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.	One of the following: The Planning Authority issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the change. OR The Planning Authority issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after	One of the following: The Planning Authority issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 60 calendar days or more, but less than 90 calendar days after the effectiveness of the change. OR The Planning Authority issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the	One of the following: The Planning Authority failed to issue its SOL Methodology and changes to that methodology to more than three of the required entities. The Planning Authority issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 90 calendar days or more after the effectiveness of the change. OR The Planning Authority issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided 60 calendar days or more, but less than 90 calendar days after the effectiveness of the change. OR The Planning Authority issued its SOL Methodology and changes to that methodology to all but three of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the change. The Planning Authority issued its SOL Methodology and changes to that methodology to all but four of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.

Text of Requirement	Lower	Moderate	High	Severe
		the effectiveness of the change.	change. OR The Planning Authority issued its SOL Methodology and changes to that methodology to all but three of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.	
FAC-010-2 R4.1. Each adjacent Planning Authority and each Planning Authority that indicated it has a reliability-related need for the methodology.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not issue its SOL Methodology and any change to that methodology, prior to the effectiveness of the change, to each adjacent Planning Authority and each Planning Authority that indicated it has a reliability-related need for the methodology.
FAC-010-2 R4.2. Each Reliability Coordinator and Transmission Operator that operates any portion of the Planning Authority's Planning Authority Area.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not issue its SOL Methodology and any change to that methodology, prior to the effectiveness of the change, to each Reliability Coordinator and Transmission Operator that operates any portion of the Planning Authority's Planning Authority Area.
FAC-010-2 R4.3. Each Transmission Planner that works in the Planning Authority's Planning Authority Area.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not issue its SOL Methodology and any change to that methodology, prior to the effectiveness of the change, to each Transmission Planner that works in the Planning Authority's Planning Authority Area prior to the effectiveness of the change.

Text of Requirement	Lower	Moderate	High	Severe
FAC-010-2 R5. If a recipient of the SOL Methodology provides documented technical comments on the methodology, the Planning Authority shall provide a documented response to that recipient within 45 calendar days of receipt of those comments. The response shall indicate whether a change will be made to the SOL Methodology and, if no change will be made to that SOL Methodology, the reason why.	The Planning Authority received documented technical comments on its SOL Methodology and provided a complete response in a time period that was longer than 45 calendar days but less than 60 calendar days.	The Planning Authority received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 60 calendar days or longer but less than 75 calendar days.	The Planning Authority received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 75 calendar days or longer but less than 90 calendar days. OR The Planning Authority's response to documented technical comments on its SOL Methodology indicated that a change will not be made, but did not include an explanation of why the change will not be made.	The Planning Authority received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 90 calendar days or longer. OR The Planning Authority's response to documented technical comments on its SOL Methodology did not indicate whether a change will be made to the SOL Methodology.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-010-2 R1. The following Interconnection-wide Regional Difference shall be applicable in the Western Interconnection:	Not applicable.	Not applicable.	Not applicable.	Not applicable.
WECC -- FAC-010-2 R1.1. As governed by the requirements of R2.4 and R2.5, starting with all Facilities in service, shall require the evaluation of the following multiple Facility Contingencies when establishing SOLs:	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.1.1 through 1.1.7
WECC -- FAC-010-2 R1.1.1. Simultaneous permanent phase to ground Faults on different phases of each of two adjacent transmission circuits on a multiple circuit tower, with Normal Clearing. If multiple circuit towers are used only for station entrance and exit purposes, and if they do not exceed five towers at each station, then this condition is an acceptable risk and therefore can be excluded.	Not applicable.	Not applicable.	Not applicable.	The following were excluded when establishing SOLs; simultaneous permanent phase to ground Faults on different phases of each of two adjacent transmission circuits on a multiple circuit tower, with Normal Clearing.
WECC -- FAC-010-2 R1.1.2. A permanent phase to ground Fault on any generator, transmission circuit, transformer, or bus section with Delayed Fault Clearing except for bus sectionalizing breakers or bus-tie breakers addressed in E1.1.7	Not applicable.	Not applicable.	Not applicable.	The following were excluded when establishing SOLs; a permanent phase to ground Fault on any generator, transmission circuit, transformer, or bus section with Delayed Fault Clearing except for bus sectionalizing breakers or bus-tie breakers addressed in E1.1.7
WECC -- FAC-010-2 R1.1.3. Simultaneous permanent loss of both poles of a direct current bipolar Facility without an alternating current Fault.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs; simultaneous permanent loss of both poles of a direct current bipolar Facility without an alternating current Fault.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-010-2 R1.1.4. The failure of a circuit breaker associated with a Special Protection System to operate when required following: the loss of any element without a Fault; or a permanent phase to ground Fault, with Normal Clearing, on any transmission circuit, transformer or bus section.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs; the failure of a circuit breaker associated with a Special Protection System to operate when required following: the loss of any element without a Fault; or a permanent phase to ground Fault, with Normal Clearing, on any transmission circuit, transformer or bus section.
WECC -- FAC-010-2 R1.1.5. A non-three phase Fault with Normal Clearing on common mode Contingency of two adjacent circuits on separate towers unless the event frequency is determined to be less than one in thirty years.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs; a non-three phase Fault with Normal Clearing on common mode Contingency of two adjacent circuits on separate towers unless the event frequency is determined to be less than one in thirty years.
WECC -- FAC-010-2 R1.1.6. A common mode outage of two generating units connected to the same switchyard, not otherwise addressed by FAC-010.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs; a common mode outage of two generating units connected to the same switchyard, not otherwise addressed by FAC-010.
WECC -- FAC-010-2 R1.1.7. The loss of multiple bus sections as a result of failure or delayed clearing of a bus tie or bus sectionalizing breaker to clear a permanent Phase to Ground Fault.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs; the loss of multiple bus sections as a result of failure or delayed clearing of a bus tie or bus sectionalizing breaker to clear a permanent Phase to Ground Fault.
WECC -- FAC-010-2 R1.2. SOLs shall be established such that for multiple Facility Contingencies in E1.1.1 through E1.1.5 operation within the SOL shall provide system performance consistent with the following:	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.2.1 through 1.2.7
WECC -- FAC-010-2 R1.2.1. All Facilities are operating within their applicable Post-Contingency thermal, frequency and voltage limits.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: All Facilities are operating within their applicable Post-Contingency thermal, frequency and voltage limits.
WECC -- FAC-010-2 R1.2.2. Cascading does not occur.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: cascading does not occur.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-010-2 R1.2.3. Uncontrolled separation of the system does not occur.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: uncontrolled separation of the system does not occur.
WECC -- FAC-010-2 R1.2.4. The system demonstrates transient, dynamic and voltage stability.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: the system demonstrates transient, dynamic and voltage stability.
WECC -- FAC-010-2 R1.2.5. Depending on system design and expected system impacts, the controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted firm (non-recallable reserved) electric power transfers may be necessary to maintain the overall security of the interconnected transmission systems.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: depending on system design and expected system impacts, the controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted firm (non-recallable reserved) electric power transfers may be necessary to maintain the overall security of the interconnected transmission systems.
WECC -- FAC-010-2 R1.2.6. Interruption of firm transfer, Load or system reconfiguration is permitted through manual or automatic control or protection actions.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: interruption of firm transfer, Load or system reconfiguration is permitted through manual or automatic control or protection actions.
WECC -- FAC-010-2 R1.2.7. To prepare for the next Contingency, system adjustments are permitted, including changes to generation, Load and the transmission system topology when determining limits.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: to prepare for the next Contingency, system adjustments are permitted, including changes to generation, Load and the transmission system topology when determining limits.
WECC -- FAC-010-2 R1.3. SOLs shall be established such that for multiple Facility Contingencies in E1.1.6 through E1.1.7 operation within the SOL shall provide system performance consistent with the following with respect to impacts on other systems:	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.3.1
WECC -- FAC-010-2 R1.3.1. Cascading does not occur.	Not applicable.	Not applicable.	Not applicable.	The SOL methodology fails to address: cascading does not occur.
WECC -- FAC-010-2 R1.4. The	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Text of Requirement	Lower	Moderate	High	Severe
Western Interconnection may make changes (performance category adjustments) to the Contingencies required to be studied and/or the required responses to Contingencies for specific facilities based on actual system performance and robust design. Such changes will apply in determining SOLs.				

Text of Requirement	Lower	Moderate	High	Severe
FAC-011-2 R1. The Reliability Coordinator shall have a documented methodology for use in developing SOLs (SOL Methodology) within its Reliability Coordinator Area. This SOL Methodology shall:	Not applicable.	The Reliability Coordinator has a documented SOL Methodology for use in developing SOLs within its Reliability Coordinator Area, but it does not address R1.2	The Reliability Coordinator has a documented SOL Methodology for use in developing SOLs within its Reliability Coordinator Area, but it does not address R1.3.	The Reliability Coordinator has a documented SOL Methodology for use in developing SOLs within its Reliability Coordinator Area, but it does not address R1.1. OR The Reliability Coordinator has no documented SOL Methodology for use in developing SOLs within its Reliability Coordinator Area.
FAC-011-2 R1.1. Be applicable for developing SOLs used in the operations horizon.	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator's SOL methodology is not applicable for developing SOL in the operations horizon.
FAC-011-2 R1.2. State that SOLs shall not exceed associated Facility Ratings.	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator's SOL Methodology did not state that SOLs shall not exceed associated Facility Ratings
FAC-011-2 R1.3. Include a description of how to identify the subset of SOLs that qualify as IROLs	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator's SOL Methodology did not include a description of how to identify the subset of SOLs that qualify as IROLs.
FAC-011-2 R2. The Reliability Coordinator's SOL Methodology shall include a requirement that SOLs provide BES performance consistent with the following:	~~The Reliability Coordinator's SOL Methodology requires that SOLs are set to meet BES performance following single contingencies, but does not require that SOLs are set to meet BES performance in the pre-contingency state. (R2.1)~~	~~Not applicable.~~	~~The Reliability Coordinator's SOL Methodology requires that SOLs are set to meet BES performance in the precontingency state and following multiple contingencies, but does not meet the performance for response to single contingencies. (R2.2 –R2.4)~~	~~The Reliability Coordinator's SOL Methodology does not require that SOLs are set to meet BES performance in either the pre-contingency state and does not require that SOLs are set to meet BES performance following single contingencies. (R2.1 through R2.4)~~

Text of Requirement	Lower	Moderate	High	Severe
FAC-011-2 R2.1. In the pre-contingency state, the BES shall demonstrate transient, dynamic and voltage stability; all Facilities shall be within their Facility Ratings and within their thermal, voltage and stability limits. In the determination of SOLs, the BES condition used shall reflect current or expected system conditions and shall reflect changes to system topology such as Facility outages.	Not applicable.	Not applicable.	Not applicable.	The SOL methodology does not include a requirement that SOLs provide BES performance consistent with sub-requirement R2.1.
FAC-011-2 R2.2. Following the single Contingencies1 identified in Requirement 2.2.1 through Requirement 2.2.3, the system shall demonstrate transient, dynamic and voltage stability; all Facilities shall be operating within their Facility Ratings and within their thermal, voltage and stability limits; and Cascading or uncontrolled separation shall not occur.	Not applicable.	Not applicable.	Not applicable.	The SOL methodology does not include a requirement that SOLs provide BES performance consistent with sub-requirement R2.2.
FAC-011-2 R2.2.1. Single line to ground or 3-phase Fault (whichever is more severe), with Normal Clearing, on any Faulted generator, line, transformer, or shunt device.	Not applicable.	Not applicable.	Not applicable.	The methodology does not require that SOLs provide BES performance consistent with: single line to ground or 3-phase Fault (whichever is more severe), with Normal Clearing, on any Faulted generator, line, transformer, or shunt device.
FAC-011-2 R2.2.2. Loss of any generator, line, transformer, or shunt device without a Fault.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address the loss of any generator, line, transformer, or shunt device without a Fault.
FAC-011-2 R2.2.3. Single pole block, with Normal Clearing, in a monopolar or bipolar high voltage direct current system.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address single pole block, with Normal Clearing, in a monopolar or bipolar high voltage direct current system.

Text of Requirement	Lower	Moderate	High	Severe
FAC-011-2 R2.3. In determining the system's response to a single Contingency, the following shall be acceptable:	Not applicable.	Not applicable.	Not applicable.	The methodology does not include one or more of the following 2.3.1. through 2.3.3.
FAC-011-2 R2.3.1. Planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the Faulted Facility or by the affected area.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address that, in determining the systems response to a single contingency, Planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the Faulted Facility or by the affected area is acceptable.
FAC-011-2 R2.3.2. Interruption of other network customers, (a) only if the system has already been adjusted, or is being adjusted, following at least one prior outage, or (b) if the real-time operating conditions are more adverse than anticipated in the corresponding studies	Not applicable.	Not applicable.	Not applicable.	The methodology does not address that, in determining the systems response to a single contingency, Interruption of other network customers is acceptable, (a) only if the system has already been adjusted, or is being adjusted, following at least one prior outage, or (b) if the real-time operating conditions are more adverse than anticipated in the corresponding studies.
FAC-011-2 R2.3.3. System reconfiguration through manual or automatic control or protection actions.	Not applicable.	Not applicable.	Not applicable.	The methodology does not address that, in determining the systems response to a single contingency, system reconfiguration through manual or automatic control or protection actions is acceptable.
FAC-011-2 R2.4. To prepare for the next Contingency, system adjustments may be made, including changes to generation, uses of the transmission system, and the transmission system topology.	Not applicable.	Not applicable.	Not applicable.	The methodology does not provide that to prepare for the next Contingency, system adjustments may be made, including changes to generation, uses of the transmission system, and the transmission system topology.
FAC-011-2 R3. The Reliability Coordinator's methodology for determining SOLs, shall include, as a minimum, a description of the following, along with any reliability margins applied for each:	The Reliability Coordinator has a methodology for determining SOLs that includes a description for all but one of the	The Reliability Coordinator has a methodology for determining SOLs that includes a description for all but two of the	The Reliability Coordinator has a methodology for determining SOLs that includes a description for all but three of the following:	The Reliability Coordinator has a methodology for determining SOLs that is missing a description of ~~three~~ four or more of the following: R3.1 through R3.7.

Text of Requirement	Lower	Moderate	High	Severe
	following: R3.1 through R3.7.	following: R3.1 through R3.7.	R3.1 through R3.7.	
FAC-011-2 R3.1. Study model (must include at least the entire Reliability Coordinator Area as well as the critical modeling details from other Reliability Coordinator Areas that would impact the Facility or Facilities under study.)	Not applicable.	Not applicable.	Not applicable.	The methodology does not include a description of the study model to be used which must include the entire Reliability Coordinator area, and the critical details of other Reliability Coordinator areas that would impact the facility or facilities under study
FAC-011-2 R3.2. Selection of applicable Contingencies	Not applicable.	Not applicable.	Not applicable.	The methodology does not include the selection of applicable Contingencies.
FAC-011-2 R3.3. A process for determining which of the stability limits associated with the list of multiple contingencies (provided by the Planning Authority in accordance with FAC-014 Requirement 6) are applicable for use in the operating horizon given the actual or expected system conditions.	Not applicable.	Not applicable.	Not applicable.	The methodology does not include a description of a process for determining which of the stability limits associated with the list of multiple contingencies (provided by the Planning Authority in accordance with FAC-014 Requirement 6) are applicable for use in the operating horizon given the actual or expected system conditions.
FAC-011-2 R3.3.1. This process shall address the need to modify these limits, to modify the list of limits, and to modify the list of associated multiple contingencies.	Not applicable.	Not applicable.	Not applicable.	The methodology for determining SOL's does not address the need to modify the limits described in R3.3, the list of limits, or the list of associated multiple contingencies.
FAC-011-2 R3.4. Level of detail of system models used to determine SOLs.	Not applicable.	Not applicable.	Not applicable.	Methodology does not describe the level of detail of system models used to determine SOLs.
FAC-011-2 R3.5. Allowed uses of Special Protection Systems or Remedial Action Plans.	Not applicable.	Not applicable.	Not applicable.	The methodology does not describe the allowed uses of Special Protection Systems or Remedial Action Plans.
FAC-011-2 R3.6. Anticipated transmission system configuration, generation dispatch and Load level	Not applicable.	Not applicable.	Not applicable.	The methodology does not describe the anticipated transmission system configuration, generation dispatch and Load level.
FAC-011-2 R3.7. Criteria for determining when violating a SOL qualifies as an Interconnection Reliability Operating Limit (IROL)	Not applicable.	Not applicable.	Not applicable.	The methodology does not describe criteria for determining when violating a SOL qualifies as an Interconnection Reliability Operating Limit and criteria for developing any associated IROL T_v.

Text of Requirement	Lower	Moderate	High	Severe
and criteria for developing any associated IROL T_V.				
FAC-011-2 R4. The Reliability Coordinator shall issue its SOL Methodology and any changes to that methodology, prior to the effectiveness of the Methodology or of a change to the Methodology, to all of the following:	One or both of the following : The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but one of the required entities. For a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.	One of the two following : The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the change. OR The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.	One of the following : The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 60 calendar days or more, but less than 90 calendar days after the effectiveness of the change. OR The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the change. OR The Reliability Coordinator issued	One of the following: The Reliability Coordinator failed to issue its SOL Methodology and changes to that methodology to more than three of the required entities. The Planning Authority issued its SOL Methodology and changes to that methodology to all but one of the required entities AND for a change in methodology, the changed methodology was provided 90 calendar days or more after the effectiveness of the change. OR The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but two of the required entities AND for a change in methodology, the changed methodology was provided 60 calendar days or more, but less than 90 calendar days after the effectiveness of the change. OR The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but three of the required entities AND for a change in methodology, the changed methodology was provided 30 calendar days or more, but less than 60 calendar days after the effectiveness of the change. OR The Reliability Coordinator issued its SOL Methodology and changes to that methodology to all but four of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change

Text of Requirement	Lower	Moderate	High	Severe
			its SOL Methodology and changes to that methodology to all but three of the required entities AND for a change in methodology, the changed methodology was provided up to 30 calendar days after the effectiveness of the change.	
FAC-011-2 R4.1. Each adjacent Reliability Coordinator and each Reliability Coordinator that indicated it has a reliability-related need for the methodology.	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator did not issue its SOL Methodology or any changes to that methodology to each adjacent Reliability Coordinator and each Reliability Coordinator that indicated it has a reliability-related need for the methodology.
FAC-011-2 R4.2. Each Planning Authority and Transmission Planner that models any portion of the Reliability Coordinator's Reliability Coordinator Area.	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator did not issue its SOL Methodology or any changes to that methodology to each Planning Authority or Transmission Planner that models any portion of the Reliability Coordinator's Reliability Coordinator Area.
FAC-011-2 R4.3. Each Transmission Operator that operates in the Reliability Coordinator Area.	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator did not issue its SOL Methodology or any changes to that methodology to each Transmission Operator that operates in the Reliability Coordinator Area.
FAC-011-2 R5. If a recipient of the SOL Methodology provides documented technical comments on the methodology, the Reliability Coordinator shall provide a documented response to that recipient within 45 calendar days of receipt of those comments. The response shall indicate whether a change will be made to the SOL Methodology and, if no change will be made to that SOL Methodology, the reason why.	The Reliability Coordinator received documented technical comments on its SOL Methodology and provided a complete response in a time period that was longer than 45 calendar days but less than 60 calendar days.	The Reliability Coordinator received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 60 calendar days or longer but less than 75 calendar days.	The Reliability Coordinator received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 75 calendar days or longer but less than 90 calendar days. OR The Reliability Coordinator's response to documented technical comments on its SOL Methodology indicated that a change will not be made, but did not include an explanation of why the change will not be made.	The Reliability Coordinator received documented technical comments on its SOL Methodology and provided a complete response in a time period that was 90 calendar days or longer. OR The Reliability Coordinator's response to documented technical comments on its SOL Methodology did not indicate whether a change will be made to the SOL Methodology.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-011-2 R1. The following Interconnection-wide Regional Difference shall be applicable in the Western Interconnection:	Not applicable.	Not applicable.	Not applicable.	Not applicable.
WECC -- FAC-011-2 R1.1. As governed by the requirements of R2.4 and R2.5, starting with all Facilities in service, shall require the evaluation of the following multiple Facility Contingencies when establishing SOLs:	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.1.1 through 1.1.7
WECC -- FAC-011-2 R1.1.1. Simultaneous permanent phase to ground Faults on different phases of each of two adjacent transmission circuits on a multiple circuit tower, with Normal Clearing. If multiple circuit towers are used only for station entrance and exit purposes, and if they do not exceed five towers at each station, then this condition is an acceptable risk and therefore can be excluded.	Not applicable.	Not applicable.	Not applicable.	The following were excluded when establishing SOLs: simultaneous permanent phase to ground Faults on different phases of each of two adjacent transmission circuits on a multiple circuit tower, with Normal Clearing.
WECC -- FAC-011-2 R1.1.2. A permanent phase to ground Fault on any generator, transmission circuit, transformer, or bus section with Delayed Fault Clearing except for bus sectionalizing breakers or bus-tie breakers addressed in E1.1.7	Not applicable.	Not applicable.	Not applicable.	The following were excluded when establishing SOLs: a permanent phase to ground Fault on any generator, transmission circuit, transformer, or bus section with Delayed Fault Clearing except for bus sectionalizing breakers or bus-tie breakers addressed in E1.1.7
WECC -- FAC-011-2 R1.1.3. Simultaneous permanent loss of both poles of a direct current bipolar Facility without an alternating current Fault.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs: simultaneous permanent loss of both poles of a direct current bipolar Facility without an alternating current Fault.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-011-2 R1.1.4. The failure of a circuit breaker associated with a Special Protection System to operate when required following: the loss of any element without a Fault; or a permanent phase to ground Fault, with Normal Clearing, on any transmission circuit, transformer or bus section.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs: the failure of a circuit breaker associated with a Special Protection System to operate when required following: the loss of any element without a Fault; or a permanent phase to ground Fault, with Normal Clearing, on any transmission circuit, transformer or bus section.
WECC -- FAC-011-2 R1.1.5. A non-three phase Fault with Normal Clearing on common mode Contingency of two adjacent circuits on separate towers unless the event frequency is determined to be less than one in thirty years.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs: a non-three phase Fault with Normal Clearing on common mode Contingency of two adjacent circuits on separate towers unless the event frequency is determined to be less than one in thirty years.
WECC -- FAC-011-2 R1.1.6. A common mode outage of two generating units connected to the same switchyard, not otherwise addressed by FAC-010.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs: a common mode outage of two generating units connected to the same switchyard, not otherwise addressed by FAC-010.
WECC -- FAC-011-2 R1.1.7. The loss of multiple bus sections as a result of failure or delayed clearing of a bus tie or bus sectionalizing breaker to clear a permanent Phase to Ground Fault.	Not applicable.	Not applicable.	Not applicable.	The following was excluded when establishing SOLs: the loss of multiple bus sections as a result of failure or delayed clearing of a bus tie or bus sectionalizing breaker to clear a permanent Phase to Ground Fault.
WECC -- FAC-011-2 R1.2. SOLs shall be established such that for multiple Facility Contingencies in E1.1.1 through E1.1.5 operation within the SOL shall provide system performance consistent with the following:	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.2.1 through 1.2.7
WECC -- FAC-011-2 R1.2.1. All Facilities are operating within their applicable Post-Contingency thermal, frequency and voltage limits.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: All Facilities are operating within their applicable Post-Contingency thermal, frequency and voltage limits.

Text of Requirement	Lower	Moderate	High	Severe
WECC -- FAC-011-2 R1.2.2. Cascading does not occur.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: cascading does not occur.
WECC -- FAC-011-2 R1.2.3. Uncontrolled separation of the system does not occur.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: uncontrolled separation of the system does not occur.
WECC -- FAC-011-2 R1.2.4. The system demonstrates transient, dynamic and voltage stability.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: the system demonstrates transient, dynamic and voltage stability.
WECC -- FAC-011-2 R1.2.5. Depending on system design and expected system impacts, the controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted firm (non-recallable reserved) electric power transfers may be necessary to maintain the overall security of the interconnected transmission systems.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: depending on system design and expected system impacts, the controlled interruption of electric supply to customers (load shedding), the planned removal from service of certain generators, and/or the curtailment of contracted firm (non-recallable reserved) electric power transfers may be necessary to maintain the overall security of the interconnected transmission systems.
WECC -- FAC-011-2 R1.2.6. Interruption of firm transfer, Load or system reconfiguration is permitted through manual or automatic control or protection actions.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: interruption of firm transfer, Load or system reconfiguration is permitted through manual or automatic control or protection actions.
WECC -- FAC-011-2 R1.2.7. To prepare for the next Contingency, system adjustments are permitted, including changes to generation, Load and the transmission system topology when determining limits.	Not applicable.	Not applicable.	Not applicable.	SOLs do not provide system performance consistent with: to prepare for the next Contingency, system adjustments are permitted, including changes to generation, Load and the transmission system topology when determining limits.
WECC -- FAC-011-2 R1.3. SOLs shall be established such that for multiple Facility Contingencies in E1.1.6 through E1.1.7 operation within the SOL shall provide system performance consistent with the following with respect to impacts on	Not applicable.	Not applicable.	Not applicable.	The methodology fails to address any of the evaluations listed in 1.3.1

Text of Requirement	Lower	Moderate	High	Severe
other systems:				
WECC -- FAC-011-2 R1.3.1. Cascading does not occur.	Not applicable.	Not applicable.	Not applicable.	The SOL methodology fails to address: cascading does not occur.
WECC -- FAC-011-2 R1.4. The Western Interconnection may make changes (performance category adjustments) to the Contingencies required to be studied and/or the required responses to Contingencies for specific facilities based on actual system performance and robust design. Such changes will apply in determining SOLs.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

Text of Requirement	Lower	Moderate	High	Severe
FAC-014-2 R1. The Reliability Coordinator shall ensure that SOLs, including Interconnection Reliability Operating Limits (IROLs), for its Reliability Coordinator Area are established and that the SOLs (including Interconnection Reliability Operating Limits) are consistent with its SOL Methodology.	There are SOLs, for the Reliability Coordinator Area, but from 1% up to but less than 25% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R1)	There are SOLs, for the Reliability Coordinator Area, but 25% or more, but less than 50% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R1)	There are SOLs, for the Reliability Coordinator Area, but 50% or more, but less than 75% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R1)	There are SOLs for the Reliability Coordinator Area, but one or more of these the SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R1)
FAC-014-2 R2. The Transmission Operator shall establish SOLs (as directed by its Reliability Coordinator) for its portion of the Reliability Coordinator Area that are consistent with its Reliability Coordinator's SOL Methodology.	The Transmission Operator has established SOLs for its portion of the Reliability Coordinator Area, but from 1% up to but less than 25% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R2)	The Transmission Operator has established SOLs for its portion of the Reliability Coordinator Area, but 25% or more, but less than 50% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R2)	The Transmission Operator has established SOLs for its portion of the Reliability Coordinator Area, but 50% or more, but less than 75% of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R2)	The Transmission Operator has established SOLs for its portion of the Reliability Coordinator Area, but 75% or more of these SOLs are inconsistent with the Reliability Coordinator's SOL Methodology. (R2)
FAC-014-2 R3. The Planning Authority shall establish SOLs, including IROLs, for its Planning Authority Area that are consistent with its SOL Methodology	There are SOLs, for the Planning Coordinator Area, but from 1% up to, but less than, 25% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R3)	There are SOLs, for the Planning Coordinator Area, but 25% or more, but less than 50% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R3)	There are Sols for the Planning Coordinator Area, but 10% or more, but less than 75% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R3)	There are SOLs, for the Planning Coordinator Area, but 75% or more of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R3)

Text of Requirement	Lower	Moderate	High	Severe
FAC-014-2 R4. The Transmission Planner shall establish SOLs, including IROLs, for its Transmission Planning Area that are consistent with its Planning Authority's SOL Methodology.	The Transmission Planner has established SOLs for its portion of the Planning Coordinator Area, but up to 25% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R4)	The Transmission Planner has established SOLs for its portion of the Planning Coordinator Area, but 25% or more, but less than 50% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R4)	The Transmission Planner has established SOLs for its portion of the Reliability Coordinator Area, but 50% or more, but less than 75% of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R4)	The Transmission Planner has established SOLs for its portion of the Planning Coordinator Area, but one or more of these SOLs are inconsistent with the Planning Coordinator's SOL Methodology. (R4)
FAC-014-2 R5. The Reliability Coordinator, Planning Authority and Transmission Planner shall each provide its SOLs and IROLs to those entities that have a reliability-related need for those limits and provide a written request that includes a schedule for delivery of those limits as follows:	The responsible entity provided its SOLs to all the requesting entities but missed meeting one or more of the schedules by less than 15 calendar days. (R5)	One of the following: The responsible entity provided its SOLs to all but one of the requesting entities within the schedules provided. (R5) Or The responsible entity provided its SOLs to all the requesting entities but missed meeting one or more of the schedules for 15 or more but less than 30 calendar days. (R5) OR The supporting information provided with the IROLs does not address 5.1.4	One of the following: The responsible entity provided its SOLs to all but two of the requesting entities within the schedules provided. (R5) Or The responsible entity provided its SOLs to all the requesting entities but missed meeting one or more of the schedules for 30 or more but less than 45 calendar days. (R5) OR The supporting information provided with the IROLs does not address 5.1.3	One of the following: The responsible entity failed to provide its SOLs to more than two of the requesting entities within 45 calendar days of the associated schedules. (R5) OR The supporting information provided with the IROLs does not address 5.1.1 and 5.1.2.

Text of Requirement	Lower	Moderate	High	Severe
FAC-014-2 R5.1. The Reliability Coordinator shall provide its SOLs (including the subset of SOLs that are IROLs) to adjacent Reliability Coordinators and Reliability Coordinators who indicate a reliability-related need for those limits, and to the Transmission Operators, Transmission Planners, Transmission Service Providers and Planning Authorities within its Reliability Coordinator Area. For each IROL, the Reliability Coordinator shall provide the following supporting information:	Not applicable.	Not applicable.	Not applicable.	The Reliability Coordinator did not provide its SOLs (including the subset of SOLs that are IROLs) to adjacent Reliability Coordinators and Reliability Coordinators who indicate a reliability-related need for those limits, and to the Transmission Operators, Transmission Planners, Transmission Service Providers and Planning Authorities within its Reliability Coordinator Area.
FAC-014-2 R5.1.1. Identification and status of the associated Facility (or group of Facilities) that is (are) critical to the derivation of the IROL.	Not applicable.	Not applicable.	Not applicable.	For any IROL, the Reliability Coordinator did not provide the Identification and status of the associated Facility (or group of Facilities) that is (are) critical to the derivation of the IROL.
FAC-014-2 R5.1.2. The value of the IROL and its associated Tv.	Not applicable.	Not applicable.	Not applicable.	For any IROL, the Reliability Coordinator did not provide the value of the IROL and its associated Tv.
FAC-014-2 R5.1.3. The associated Contingency(ies).	Not applicable.	Not applicable.	Not applicable.	For any IROL, the Reliability Coordinator did not provide the associated Contingency(ies).
FAC-014-2 R5.1.4. The type of limitation represented by the IROL (e.g., voltage collapse, angular stability).	Not applicable.	Not applicable.	Not applicable.	For any IROL, the Reliability Coordinator did not provide the type of limitation represented by the IROL (e.g., voltage collapse, angular stability).
FAC-014-2 R5.2. The Transmission Operator shall provide any SOLs it developed to its Reliability Coordinator and to the Transmission Service Providers that share its portion of the Reliability Coordinator Area.	Not applicable.	Not applicable.	Not applicable.	The Transmission Operator did not provide the complete set of SOLs it developed to its Reliability Coordinator and to the Transmission Service Providers that share its portion of the Reliability Coordinator Area.

Text of Requirement	Lower	Moderate	High	Severe
FAC-014-2 R5.3. The Planning Authority shall provide its SOLs (including the subset of SOLs that are IROLs) to adjacent Planning Authorities, and to Transmission Planners, Transmission Service Providers, Transmission Operators and Reliability Coordinators that work within its Planning Authority Area.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not provide its complete set of SOLs (including the subset of SOLs that are IROLs) to adjacent Planning Authorities, and to Transmission Planners, Transmission Service Providers, Transmission Operators and Reliability Coordinators that work within its Planning Authority Area.
FAC-014-2 R5.4. The Transmission Planner shall provide its SOLs (including the subset of SOLs that are IROLs) to its Planning Authority, Reliability Coordinators, Transmission Operators, and Transmission Service Providers that work within its Transmission Planning Area and to adjacent Transmission Planners.	Not applicable.	Not applicable.	Not applicable.	The Transmission Planner did not provide its complete set of SOLs (including the subset of SOLs that are IROLs) to its Planning Authority, Reliability Coordinators, Transmission Operators, and Transmission Service Providers that work within its Transmission Planning Area and to adjacent Transmission Planners.
FAC-014-2 R6. The Planning Authority shall identify the subset of multiple contingencies (if any), from Reliability Standard TPL-003 which result in stability limits.	~~The Planning Authority failed to notify the Reliability Coordinator in accordance with R6.2~~ Not applicable.	Not applicable.	~~The Planning Authority identified the subset of multiple contingencies which result in stability limits **but** did not provide the list of multiple contingencies and associated limits to one Reliability Coordinator that monitors the Facilities associated with these limits. (R6.1)~~ Not applicable.	The Planning Authority did not identify the subset of multiple contingencies which result in stability limits. (R6) ~~OR~~ ~~The Planning Authority identified the subset of multiple contingencies which result in stability limits but did not provide the list of multiple contingencies and associated limits to more than one Reliability Coordinator that monitors the Facilities associated with these limits. (R6.1)~~

Text of Requirement	Lower	Moderate	High	Severe
FAC-014-2 R6.1. The Planning Authority shall provide this list of multiple contingencies and the associated stability limits to the Reliability Coordinators that monitor the facilities associated with these contingencies and limits.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not identify the subset of multiple contingencies, from TPL-003 that resulted in stability limits and provide the complete list of multiple contingencies and the associated stability limits to the Reliability Coordinators that monitor the facilities associated with these contingencies and limits.
FAC-014-2 R6.2. If the Planning Authority does not identify any stability-related multiple contingencies, the Planning Authority shall so notify the Reliability Coordinator.	Not applicable.	Not applicable.	Not applicable.	The Planning Authority did not notify the Reliability Coordinator that it did not identify any stability-related multiple contingencies,

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2008–0001; T.D. TTB–74; Re: Notice No. 81]

RIN 1513–AB45

Establishment of the Haw River Valley Viticultural Area (2007R–179P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision establishes the 868-square mile ''Haw River Valley'' viticultural area in Alamance, Caswell, Chatham, Guilford, Orange, and Rockingham Counties, North Carolina. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: *Effective Dates:* April 29, 2009.

FOR FURTHER INFORMATION CONTACT: N.A. Sutton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 925 Lakeville St., No.