

Subj: **Comments to WEQ Standards Review Subcommittee**
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To: NAESB office

Here are my comments as requested by the WEQ Standards Review Subcommittee (SRS) on the revised draft document:

Initial Review Document for NERC Standard for Determine Facility Ratings, System Operating Limits, and Transfer Capabilities.

COMMENTS by John Horakh, MAAC Staff:

The proposed NAESB companion Business Practice Standard would:

- Develop a standard methodology to rate transmission and/or generator facilities.
- Develop a standard methodology for determining system operating limits.
- Develop a standard methodology to determine transfer capabilities.

Development of these standard methodologies may not be desirable or needed.

If development is needed, it should not be done unilaterally by NAESB. Methodologies would need to be developed jointly by NAESB, NERC and the ISO/RTO Council, because the results from the methodologies have very significant impacts on reliability as well as the marketplace..

The statement is made that such a standard is needed because:

NERC's standard focuses on requirements that entities establish facility ratings and does not specify how or what methodology entities will employ to rate facilities.

NERC did not specify methodologies to be used because it is almost impossible to determine the "best" methodology. There are many methodologies in use, and they may produce similar, but slightly different, results. The situation is similar to the use of weather forecasting models. There is no single methodology that gives the "best" weather forecast. What really matters is the bottom line ratings that result from the various rating methodologies. If they produce similar results, we can accept different methodologies as all being "correct". If a particular methodology produces results which are greatly divergent from most other methodologies, that methodology should be questioned. It is important, however, for everyone to agree on and use the same rating for a specific facility. This is particularly needed for facilities which are jointly owned or are connections between areas which use different rating methodologies.

Also, the statement is made that:

The assumptions used could have significant commercial impacts.

This is true, but the assumptions also have very significant reliability impacts. That is why the specification of the assumptions used in the methodologies, as well as the methodologies themselves, must be acceptable to NAESB, NERC and the RTO/ISO Council. In some cases, assumptions will vary from region to region, because of different physical or electrical parameters. Here again, assumptions should fall within some "reasonable" range. For this reason, publication of the assumptions may be appropriate to allow everyone the opportunity to question "out of range" assumptions.