



NERC Standard: VAR-002-1.1b, Requirement 5

Acceptable Corroborating Evidence: “ISO-NE provides email notification to NPCC/Auditors if a Generator Owner fails to comply with any ISO-NE requirement to modify a Generator Step Up Transformer tap position.”

ISO New England Inc.

Reliability & Operations Compliance

Corroborating Evidence Interpretation No. 16, Revision 1

Effective Date – January 20, 2012

Background:

ISO New England Inc. (“ISO-NE”) is the not-for-profit corporation responsible for the reliable operation of New England’s bulk power generation and transmission system. It also administers the region’s wholesale electricity markets and manages the comprehensive planning of the regional bulk power system. ISO-NE is an organization that has registered with the North American Electric Reliability Corporation (“NERC”) as a Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Operator, Transmission Service Provider, Planning Authority, Resource Planner, and Transmission Planner.

The Northeast Power Coordinating Council (“NPCC”) is NERC’s delegated authority for the administration of the NERC Compliance Monitoring and Enforcement Program (“CMEP”) within NPCC’s boundaries of Eastern North America.

NPCC, in its role of administering the CMEP, performs periodic audits of registered entities that are users, owners, or operators of the New England Bulk Power System. In the conduct of such audits the NPCC auditors have frequently sought corroborating evidence or other information from ISO-NE, based on ISO-NE’s substantial authorities and responsibilities as both a Regional Transmission Organization (“RTO”) and as defined by its aforementioned registrations with NERC. The corroborating evidence sought by NPCC is used to determine that the entity undergoing the audit has complied with certain requirements of the NERC Reliability Standards that specify a required action on the part of the New England based entity relative to the rules and procedures emanating from ISO-NE’s FERC approved Transmission Tariff (“ISO Tariff”).

Given the repetitive nature of many of these requests, NPCC and ISO-NE have joined to provide an agreed to set of “Corroborating Evidence Interpretations” in order to satisfy the requirements of applicable NERC Reliability Standards. These interpretations do not preclude other evidence that may be introduced by the registered entity and accepted by the NPCC auditing body. In addition, these interpretations may not be construed as modifying or contradicting any part of any ISO Procedure or any part of the ISO’s Tariff. In the event that a Participant believes that any part of these Interpretations does conflict with the ISO’s Procedures or Tariff, the ISO urges the Participant to bring that matter to its attention immediately.”

Document Control:

As a minimum, all Corroborating Evidence Interpretations will be reviewed on an annual basis. Any required updates, annual or otherwise, will be processed in accordance with the following:

The Corroborating Evidence Interpretations shall be given a Revision Number and an Effective Date. The current Revision will remain in effect until such time as ISO-NE and NPCC agree to updates of these documents. At the time of the update a new Revision Number and Effective Date will be assigned.

Relevant NERC Standard:

NERC Standard: VAR-002-1.1b — Voltage and Reactive Control

R5. After consultation with the Transmission Operator regarding necessary step-up transformer tap changes, the Generator Owner 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, a regulatory requirement, or a statutory requirement.

Explanation of How ISO-NE Will Keep NPCC Informed About Generator Owner Failures to Change Generator Step-up Transformer Tap Positions According to the Specifications Provided by the Transmission Operator (ISO New England)

NPCC has requested that ISO-NE corroborate evidence provided by the Generator Owner to NPCC that the Generator Owner made any and all changes to the generator step-up (“GSU”) transformer tap positions that were specified by the Transmission Operator (ISO New England). ISO-NE and NPCC have agreed that such corroborating evidence provided by ISO-NE will be by exception, *i.e.*, in the event that any Generator Owner *fails to change GSU transformer tap positions that were specified by ISO*. For any failures to make such changes ISO-NE will notify NPCC by email.

Process and Responsibilities

In accordance with ISO-NE Planning Procedure 5-1, “Procedure for Review of Governance Participant’s Proposed Plans (Section I.3.9 Applications: Requirements, Procedures and Forms)” (Section 2.2), all transmission changes that change the topology or characteristics of the transmission system or that change the thermal capability of a portion of the system by replacement of transmission facilities require a Proposed Plan Application (“PPA”) under Section I.3.9 of the ISO Tariff. This requirement applies to generator leads and associated equipment, such as GSU transformers.

Any change to a GSU transformer tap setting would be considered a material change to the system and would therefore be subject to the requirement for the Generator Owner Market Participant to follow the PPA process under Section I.3.9 of ISO Tariff. ISO-NE consults with Generator Owners as part of its review and evaluation of system changes under the I.3.9 process. If ISO-NE determines that a change to a GSU transformer tap setting is necessary, it would make specific recommendations regarding the tap settings as part of these reviews and the Market Participant would be required to make the changes. The project would not be allowed to go into service unless all requirements, including GSU transformer tap setting changes, were met. ISO-NE approvals of proposed changes under Section I.3.9 of the Tariff are posted here:

http://www.iso-ne.com/trans/pp_tca/isone_app_approvals/prop_plan/index.html

In conducting its audits of Generator Owners, NPCC can assume, unless notified otherwise by ISO-NE that the Generator Owner complied with any ISO-NE request for the Generator Owner to modify a GSU transformer tap position. ISO-NE will notify NPCC, by exception, if any Generator Owner fails to comply with any ISO-NE requirement to modify a GSU transformer tap position. The ISO-NE *System Planning* Group, which administers the PPA process, will notify ISO *Reliability & Operations Compliance* Group by email to **ROC@iso-ne.com** within 10 working days after the last day of the month by which the Generator Owner was supposed to have modified a GSU transformer tap position of any failures of a Generator Owner to modify GSU transformer tap positions as directed by ISO-NE. The ISO-NE *Reliability & Operations Compliance* Group shall, in turn, notify NPCC’s Manager, Compliance Audit Program, by email, of any failures to make any and all changes to the GSU

transformer tap positions that were specified by ISO-NE within 10 working days of receiving notice of such failures from the ISO-NE *System Planning* Group.

Note: ISO does not specifically review and request GSU transformer tap changes for voltage/reactive control in real time. Generators are given a voltage range to maintain on the transmission system. If ISO-NE or a Local Control Center (“LCC”) identifies a voltage issue, a study would be likely be conducted and the results of such a study could lead to a recommendation for changes to tap settings to correct the problem [e.g., “Boston Import Area Operations and Forecast Guide” (2006)]. The ISO-NE *Operations Support Services* group and *Voltage Task Force* (“VTF”) periodically optimize tap settings, but usually for the purpose of addressing an identified problem or assessing the implications of system changes. The LCCs monitor and supervise voltage and may help identify voltage issues, but the ISO and VTF are primarily responsible for conducting studies to determine desirable changes to GSU transformer tap settings.