

Standard Development Timeline

This section is maintained by the drafting team during the development of the standard and will be removed when the standard is adopted by the NERC Board of Trustees (Board).

Description of Current Draft

This is the first draft of the proposed standard for a formal 45-day comment period.

<u>Completed Actions</u>	<u>Date</u>
<u>Standards Committee approved Standard Authorization Request (SAR) for posting</u>	<u>January 20, 2021</u>
<u>SAR posted for comment</u>	<u>March 3 – April 6, 2022</u>
<u>SAR posted for comment</u>	<u>April 14 – May 13, 2021</u>

<u>Anticipated Actions</u>	<u>Date</u>
<u>45-day formal comment period with ballot</u>	<u>October 31, 2022 – January 13, 2023</u>
<u>45-day formal comment period with additional ballot</u>	<u>May 10 – June 23, 2023</u>
<u>10-day final ballot</u>	<u>TBD</u>
<u>Board adoption</u>	<u>TBD</u>

New or Modified Term(s) Used in NERC Reliability Standards

This section includes all new or modified terms used in the proposed standard that will be included in the Glossary of Terms Used in NERC Reliability Standards upon applicable regulatory approval. Terms used in the proposed standard that are already defined and are not being modified can be found in the Glossary of Terms Used in NERC Reliability Standards. The new or revised terms listed below will be presented for approval with the proposed standard. Upon Board adoption, this section will be removed.

Term(s):

None

A. Introduction

1. **Title:** Generator Operation for Maintaining Network Voltage Schedules
2. **Number:** VAR-~~002-4.1~~002-5
3. **Purpose:** To ensure ~~generators~~generating resources and dispersed power producing resources provide reactive support and voltage control, within generating Facility capabilities, in order to protect equipment, and maintain ~~reliable operation~~Reliable Operation of the Interconnection.
4. **Applicability:**
 - 4.1. Functional Entities:**
 - 4.1.1.** ~~4.1-~~Generator Operator
 - 4.1.2.** ~~4.2-~~Generator Owner
 - 4.2. Facilities:** For the purpose of this standard, “applicable Facility” will mean any generating Facility as defined by the Bulk Electric System.
5. **Effective Date:** See Implementation Plan for VAR-002-5.

B. Requirements and Measures

- R1.** The Generator Operator shall operate each ~~generator~~applicable Facility connected to the interconnected transmission system in the automatic voltage control mode (with its automatic voltage regulator (AVR) or volt/VAR controller(s)¹ in service and controlling voltage) or in a different control mode as instructed by the Transmission Operator unless: 1) the ~~generator~~ applicable Facility is exempted by the Transmission Operator, or 2) the Generator Operator has notified the Transmission Operator of one of the following: [*Violation Risk Factor: Medium*] [*Time Horizon: Real-time Operations*]
- That the ~~generator~~applicable Facility is being operated in start-up², ¹- shutdown³, ²- or testing mode pursuant to a Real-time communication or a procedure that was previously provided to the Transmission Operator; or
 - That the ~~generator~~applicable Facility is not being operated in automatic voltage control mode or in the control mode that was instructed by the Transmission Operator for a reason other than start-up, shutdown, or testing.
- M1.** The Generator Operator shall have evidence to show that it notified its associated Transmission Operator any time it failed to operate ~~a generator~~an applicable Facility in the automatic voltage control mode or in a different control mode as specified in Requirement R1. If ~~a generator~~an applicable Facility is being started up or shut down with the automatic voltage control off, or is being tested, and no notification of the AVR status is made to the Transmission Operator, the Generator Operator will have evidence that it notified the Transmission Operator of its procedure for placing the unit into automatic voltage control mode as required in Requirement R1. Such evidence may include, but is not limited to, dated evidence of transmittal of the procedure such as an electronic message or a transmittal letter with the procedure included or attached. If ~~a generator is exempted, the Generator Operator shall also have evidence that the generator~~an applicable Facility is exempted from ~~being in~~ automatic voltage control mode (with its AVR or volt/VAR controller(s) in service and controlling voltage), the Generator Operator will maintain evidence of an exception.

¹ ~~Start-up is deemed to have ended when the generator is ramped up to its minimum continuously sustainable load and the generator is prepared for continuous operation.~~

² ~~Shutdown is deemed to begin when the generator is ramped down to its minimum continuously sustainable load and the generator is prepared to go offline.~~

¹ For an aggregate generating plant, the volt/VAR controller includes the voltage & reactive power control system controlling and coordinating plant voltage.

² Start-up is deemed to have ended when the applicable Facility is ramped up to its minimum continuously sustainable Load and the applicable Facility is prepared for continuous operation.

³ Shutdown is deemed to begin when the applicable Facility is ramped down to its minimum continuously sustainable Load and the applicable Facility is prepared to go offline.

- R2.** Unless exempted by the Transmission Operator, each Generator Operator shall maintain the ~~generator~~applicable Facility voltage or Reactive Power ~~schedule~~³~~schedule~~⁴ (within each generating Facility's ~~capabilities~~⁴capabilities⁵) provided by the Transmission Operator, or otherwise shall meet the conditions of notification for deviations from the voltage or Reactive Power schedule provided by the Transmission Operator. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- 2.1.** When ~~a generator's AVR~~an applicable Facility's AVR or volt/VAR controller(s) is out of service or the generator does not have an AVR, the Generator Operator shall use an alternative method to control the generator reactive output to meet the voltage or Reactive Power schedule provided by the Transmission Operator or if no other method of control is available, notify the Transmission Operator as soon as becoming aware of the condition.
- 2.2.** When instructed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.
- 2.3.** Generator Operators that do not monitor the voltage at the location specified in their voltage schedule shall have a methodology for converting the scheduled voltage ~~specified by the Transmission Operator~~ to the voltage point being monitored by the Generator Operator.
- M2.** In order to identify when ~~a generator~~an applicable Facility is deviating from its schedule, the Generator Operator will monitor voltage based on existing equipment at its Facility. The Generator Operator ~~shall~~will have evidence to show that the ~~generator~~applicable Facility maintained the voltage or Reactive Power schedule provided by the Transmission Operator, ~~or shall~~will have evidence of meeting the conditions of notification for deviations from the voltage or Reactive Power schedule provided by the Transmission Operator.

Evidence may include, but is not limited to, operator logs, SCADA data, phone logs, and any other notifications that would alert the Transmission Operator or otherwise demonstrate that the Generator Operator complied with the Transmission Operator's instructions for addressing deviations from the voltage or Reactive Power schedule.

For Part 2.1, when ~~a generator's AVR~~an applicable Facility's AVR or volt/VAR controller(s) is out of service or the ~~generator~~applicable Facility does not have an AVR, a Generator Operator shall have evidence to show an alternative method was used to control the generator reactive output to meet the voltage or Reactive Power schedule provided by the Transmission Operator or evidence of notification to the Transmission Operator if no other method of control is available.

For Part 2.2, the Generator Operator ~~shall~~will have evidence that it complied with the Transmission Operator's instructions to modify its voltage or provided an explanation to the Transmission Operator of why the Generator Operator was unable to comply with the instruction. Evidence may include, but is not limited to, operator logs, SCADA data, and phone logs.

⁴ The voltage or Reactive Power schedule is a target value with a tolerance band, or a voltage or Reactive Power range communicated by the Transmission Operator to the Generator Operator.

⁵ Generating Facility capability may be established by test or other means and may not be sufficient at times to pull the System voltage within the schedule tolerance band. Also, when an applicable Facility is operating in manual control, Reactive Power capability may change based on stability considerations.

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For Part 2.3, for Generator Operators that do not monitor the voltage at the location specified on the voltage schedule, the Generator Operator ~~shall~~will demonstrate the methodology for converting the scheduled voltage ~~specified by the Transmission Operator~~ to the voltage point being monitored by the Generator Operator.

³~~The voltage or Reactive Power schedule is a target value with a tolerance band or a voltage or Reactive Power range communicated by the Transmission Operator to the Generator Operator.~~

⁴~~Generating Facility capability may be established by test or other means, and may not be sufficient at times to pull the system voltage within the schedule tolerance band. Also, when a generator is operating in manual control, Reactive Power capability may change based on stability considerations.~~

- R3.** Each Generator Operator shall notify in a mutually-agreeable criteria⁶, its associated Transmission Operator of a status or functionality change ~~on the of applicable~~ AVR, volt/VAR controller(s), power system stabilizer, or alternative voltage controlling device which degrades or restores from degradation its ability to automatically control voltage. Status or functionality change notifications shall be made within 30 minutes of ~~the~~such change. If the status has been restored within 30 minutes ~~of such change~~, then the Generator Operator is not required to notify the Transmission Operator of the status change. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- M3.** The Generator Operator shall have evidence it notified its associated Transmission Operator within 30 minutes of ~~any status~~the change identified in Requirement R3 and evidence of the mutually-agreeable criteria such as any of the following: emails, voltage schedule documentation, or reliability data specification. If the status or functionality change has been restored within the first 30 minutes, no notification is necessary.
- R4.** Each Generator Operator shall notify in a mutually-agreeable criteria, its associated Transmission Operator within 30 minutes of becoming aware of a change in reactive capability that degrades or restores from degradation and exceeds the threshold for notification due to factors other than ~~a status change described~~specified in Requirement R3. If the capability has been restored within 30 minutes of the Generator Operator becoming aware of such change, then the Generator Operator is not required to notify the Transmission Operator of the change in reactive capability. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- ◆ ~~Reporting of status or capability changes as stated in Requirement R4 is not applicable to the individual generating units of dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition.~~
- M4.** The Generator Operator shall have evidence it notified its associated Transmission Operator within 30 minutes of becoming aware of a change in reactive capability in accordance with Requirement R4. If the capability has been restored within the first 30 minutes, no notification is necessary. The Generator Operator will provide evidence of coordination, as necessary, with the Transmission Operator to identify a mutually-agreeable criteria, such as any of the following: emails, voltage schedule documentation, or reliability data specification.
- R5.** The Generator Owner for each applicable Facility shall provide the following to its associated Transmission Operator and Transmission Planner within 30 calendar days of a request. *[Violation Risk Factor: Lower] [Time Horizon: ~~Real-time Operations~~ Planning]*
- 5.1.** ~~1.1.~~ For generator step-up and auxiliary ~~transformers~~transformers with primary voltages equal to or greater than the generator terminal voltage:
- 5.1.1.** ~~1.1.1.~~ Tap settings.
 - 5.1.2.** ~~1.1.2.~~ Available ~~fixed~~ tap ranges.
 - 5.1.3.** ~~1.1.3.~~ Impedance data.

⁶ Mutually-agreeable format for VAR-002-5 - notification should include the communication method (e.g., voice, data, email, etc.) and the threshold of degradation an applicable Facility.

M5. The Generator Owner for each applicable Facility shall have evidence it provided its associated Transmission Operator and Transmission Planner with information on its step-up and auxiliary transformers as required in Requirement R5, Part 5.1.1 through Part 5.1.3 within 30 calendar days.

~~⁵For dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition, this requirement applies only to those transformers that have at least one winding at a voltage of 100 kV or above.~~

- R6.** After consultation with the Transmission Operator regarding necessary generator owned step-up transformer tap changes, the Generator Owner for each applicable Facility shall ensure that transformer tap positions are changed according to the specifications provided by the Transmission Operator, unless such action would violate safety, an ~~equipment rating~~Equipment Rating, a regulatory requirement, or a statutory requirement. [*Violation Risk Factor: Lower*] [*Time Horizon: ~~Real-time~~ Operations Planning*]
- 6.1.** If the applicable Generator Owner for each applicable Facility cannot comply with the Transmission Operator's specifications, the Generator Owner for each applicable Facility shall notify the Transmission Operator and shall provide the technical justification.
- M6.** The ~~Generator Owner~~applicable Facility shall have evidence that its step-up transformer taps were modified per the Transmission Operator's documentation in accordance with Requirement R6. The ~~Generator Owner~~applicable Facility shall have evidence that it notified its associated Transmission Operator when it could not comply with the Transmission Operator's step-up transformer tap specifications in accordance with Requirement R6, Part 6.1.

C. Compliance

1. Compliance Monitoring Process:

1.1. Compliance Enforcement Authority:

~~As defined in the NERC Rules of Procedure,~~ “Compliance Enforcement Authority” ~~refers to means~~ NERC or the Regional Entity, ~~or any entity as otherwise designated by an Applicable Governmental Authority,~~ in their respective roles of monitoring and ~~/or~~ enforcing compliance with ~~the NERC mandatory and enforceable~~ Reliability Standards ~~in their respective jurisdictions.~~

1.2. Evidence Retention:

~~The following evidence retention~~ ~~periods~~period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the ~~full~~ ~~time~~full-time period since the last audit.

~~The Generator Owner and Generator Operator shall each keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.~~

~~The Generator Owner for each applicable Facility shall keep its latest version of documentation on its step-up and auxiliary transformers. The Generator Operator shall maintain all other evidence for the current and previous calendar year.~~

~~The Generator Operator for each applicable Facility shall keep its latest version of documentation on its step-up and auxiliary transformers.~~

~~The Compliance Monitor~~Generator Operator for each applicable Facility shall retain any audit data~~evidence of Requirements R1, R2, R3 and R4 for three calendar years.~~

~~1.3. Compliance Monitoring and Assessment Processes:~~

~~1.3. Compliance Monitoring and Enforcement Program:~~ As defined in the NERC Rules of Procedure, “Compliance Monitoring and ~~Assessment Processes~~Enforcement Program” refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated ~~reliability standard~~Reliability Standard.

~~1.4. Additional Compliance Information: None.~~

Violation Severity Levels

Table of Compliance Elements

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
R1 ₁	Real-time Operations	Medium	N/A	N/A	N/A	Unless exempted, the Generator Operator did not operate each generator and <u>dispersed power producing resource</u> connected to the interconnected <u>transmission system</u> <u>Transmission System</u> in the automatic voltage control mode or in a different control mode as instructed by the Transmission Operator, and failed to provide the required notifications to Transmission Operator as identified in Requirement R1.

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower-VSL	Moderate-VSL	High-VSL	Severe-VSL
R2	Real-time Operations	Medium	N/A	N/A	<p>The Generator Operator did <u>maintain voltage or Reactive Power as instructed by the Transmission Operator.</u></p> <p><u>AND,</u></p> <p>The Generator Operator did make <u>the necessary notifications required by the Transmission Operator.</u></p> <p><u>BUT</u></p> <p>The Generator Operator did not have a conversion methodology when it <u>monitors/monitored</u> voltage at a location different from the schedule provided by the Transmission Operator.</p>	<p>The Generator Operator did not maintain the voltage or Reactive Power schedule as instructed by the Transmission Operator <u>and,</u></p> <p><u>AND</u></p> <p>The Generator Operator did not make the necessary notifications required by the Transmission Operator.</p> <p><u>OR</u></p> <p>The Generator Operator did not have an operating AVR <u>or</u> <u>volt/VAR controller(s), and the responsible entity</u> did not use an alternative method for controlling voltage <u>or</u> <u>provide notification to the Transmission Operator if no alternative method of control was available.</u></p> <p><u>OR</u></p> <p>The Generator Operator <u>did not modify voltage</u></p>

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						<u>when directed, and did not provide any explanation.</u>
						OR The Generator Operator did not modify voltage when directed, and the responsible entity did not provide any explanation.
R3.	Real-time Operations	Medium	N/A	N/A	N/A	The Generator Operator did not make the required notification within 30 minutes of the status change.

R #	Time Horizon	VRF	Violation Severity Levels			
			Lower-VSL	Moderate-VSL	High-VSL	Severe-VSL
R4.	Real-time Operations	Medium	N/A	N/A	N/A	The Generator Operator did not make the required notification within 30 minutes of becoming aware of the capability change.
R5.			N/A	N/A	The Generator Owner for each applicable Facility failed to provide its associated Transmission Operator	The Generator Owner for each applicable Facility failed to provide to its associated Transmission Operator and

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	Real-time Operations	Lower			and Transmission Planner one of the types of data specified in Requirement R5 Parts 5.1.1, 5.1.2, and 5.1.3.	Transmission Planner two or more of the types of data specified in Requirement R5 Parts 5.1.1, 5.1.2, and 5.1.3.
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R #	Time Horizon	VRF	Violation Severity Levels			
			Lower-VSL	Moderate-VSL	High-VSL	Severe-VSL
R6.	Real-time Operations	Lower	N/A	N/A	N/A	<p>The Generator Owner <u>for each applicable Facility</u> did not ensure the tap changes were made according <u>to</u> the Transmission Operator’s specifications.</p> <p>OR</p> <p>The Generator Owner <u>for each applicable Facility</u> failed to perform the tap changes, and the Generator Owner <u>for each applicable Facility</u> did not provide technical justification for why it could not comply with the Transmission Operator specifications.</p>

D. Regional Variances

None.

~~E. Interpretations~~

~~None.~~

E. F. Associated Documents

None.

Version History

Version	Date	Action	Change Tracking
1	5/1/2006	Added "(R2)" to the end of levels on non-compliance 2.1.2, 2.2.2, 2.3.2, and 2.4.3 and 2.4.3.	July 5, 2006
1a	12/19/2007	Added Appendix 1 – Interpretation of R1 and R2 approved by BOT on August 1, 2007.	Revised
1a	1/16/2007	In Section A.2., Added "a" to end of standard number. Section F: added "1."; and added date.	Errata
1.1a	10/29/2008	BOT adopted errata changes; updated version number to "1.1a"	Errata
1.1b	3/3/2009	Added Appendix 2 – Interpretation of VAR-002-1.1a approved by BOT on February 10, 2009.	Revised
2b	4/16/2013	Revised R1 to address an Interpretation Request. Also added previously approved VRFs, Time Horizons and VSLs. Revised R2 to address consistency issue with VAR- 001-2 VAR001-2, R4. FERC Order issued approving VAR- 002-2b VAR002-2b.	Revised
3	5/5/2014	Revised under Project 2013-04 to address outstanding Order 693 directives.	Revised
3	5/7/2014	Adopted by NERC Board of Trustees.	
3	8/1/2014	Approved by FERC in docket RD14-11-000 RD14-11-000.	
4	8/27/2014	Revised under Project 2014-01 to clarify applicability of Requirements to <u>BES dispersed power producing resources.</u>	Revised

		BES dispersed power producing resources.	
4	11/13/2014	Adopted by NERC Board of Trustees.	
4	5/29/2015	FERC Letter Order in Docket No. RD15- 3-000 approving VAR-002-4.	
4.1	June 14, 2017 <u>2017/6/14/2017</u>	Project 2016-EPR-02 errata recommendations.	Errata

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4.1	August 10, 2017 <u>8/10/2017</u>	Adopted by the NERC Board of Trustees.	<u>Errata</u>
4.1	September 26, 2017 <u>9/26/2017</u>	FERC Letter Order issued approving VAR-002-4.1 RD17-7-000.	
<u>5</u> <u>TBD</u>	<u>Revised under Project 2021-02 to clarify applicability of Requirements to BES dispersed power producing resources and to address recommendations from Project 2016-EPR-02.</u>		<u>Revised</u>

Guidelines and Technical Basis

Rationale:

During development of this standard, text boxes were embedded within the standard to explain the rationale for various parts of the standard. Upon BOT approval, the text from the rationale text boxes was moved to this section.

Rationale for R1:

This requirement has been maintained due to the importance of running a unit with its automatic voltage regulator (AVR) in service and in either voltage controlling mode or the mode instructed by the TOP. However, the requirement has been modified to allow for testing, and the measure has been updated to include some of the evidence that can be used for compliance purposes.

Rationale for R2:

Requirement R2 details how a Generator Operator (GOP) operates its generator(s) to provide voltage support and when the GOP is expected to notify the Transmission Operator (TOP). In an effort to remove prescriptive notification requirements for the entire continent, the VAR-002-3 standard drafting team (SDT) opted to allow each TOP to determine the notification requirements for each of its respective GOPs based on system requirements. Additionally, a new Part 2.3 has been added to detail that each GOP may monitor voltage by using its existing facility equipment.

Conversion Methodology: There are many ways to convert the voltage schedule from one voltage level to another. Some entities may choose to develop voltage regulation curves for their transformers; others may choose to do a straight ratio conversion; others may choose an entirely different methodology. All of these methods have technical challenges, but the studies performed by the TOP, which consider N-1 and credible N-2 contingencies, should compensate for the error introduced by these methodologies, and the TOP possesses the authority to direct the GOP to modify its output if its performance is not satisfactory. During a significant system event, such as a voltage collapse, even a generation unit in automatic voltage control that controls based on the low side of the generator step-up transformer should see the event on the low side of the generator step-up transformer and respond accordingly.

Voltage Schedule Tolerances: The bandwidth that accompanies the voltage target in a voltage schedule should reflect the anticipated fluctuation in voltage at the GOP's Facility during normal operations and be based on the TOP's assessment of N-1 and credible N-2 system contingencies. The voltage schedule's bandwidth should not be confused with the control dead band that is programmed into a GOP's AVR control system, which should be adjusting the AVR prior to reaching either end of the voltage schedule's bandwidth.

Rationale for R3:

This requirement has been modified to limit the notifications required when an AVR goes out of service and quickly comes back in service. Notifications of this type of status change provide little to no benefit to reliability. Thirty (30) minutes have been built into the requirement to allow a GOP time to resolve an issue before having to notify the TOP of a status change. The requirement has

~~also been amended to remove the sub-requirement to provide an estimate for the expected duration of the status change.~~

~~Rationale for R4:~~

~~This requirement has been bifurcated from the prior version VAR-002-2b Requirement R3. This requirement allows GOPs to report reactive capability changes after they are made aware of the change. The current standard requires notification as soon as the change occurs, but many GOPs are not aware of a reactive capability change until it has taken place.~~

~~Rationale for Exclusion in R4:~~

~~VAR-002 addresses control and management of reactive resources and provides voltage control where it has an impact on the BES. For dispersed power producing resources as identified in Inclusion I4, Requirement R4 should not apply at the individual generator level due to the unique characteristics and small scale of individual dispersed power producing resources. In addition, other standards such as proposed TOP-003 require the Generator Operator to provide Real-time data as directed by the TOP.~~

~~Rationale for R5:~~

~~This requirement and corresponding measure have been maintained due to the importance of having accurate tap settings. If the tap setting is not properly set, then the VARs available from that unit can be affected. The prior version of VAR-002-2b, Requirement R4.1.4 (the +/- voltage range with step change in % for load tap changing transformers) has been removed. The percentage information was not needed because the tap settings, ranges and impedance are required. Those inputs can be used to calculate the step change percentage if needed.~~

~~Rationale for Exclusion in R5:~~

~~The Transmission Operator and Transmission Planner only need to review tap settings, available fixed tap ranges, impedance data and the +/- voltage range with step change in % for load tap changing transformers on main generator step-up unit transformers which connect dispersed power producing resources identified through Inclusion I4 of the Bulk Electric System definition to their transmission system. The dispersed power producing resources individual generator transformers are not intended, designed or installed to improve voltage performance at the point of interconnection. In addition, the dispersed power producing resources individual generator transformers have traditionally been excluded from Requirement R4 and R5 of VAR-002-2b (similar requirements are R5 and R6 for VAR-002-3), as they are not used to improve voltage performance at the point of interconnection.~~

~~Rationale for R6:~~

~~This requirement and corresponding measure have been maintained due to the importance of having accurate tap settings. If the tap setting is not properly set, then the VARs available from that unit can be affected.~~