

# Violation Risk Factor and Violation Severity Level Justifications

## FAC-011-4 System Operating Limits Methodology for the Operations Horizon

This document provides the standard drafting team's (SDT's) justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in Reliability Standard FAC-011-4 System Operating Limits (SOL) Methodology for the Operations Horizon. Each requirement is assigned a VRF and a VSL. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the Electric Reliability Organizations Sanction Guidelines. The SDT applied the following NERC criteria and FERC Guidelines when developing the VRFs and VSLs for the requirements.

### NERC Criteria for Violation Risk Factors

#### High Risk Requirement

A requirement that, if violated, could directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

#### Medium Risk Requirement

A requirement that, if violated, could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System. However, violation of a medium risk requirement is unlikely to lead to Bulk Electric System instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to Bulk Electric System instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

## **Lower Risk Requirement**

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System; or, a requirement that is administrative in nature and a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System.

## **FERC Guidelines for Violation Risk Factors**

### **Guideline (1) – Consistency with the Conclusions of the Final Blackout Report**

FERC seeks to ensure that VRFs assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System. In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities
- Appropriate use of transmission loading relief.

**Guideline (2) – Consistency within a Reliability Standard**

FERC expects a rational connection between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

**Guideline (3) – Consistency among Reliability Standards**

FERC expects the assignment of VRFs corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

**Guideline (4) – Consistency with NERC’s Definition of the Violation Risk Factor Level**

Guideline (4) was developed to evaluate whether the assignment of a particular VRF level conforms to NERC’s definition of that risk level.

**Guideline (5) – Treatment of Requirements that Co-mingle More Than One Obligation**

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

## NERC Criteria for Violation Severity Levels

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

VSLs should be based on NERC’s overarching criteria shown in the table below:

Lower VSL	Moderate VSL	High VSL	Severe VSL
The performance or product measured almost meets the full intent of the requirement.	The performance or product measured meets the majority of the intent of the requirement.	The performance or product measured does not meet the majority of the intent of the requirement, but does meet some of the intent.	The performance or product measured does not substantively meet the intent of the requirement.

## FERC Order of Violation Severity Levels

The FERC VSL guidelines are presented below, followed by an analysis of whether the VSLs proposed for each requirement in the standard meet the FERC Guidelines for assessing VSLs:

### Guideline (1) – Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance

Compare the VSLs to any prior levels of non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when levels of non-compliance were used.

### Guideline (2) – Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties

A violation of a “binary” type requirement must be a “Severe” VSL.

Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

### Guideline (3) – Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement

VSLs should not expand on what is required in the requirement.

**Guideline (4) – Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations**

Unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

VRF Justifications for FAC-011-4 Requirement R1	
Proposed VRF	Medium
<b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report	The VRF is consistent with the conclusions of the final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard	The requirement has no sub-requirements so a single VRF was assigned.
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	A VRF of medium for this requirement is consistent with approved Reliability Standard FAC-00813-32, Requirement R1.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	Not having a methodology for establishing SOLs has the potential unintended consequence of creating inconsistencies in establishing SOLs which could directly affect the electrical state or the capability of the Bulk Electric System (BES), or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-	The requirement contains one objective, therefore, a single VRF is assigned.

mingle More than One Obligation			
VSLs for FAC-011-4, Requirement R1			
Lower	Moderate	High	Severe
N/A	N/A	N/A	The Reliability Coordinator did not have a SOL methodology for establishing SOLs within its Reliability Coordinator Area.

**VSL Justifications for FAC-011-4, Requirement R1**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement does not have elements or quantities to evaluate degrees of compliance. The requirement is binary, and therefore, a VSL of Severe is assigned for non-compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The requirement does not have elements or quantities to evaluate degrees of compliance. The requirement is binary, and therefore, a VSL of Severe is assigned for non-compliance.</p> <p>The requirement is clear and does not contain any ambiguous language.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.



**VRF Justifications for FAC-011-4 Requirement R2**

Proposed VRF	Medium
<p><b>FERC VRF G1 Discussion</b>            Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b>            Guideline 2- Consistency within a Reliability Standard</p>	<p>The requirement has no sub-requirements so a single VRF was assigned.</p>
<p><b>FERC VRF G3 Discussion</b>            Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of medium for this requirement is consistent with approved Reliability Standard FAC-008-3, Requirements R2 and R3.</p>
<p><b>FERC VRF G4 Discussion</b>            Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>The establishment of improper Facility Ratings could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p>
<p><b>FERC VRF G5 Discussion</b>            Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R2**

Lower	Moderate	High	Severe
N/A	N/A	<p>The Reliability Coordinator included in its SOL methodology the method for Transmission Operators to determine the applicable owner-provided Facility Ratings to be used in operations but the method did not address the use of common Facility Ratings between the Reliability Coordinator and the Transmission Operators in its Reliability Coordinator Area.</p>	<p>The Reliability Coordinator did not include in its SOL methodology the method for Transmission Operators to determine the applicable owner-provided Facility Ratings to be used in operations.</p>

**VSL Justifications for FAC-011-4, Requirement R2**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R1 sub-requirement R1.2. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.

**VRF Justifications for FAC-011-4 Requirement R3**

Proposed VRF	Medium
<b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report	The VRF is consistent with the conclusions of the final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard	This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	A VRF of medium for this requirement is consistent with approved Reliability Standard FAC-008-3, Requirements R2 and R3 which requires development of a methodology to determine certain ratings/limits.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	The establishment of incorrect System Voltage Limits could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation	The requirement contains one objective, therefore, a single VRF is assigned.

**VSLs for FAC-011-4, Requirement R3**

Lower	Moderate	High	Severe
<p>The Reliability Coordinator failed to incorporate one of the Parts of Requirement R3 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate two of the Parts of Requirement R3 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate three of the Parts of Requirement R3 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate four or more of the Parts of Requirement R3 into its SOL <del>A</del><u>m</u>ethodology.</p>

**VSL Justifications for FAC-011-4, Requirement R3**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R1 and Requirement R2. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.



**VRF Justifications for FAC-011-4 Requirement R4**

Proposed VRF	Medium
<p><b>FERC VRF G1 Discussion</b>            Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b>            Guideline 2- Consistency within a Reliability Standard</p>	<p>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</p>
<p><b>FERC VRF G3 Discussion</b>            Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of medium for this requirement is consistent with approved Reliability Standard FAC-008-3, Requirements R2 and R3 which requires development of a methodology to determine certain ratings/limits.</p>
<p><b>FERC VRF G4 Discussion</b>            Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>The establishment of incorrect stability limits could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p>
<p><b>FERC VRF G5 Discussion</b>            Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R4**

Lower	Moderate	High	Severe
<p>The Reliability Coordinator failed to incorporate one of the Parts of Requirement R4 into its SOL <del>A4</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate two of the Parts of Requirement R4 into its SOL <del>A4</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate three of the Parts of Requirement R4 into its SOL <del>A4</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate four or more of the Parts of Requirement R4 into its SOL <del>A4</del><u>m</u>ethodology.</p>

**VSL Justifications for FAC-011-4, Requirement R4**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R1 and Requirement R2. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.

**VRF Justifications for FAC-011-4 Requirement R5**

Proposed VRF	Medium
<p><b>FERC VRF G1 Discussion</b>            Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b>            Guideline 2- Consistency within a Reliability Standard</p>	<p>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</p>
<p><b>FERC VRF G3 Discussion</b>            Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of medium for this requirement is consistent with approved Reliability Standard TPL-001-4, Requirement R3, Part 3.4, which requires development of a list of contingencies to be evaluated for System performance.</p>
<p><b>FERC VRF G4 Discussion</b>            Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>Incorrectly identifying the single Contingencies and multiple Contingencies for use in determining stability limits and performing Operational Planning Analyses (OPAs) and Real-time Assessments (RTAs) could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p>
<p><b>FERC VRF G5 Discussion</b>            Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R5**

Lower	Moderate	High	Severe
N/A	The Reliability Coordinator failed to incorporate one of the Parts 5.2, 5.3 <del>or 5.4</del> of Requirement R5 into its SOL <del>M</del> methodology.	The Reliability Coordinator failed to incorporate two of the Parts 5.2, 5.3, <del>or 5.4</del> of Requirement R5 into its SOL <del>M</del> methodology.	The Reliability Coordinator failed to incorporate Part 5.1 of Requirement R5 into its SOL <del>M</del> methodology.  OR  The Reliability Coordinator failed to incorporate Parts 5.2, 5.3, <del>and 5.4</del> of Requirement R5 into its SOL <del>M</del> methodology.

**VSL Justifications for FAC-011-4, Requirement R5**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R3, sub-requirements R3.2, R3.3, and R3.3.1. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.



**VRF Justifications for FAC-011-4 Requirement R6**

Proposed VRF	High
<p><b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard</p>	<p>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</p>
<p><b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of High for this requirement is consistent with approved Reliability Standard FAC-011-3, Requirement R2 which requires performance criteria within its methodology.</p>
<p><b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>Failing to include performance <del>criteria</del> <u>framework</u> could directly cause or contribute to BES instability, separation, or a cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation, or cascading failures.</p>
<p><b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R6**

Lower	Moderate	High	Severe
<p>The Reliability Coordinator failed to incorporate one of the Parts of Requirement R6 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate two of the Parts of Requirement R6 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate three of the Parts of Requirement R6 into its SOL <del>A</del><u>m</u>ethodology.</p>	<p>The Reliability Coordinator failed to incorporate four of the Parts of Requirement R6 into its SOL <del>A</del><u>m</u>ethodology.</p>

**VSL Justifications for FAC-011-4, Requirement R6**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R2. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a:</u> The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b:</u> Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.

**VRF Justifications for FAC-011-4 Requirement R7**

<b><u>Proposed VRF</u></b>	<b><u>High</u></b>
<b><u>FERC VRF G1 Discussion</u></b> <u>Guideline 1- Consistency with Blackout Report</u>	<u>The VRF is consistent with the conclusions of the final Blackout Report.</u>
<b><u>FERC VRF G2 Discussion</u></b> <u>Guideline 2- Consistency within a Reliability Standard</u>	<u>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</u>
<b><u>FERC VRF G3 Discussion</u></b> <u>Guideline 3- Consistency among Reliability Standards</u>	<u>A VRF of High for this requirement is consistent with approved Reliability Standard FAC-011-3, Requirement R6 and Requirement R8 which requires performance framework and description of identifying Interconnection Reliability Operating Limits (IROLs) within its methodology.</u>
<b><u>FERC VRF G4 Discussion</u></b> <u>Guideline 4- Consistency with NERC Definitions of VRFs</u>	<u>Failing to include performance framework could directly cause or contribute to BES instability, separation, or a cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation, or cascading failures.</u>
<b><u>FERC VRF G5 Discussion</u></b> <u>Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</u>	<u>The requirement contains one objective, therefore, a single VRF is assigned.</u>

VSLs for FAC-011-4, Requirement R7

<u>Lower</u>	<u>Moderate</u>	<u>High</u>	<u>Severe</u>
<u>N/A</u>	<u>The Reliability Coordinator failed to include a requirement for Part 7.2.</u>	<u>The Reliability Coordinator failed to include a requirement for Part 7.1.</u>	<u>The Reliability Coordinator failed to include in its SOL methodology a risk-based approach for determining how SOL exceedances identified as part of Real-time monitoring and Real-time Assessments must be communicated and if so, with what priority.</u>

**VSL Justifications for FAC-011-4, Requirement R7**

<p><b><u>FERC VSL G1</u></b>  <u>Violation Severity Level</u>  <u>Assignments Should Not</u>  <u>Have the Unintended</u>  <u>Consequence of Lowering</u>  <u>the Current Level of</u>  <u>Compliance</u></p>	<p><u>The requirement maps to the previously approved Requirement R2. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</u></p>
<p><b><u>FERC VSL G2</u></b>  <u>Violation Severity Level</u>  <u>Assignments Should Ensure</u>  <u>Uniformity and Consistency</u>  <u>in the Determination of</u>  <u>Penalties</u>  <u>Guideline 2a: The Single</u>  <u>Violation Severity Level</u>  <u>Assignment Category for</u>  <u>"Binary" Requirements Is</u>  <u>Not Consistent</u>  <u>Guideline 2b: Violation</u>  <u>Severity Level Assignments</u>  <u>that Contain Ambiguous</u>  <u>Language</u></p>	<p><u>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</u></p>
<p><b><u>FERC VSL G3</u></b>  <u>Violation Severity Level</u>  <u>Assignment Should Be</u>  <u>Consistent with the</u>  <u>Corresponding Requirement</u></p>	<p><u>The proposed VSL is worded consistently with the corresponding requirement.</u></p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.



**VRF Justifications for FAC-011-4 Requirement R79**

Proposed VRF	High
<p><b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard</p>	<p>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</p>
<p><b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of High for this requirement is consistent with approved Reliability Standard FAC-014-2, Requirements R1, R3, and R4 which requires development of Interconnection Reliability Operating Limits (IROLs) to be consistent with a methodology.</p>
<p><b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>Failing to correctly identify an IROL could directly cause or contribute to BES instability, separation, or a cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation, or cascading failures.</p>
<p><b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R78**

Lower	Moderate	High	Severe
N/A	N/A	<p>The Reliability Coordinator failed to include Part 78.1 (a description of how to identify the subset of SOLs that qualify as IROLs) in its SOL methodology.</p> <p>OR</p> <p>The Reliability Coordinator failed to include Part 78.2 (a criteria for determining when violating a SOL qualifies as an IROL) in its SOL methodology.</p> <p>OR</p> <p>The Reliability Coordinator failed to include Part 78.2 (criteria for developing any associated IROL T<sub>v</sub>) in its SOL methodology.</p>	<p>The Reliability Coordinator failed to include Parts 78.1 and 78.2 in its SOL methodology.</p>

**VSL Justifications for FAC-011-4, Requirement R7B**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement maps to the previously approved Requirement R1, sub-requirement R1.3 and Requirement R3, sub-requirement R3.75. Therefore, the proposed VSLs do not have the unintended consequence of lowering compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.

**VRF Justifications for FAC-011-4 Requirement R8**

<b>Proposed VRF</b>	<b>Medium</b>
<b>FERC VRF G1 Discussion</b> Guideline 1—Consistency with Blackout Report	The VRF is consistent with the conclusions of the final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2—Consistency within a Reliability Standard	The requirement has no sub-requirements (Parts) so a single VRF was assigned.
<b>FERC VRF G3 Discussion</b> Guideline 3—Consistency among Reliability Standards	A VRF of medium for this requirement is consistent with approved other standards in the BAL, COM, EOP, IRO, and TOP families that require notification to other entities for situational awareness of the BES.
<b>FERC VRF G4 Discussion</b> Guideline 4—Consistency with NERC Definitions of VRFs	Failure to communicate identified SOLs could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.
<b>FERC VRF G5 Discussion</b> Guideline 5—Treatment of Requirements that Co-mingle More than One Obligation	The requirement contains one objective, therefore a single VRF is assigned.

**VSLs for FAC-011-4, Requirement R8**

Lower	Moderate	High	Severe
N/A	N/A	The Reliability Coordinator did not include in its SOL Methodology the periodicity of SOL communications for Transmission Operators to communicate SOLs the Transmission Operator established.	The Reliability Coordinator did not include in its SOL Methodology the method for Transmission Operators to communicate SOLs it established or the periodicity of SOL communication.

**VSL Justifications for FAC-011-4, Requirement R8**

<p><b><del>FERC-VSL-G1</del></b>  <del>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</del></p>	<p><del>The requirement does not have elements or quantities to evaluate degrees of compliance. The proposed VSLs do not lower the level of compliance.</del></p>
<p><b><del>FERC-VSL-G2</del></b>  <del>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</del>  <del><u>Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</u></del>  <del><u>Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language</u></del></p>	<p><del>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</del></p>
<p><b><del>FERC-VSL-G3</del></b>  <del>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</del></p>	<p><del>The proposed VSL is worded consistently with the corresponding requirement.</del></p>

**FERC VSL G4**

~~Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations~~

~~The proposed VSL is not based on a cumulative number of violations.~~



**VRF Justifications for FAC-011-4 Requirement R9**

Proposed VRF	Lower
<p><b>FERC VRF G1 Discussion</b>            Guideline 1- Consistency with Blackout Report</p>	<p>The VRF is consistent with the conclusions of the final Blackout Report.</p>
<p><b>FERC VRF G2 Discussion</b>            Guideline 2- Consistency within a Reliability Standard</p>	<p>This Guideline is no longer applicable since sub-requirements (Parts) utilize the same VRF assigned to the main requirement.</p>
<p><b>FERC VRF G3 Discussion</b>            Guideline 3- Consistency among Reliability Standards</p>	<p>A VRF of lower for this requirement is consistent with approved Reliability Standard FAC-010-3, Requirement R4, FAC-011-3, Requirement R4, <del>and FAC-013-2, Requirement R2</del> which requires notification of a new or revised methodology to other entities.</p>
<p><b>FERC VRF G4 Discussion</b>            Guideline 4- Consistency with NERC Definitions of VRFs</p>	<p>Failing to provide its SOL methodology to entities within and adjacent to its Reliability Coordinator Area could affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of this requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to BES instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p>
<p><b>FERC VRF G5 Discussion</b>            Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation</p>	<p>The requirement contains one objective, therefore, a single VRF is assigned.</p>

**VSLs for FAC-011-4, Requirement R9**

Lower	Moderate	High	Severe
<p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to one of the parties specified in Requirement R9, Part 9.2 prior to the effective date</p> <p>OR</p> <p>The Reliability Coordinator provided its new or revised SOL <del>M</del>m methodology to a requesting Reliability Coordinator in accordance with Requirement R9, Part 9.1 but was late by less than or equal to 10 calendar days</p>	<p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to two of the parties specified in Requirement R9, Part 9.2 prior to the effective date</p> <p>OR</p> <p>The Reliability Coordinator provided its new or revised SOL <del>M</del>m methodology to a requesting Reliability Coordinator in accordance with Requirement R9, Part 9.1, but was late by more than 10 calendar days but less than or equal to 20 calendar days.</p>	<p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to three of the parties specified in Requirement R9, Part 9.2 prior to the effective date</p> <p>OR</p> <p>The Reliability Coordinator provided its new or revised SOL <del>M</del>m methodology to a requesting Reliability Coordinator in accordance with Requirement R9, Part 9.1, but was late by more than 20 calendar days but less than or equal to 30 calendar days.</p>	<p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to four or more of the parties specified in Requirement R9, Part 9.2 prior to the effective date</p> <p>OR</p> <p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to one or more of the parties specified in Requirement R9, Part 9.2</p> <p>OR</p> <p>The Reliability Coordinator provided its new or revised SOL <del>M</del>m methodology to a requesting Reliability Coordinator in accordance with Requirement R9, Part 9.1, but was late by more than 30 calendar days.</p> <p>OR</p> <p>The Reliability Coordinator failed to provide its new or revised SOL <del>M</del>m methodology to a requesting Reliability</p>

			Coordinator in accordance with Requirement R9, Part 9.1.
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**VSL Justifications for FAC-011-4, Requirement R9**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The VSLs map to the currently-effective FAC-011-3 Requirement R4. The proposed VSLs do not lower the level of compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSL is worded consistently with the corresponding requirement.</p>

**FERC VSL G4**

Violation Severity Level  
Assignment Should Be Based  
on A Single Violation, Not on  
A Cumulative Number of  
Violations

The proposed VSL is not based on a cumulative number of violations.