

## **SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR**

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*Note – This form is to comment on version 2 of the Coordinate Operations SAR.*

*The latest version of this SAR (BA\_CERTIFICATION\_01\_02) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between February 28–March 31, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

*If you have any questions about this SAR Comment Form, please contact Tim Gallagher, Director of Standards at 609-452-8060.*

### **Background**

The Certification SAR Drafting Team (SAR DT) reviewed comments received from industry participants during the first posting of the SARs for certification of the Reliability Authority (RA), Balancing Authority (BA), Interchange Authority (IA) and Transmission Operator (TOP). Each of these SARs contained the process and criteria for certification of that function.

Most of the comments received during the first comment period dealt with the ‘process’ for certifying a function, rather than the ‘criteria’. The SAR DT responded to the comments received on the BA SAR, revised the BA SAR based on industry input, and posted the BA SAR for a second time to seek additional industry consensus, primarily on the ‘process’.

The SAR DT will continue to consider the comments received for the RA, IA and TOP SARs. The comments received from this 2<sup>nd</sup> posting of the BA SAR that are relevant to the RA, IA and TOP SARs will be incorporated and all four SARs will be posted again in May.

The Certification SAR DT asks that you review the revised SAR and respond to the questions in this comment form. If you have questions, you can contact the Director of Standards, Tim Gallagher in the NERC office. Tim can be reached at 609-452-8060 or at [tim.gallagher@nerc.com](mailto:tim.gallagher@nerc.com).



**Certification Process and Criteria**

Many comments were received that raised issues with including the process for certifying an entity performing a function with the criteria for certification in one SAR. The reasoning behind combining the two was based on the Reliability Standard Process Manual that states, "... a procedure that must be followed as written must be incorporated into a Reliability Standard. " There does not appear to be anything to gain by separating the process out from the criteria and putting these items in separate standards. By having them combined, uniformity between the process and criteria can be maintained. Since it is important that certifications be carried out in the same manner across North America, the procedures are appropriately included in the standard. The industry asked that the process be standardized to eliminate unnecessary differences between regions.

**1. Do you agree with keeping the process and the criteria together in one SAR?**

Yes

**Comments:**

**Certification Process - #2**

Most of the comments received indicate that the Regions should perform all certifications, using the standard NERC certification process and criteria. In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional differences identified in the standard (associated with affected Regions) will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification.

Based on this input, the process was modified as presented:

"The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding certification. ~~In the case of an application to multiple regions for operating a single Balancing area, the Regions shall choose a lead Region that will be responsible for coordinating the formal review process and awarding certification.~~ In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional Differences identified in the standard associated with affected Regions will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification."

**2. Do you agree with this modification to the process step #2 of the SAR?**

Yes

**Comments:**

**Certification Process - #6**

## SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR

Based on comments received, the process was modified as presented:

“NERC/Regional Staff will begin the process of making any necessary modeling/software changes for the IDG. The Applicant and Region will supply necessary modeling information. and the revised model will be placed on hold until final certification is obtained.”

**3. Do you agree with this modification to the process step #6 of the SAR?**

Yes

**Comments:**

### Certification Process - #10

Based on Comments received, the SAR DT is attempting to clarify the intent of this statement:

“The Review Team will consist of a minimum of three individuals. **The selected individuals will represent** selected from at least three of the of the categories listed below: “

**4. Do you agree with this modification to the SAR?**

Yes

**Comments:**

### Certification Process - #10

Based on Comments received, the SAR DT has added the following statement to the process:

“**Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. Remaining review team members must represent at least two of the remaining categories.**”

**5. Do you agree with this addition to the SAR?**

Yes

**Comments:**

### Certification Process - #10

Industry consensus could not be determined from the input received in the previous posting with regards to the inclusion of a NERC representative on all review teams. The SAR DT is assuming that a NERC representative can be a member of the review team, but is not a mandatory team member. Additional industry input is needed.

**6. Do you agree with this assumption being made by the SAR DT?**

Yes

**Comments:**

**Certification Process - #10**

Based on the comments received, the SAR DT is seeking industry input into the additions of a Generator, Load Serving Entity, and Regional staff representation as prospective members of the review teams.

**7. Do you agree that a representative from a Generator should be on the list of prospective review team members?**

Yes

**Comments:** Generators should have an option of participating considering the potential impacts to the generation business,

**8. Do you agree that a representative from a Load Serving Entity should be on the list of prospective review team members?**

Yes

No

**Comments:**

**9. Do you agree that a representative from Regional staff should be on the list of prospective review team members?**

Yes

No

**Comments:**

**Certification Process - #10**

Comments from the industry requested that other industry representatives could be additional members of the review team, but would also be subject to the agreement of the Applicant and the Region.

**10. Do you agree with this interpretation?**

Yes

No

**Comments:**

**Certification Process - #15**

The following has been added to the process to clarify the intent of the step in the process.

“The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved by the Region.”

**11. Do you agree with clarification?**

Yes

**Comments:**

**Certification Process - #17**

Issues were raised from comments received recommending the addition of a maximum time limit for an entity to begin operation after being granted certification. The time limit would require that an entity begin operation within a specific time or be subject to re-certifying prior to the commencement of operation.

**12. Do you agree with adding a time limit to begin operation?**

Yes

**Comments:**

**If yes, please specify what you feel would be an appropriate time limit: 18 Months**

**De-Certification Process**

Several commenters recommended that the SAR be modified to include de-certification procedures. The SAR DT is seeking industry input into this matter. If the industry consensus to question #1 is that the SAR should include both the certification process and criteria requirements then should the SAR also include the De-certification process? The SAR DT assumes that if the industry consensus to question #1 is to have the process and criteria in separate SARs, then the de-certification process should also be in a separate SAR.

**13. Assuming that the Process and Criteria will remain together in one SAR, should a de-certification process be added to the SAR?**

Yes

No

**Comments:**

**Re-Certification Process**

Industry consensus indicates a need for re-certification for a BA when there is a change to the footprint, repeated non-compliance, and flagrant violations.

**14. What would constitute a change in footprint to initiate the re-certification process?**

**Comments:**

**15. What would constitute repeated non-compliance to initiate the re-certification process?**

**Comments:**

**16. What would be considered a flagrant violation to initiate the re-certification process?**

**Comments:**

**Agreements Between BA and Generators and LSEs**

Under the Functional Model, the BA will not necessarily own generation. Absent a market for such services, the BA would have to have some type of an agreement with the generators to provide Interconnected Operations Services.

Currently NERC Policy 6 requires that Control Areas have Capacity and Energy emergency plans and procedures in place. The SAR DT anticipates that similar requirements would be imposed on the BA. Agreements need to be in place to meet these requirements.

**17. Should the BA have agreements in place with the Generator(s) within its Balancing Area that address the provision of Interconnected Operations Services?**

**Yes**

**Comments:** In consideration of the criticality of the grid to the operation of Nuclear Plants, the agreements should specifically address operation during normal and emergency conditions.

**18. Should the BA have agreements in place with the LSE(s) within its Balancing Area that address Capacity and Emergency plans and procedures?**

**Yes**

**No**

**Comments:**

**Agreements Between BA and Adjacent BAs**

There may be a need for the BA to enter into some agreement(s) with its neighboring BA(s) based on the activities that take place between them. The SAR DT feels that it may be necessary to have these agreements in place to identify how the parties will handle seams issues and interact on a day-to-day basis. In order for the BA to meet these requirements, agreements need to be in place.

**19. Should the BA have agreements in place with all of its adjacent BA(s) that address coordination of seams issues and day-to-day interactions?**

- Yes
- No

**Comments:**

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**20. Do you agree that the requirements for NERC Confidentiality Agreements should be removed from the criteria?**

- Yes
- No

**Comments:**

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**21. Do you agree that the requirements for Codes of Conduct should be removed from the criteria?**

- Yes

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place to ensure resources/demand balance in compliance to NERC Standards.”

**22. Do you agree with the addition of tools to the criteria?**

**Yes**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place for providing frequency control.”

**23. Do you agree with the addition of tools to the criteria?**

**Yes**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, a deletion was made to the following:

“Process/procedure in place for calculating and reporting performance of NERC Standards ~~for CPS and DCS.~~”

**24. Do you agree with the deletion of “for CPS and DCS” from the criteria?**

**Yes**

**Comments:**

**Certification Criteria – Emergency Operation**

Based on the comments received, an addition was made to the criteria:

“Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.”

**25. Do you agree with the addition of this requirement to the criteria?**

Yes

**Comments:**

**26. Are you aware of any Regional or Interconnection Differences that should be included in this SAR?**

Yes

No

**Comments:**

**If yes, please identify what you feel should be added.**

**27. Is the revised SAR missing any requirements that should be added?**

Yes

No

**Comments:**

**If yes, please identify what you feel should be added.**

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The SAR DT will continue to consider the comments received for the RA, IA and TOP SARs. The comments received from this 2<sup>nd</sup> posting of the BA SAR that are relevant to the RA, IA and TOP SARs will be incorporated and all four SARs will be posted again in May.

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**Certification Process and Criteria**

Many comments were received that raised issues with including the process for certifying an entity performing a function with the criteria for certification in one SAR. The reasoning behind combining the two was based on the Reliability Standard Process Manual that states, "... a procedure that must be followed as written must be incorporated into a Reliability Standard. " There does not appear to be anything to gain by separating the process out from the criteria and putting these items in separate standards. By having them combined, uniformity between the process and criteria can be maintained. Since it is important that certifications be carried out in the same manner across North America, the procedures are appropriately included in the standard. The industry asked that the process be standardized to eliminate unnecessary differences between regions.

**1. Do you agree with keeping the process and the criteria together in one SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #2**

Most of the comments received indicate that the Regions should perform all certifications, using the standard NERC certification process and criteria. In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional differences identified in the standard (associated with affected Regions) will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification.

Based on this input, the process was modified as presented:

"The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding certification. ~~In the case of an application to multiple regions for operating a single Balancing area, the Regions shall choose a lead Region that will be responsible for coordinating the formal review process and awarding certification.~~ In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional Differences identified in the standard associated with affected Regions will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification."

**2. Do you agree with this modification to the process step #2 of the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #6**

Based on comments received, the process was modified as presented:

“NERC/Regional Staff will begin the process of making any necessary modeling/software changes for the IDC. The Applicant and Region will supply necessary modeling information, and the revised model will be placed on hold until final certification is obtained.”

**3. Do you agree with this modification to the process step #6 of the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Based on Comments received, the SAR DT is attempting to clarify the intent of this statement:

“The Review Team will consist of a minimum of three individuals. **The selected individuals will represent** selected from at least three of the of the categories listed below: “

**4. Do you agree with this modification to the SAR?**

**Yes**

**No**

**Comments:** Where possible, at least one of the members of the team selected to review a BA application should also be a BA.

**Certification Process - #10**

Based on Comments received, the SAR DT has added the following statement to the process:

“Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. **Remaining review team members must represent at least two of the remaining categories.**”

**5. Do you agree with this addition to the SAR?**

**Yes**

**No**

**Comments:** As noted in the comments to question 4, we would also expect that

## SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR

where possible, at least one of the members of the team selected to review a BA application should also be a BA.

### Certification Process - #10

Industry consensus could not be determined from the input received in the previous posting with regards to the inclusion of a NERC representative on all review teams. The SAR DT is assuming that a NERC representative can be a member of the review team, but is not a mandatory team member. Additional industry input is needed.

#### 6. Do you agree with this assumption being made by the SAR DT?

- Yes  
 No

**Comments:** We agree that a NERC representative can be a member. NERC representation on a percentage of the review committees is helpful in achieving a more consistent standard for selection. The selection requirements noted in the response to questions above should still apply.

### Certification Process - #10

Based on the comments received, the SAR DT is seeking industry input into the additions of a Generator, Load Serving Entity, and Regional staff representation as prospective members of the review teams.

#### 7. Do you agree that a representative from a Generator should be on the list of prospective review team members?

- Yes  
 No

**Comments:**

#### 8. Do you agree that a representative from a Load Serving Entity should be on the list of prospective review team members?

- Yes  
 No

**Comments:**

#### 9. Do you agree that a representative from Regional staff should be on the list of prospective review team members?

- Yes  
 No

**Comments:** To avoid the appearance that a review committee is too heavily weighted by "standard setting" and "monitoring" entities, a choice of Regional Staff – or – NERC would be more appropriate.

**Certification Process - #10**

Comments from the industry requested that other industry representatives could be additional members of the review team, but would also be subject to the agreement of the Applicant and the Region.

**10. Do you agree with this interpretation?**

**Yes**

**No**

**Comments:**

**Certification Process - #15**

The following has been added to the process to clarify the intent of the step in the process.

“The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved by the Region.”

**11. Do you agree with clarification?**

**Yes**

**No**

**Comments:**

**Certification Process - #17**

Issues were raised from comments received recommending the addition of a maximum time limit for an entity to begin operation after being granted certification. The time limit would require that an entity begin operation within a specific time or be subject to re-certifying prior to the commencement of operation.

**12. Do you agree with adding a time limit to begin operation?**

**Yes**

**No**

**Comments:**

**If yes, please specify what you feel would be an appropriate time limit: 12 Months**

### **De-Certification Process**

Several commenters recommended that the SAR be modified to include de-certification procedures. The SAR DT is seeking industry input into this matter. If the industry consensus to question #1 is that the SAR should include both the certification process and criteria requirements then should the SAR also include the De-certification process? The SAR DT assumes that if the industry consensus to question #1 is to have the process and criteria in separate SARs, then the de-certification process should also be in a separate SAR.

**13. Assuming that the Process and Criteria will remain together in one SAR, should a de-certification process be added to the SAR?**

**Yes**

**No**

**Comments:** The SAR should provide a process to allow for an entity to request de-certification.

Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

### **Re-Certification Process**

Industry consensus indicates a need for re-certification for a BA when there is a change to the footprint, repeated non-compliance, and flagrant violations.

**14. What would constitute a change in footprint to initiate the re-certification process?**

**Comments:** A significant change in either load or generation (perhaps > 50% growth in a period less than one year).

**15. What would constitute repeated non-compliance to initiate the re-certification process?**

**Comments:** Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

**16. What would be considered a flagrant violation to initiate the re-certification process?**

**Comments:** Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

**Agreements Between BA and Generators and LSEs**

Under the Functional Model, the BA will not necessarily own generation. Absent a market for such services, the BA would have to have some type of an agreement with the generators to provide Interconnected Operations Services.

Currently NERC Policy 6 requires that Control Areas have Capacity and Energy emergency plans and procedures in place. The SAR DT anticipates that similar requirements would be imposed on the BA. Agreements need to be in place to meet these requirements.

**17. Should the BA have agreements in place with the Generator(s) within its Balancing Area that address the provision of Interconnected Operations Services?**

- Yes**
- No**

**Comments:** The agreements could be with a combination of generators or loads.

**18. Should the BA have agreements in place with the LSE(s) within its Balancing Area that address Capacity and Emergency plans and procedures?**

- Yes**
- No**

**Comments:**

**Agreements Between BA and Adjacent BAs**

There may be a need for the BA to enter into some agreement(s) with its neighboring BA(s) based on the activities that take place between them. The SAR DT feels that it may be necessary to have these agreements in place to identify how the parties will handle seams issues and interact on a day-to-day basis. In order for the BA to meet these requirements, agreements need to be in place.

**19. Should the BA have agreements in place with all of its adjacent BA(s) that address coordination of seams issues and day-to-day interactions?**

- Yes**
- No**

**Comments:** BA's should have agreements with interconnected BA's but not if they are only adjacent.

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**20. Do you agree that the requirements for NERC Confidentiality Agreements should be removed from the criteria?**

- Yes**
- No**

**Comments:** We believe that this is a business or commercial issue.

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**21. Do you agree that the requirements for Codes of Conduct should be removed from the criteria?**

- Yes**
- No**

**Comments:** We believe that this is a business or commercial issue.

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place to ensure resources/demand balance in compliance to NERC Standards.”

**22. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place for providing frequency control.”

**23. Do you agree with the addition of tools to the criteria?**

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**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, a deletion was made to the following:

“Process/procedure in place for calculating and reporting performance of NERC Standards ~~for CPS and DCS.~~”

**24. Do you agree with the deletion of “for CPS and DCS” from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Emergency Operation**

Based on the comments received, an addition was made to the criteria:

**“Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.”**

**25. Do you agree with the addition of this requirement to the criteria?**

**Yes**

**No**

**Comments:**

**26. Are you aware of any Regional or Interconnection Differences that should be included in this SAR?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

**27. Is the revised SAR missing any requirements that should be added?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

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<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Guy V. Zito
Organization	NPCC
Industry Segment #	2
Telephone	212-840-1070
E-mail	gzito@npcc.org

<b>Key to Industry Segment #'s:</b>
1 – Trans. Owners
2 – RTO's, ISO's, RRC's
3 – LSE's
4 – TDU's
5 - Generators
6 - Brokers, Aggregators, and Marketers
7 - Large Electricity End Users
8 - Small Electricity Users
9 - Federal, State, and Provincial Regulatory or other Govt. Entities

<b>SAR Commenter Information (For Groups Submitting Group Comments)</b>		
<b>Name of Group:</b> <i>CP9</i>	<b>Group Chair:</b> <i>Guy V. Zito</i>	
	<b>Chair Phone:</b> 212-840-1070	
	<b>Chair Email:</b> gzito@npcc.org	
<b>List of Group Participants that Support These Comments:</b>		
<b>Name</b>	<b>Company</b>	<b>Industry Segment #</b>
<i>Ralph Rufrano</i>	<i>New York Power Authority</i>	<b>1</b>
<i>Dave Little</i>	<i>Nova Scotia Power</i>	<b>1</b>
<i>David Kiguel</i>	<i>Hydro One</i>	<b>1</b>
<i>Guy Zito</i>	<i>Northeast Power Coordinating Council</i>	<b>2</b>

**Certification Process and Criteria**

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**1. Do you agree with keeping the process and the criteria together in one SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #2**

Most of the comments received indicate that the Regions should perform all certifications, using the standard NERC certification process and criteria. In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional differences identified in the standard (associated with affected Regions) will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification.

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**2. Do you agree with this modification to the process step #2 of the SAR?**

**Yes**

**No**

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**Comments:** NPCC Strongly supports the concept of the Region conducting the formal review process and awarding the organization certification.

### Certification Process - #6

Based on comments received, the process was modified as presented:

“NERC/Regional Staff will begin the process of making any necessary modeling/software changes for the IDC. The Applicant and Region will supply necessary modeling information. and the revised model will be placed on hold until final certification is obtained.”

**3. Do you agree with this modification to the process step #6 of the SAR?**

**Yes**

**No**

**Comments:**

### Certification Process - #10

Based on Comments received, the SAR DT is attempting to clarify the intent of this statement:

“The Review Team will consist of a minimum of three individuals. **The selected individuals will represent** selected from at least three of the of the categories listed below: “

**4. Do you agree with this modification to the SAR?**

**Yes**

**No**

**Comments:** Where possible, at least one of the members of the team selected to review a BA application should also be a BA.

### Certification Process - #10

Based on Comments received, the SAR DT has added the following statement to the process:

“Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. **Remaining review team members must represent at least two of the remaining categories.**”

**5. Do you agree with this addition to the SAR?**

**Yes**

**No**

**Comments:** As noted in the comments to question 4, we would also expect that where possible, at least one of the members of the team selected to review a BA application should also be a BA.

**Certification Process - #10**

Industry consensus could not be determined from the input received in the previous posting with regards to the inclusion of a NERC representative on all review teams. The SAR DT is assuming that a NERC representative can be a member of the review team, but is not a mandatory team member. Additional industry input is needed.

**6. Do you agree with this assumption being made by the SAR DT?**

- Yes**  
 **No**

**Comments:** We agree that a NERC representative can be a member. NERC representation on a percentage of the review committees is helpful in achieving a more consistent standard for selection. The selection requirements noted in the response to questions above should still apply.

**Certification Process - #10**

Based on the comments received, the SAR DT is seeking industry input into the additions of a Generator, Load Serving Entity, and Regional staff representation as prospective members of the review teams.

**7. Do you agree that a representative from a Generator should be on the list of prospective review team members?**

- Yes**  
 **No**

**Comments:**

**8. Do you agree that a representative from a Load Serving Entity should be on the list of prospective review team members?**

- Yes**  
 **No**

**Comments:**

**9. Do you agree that a representative from Regional staff should be on the list of prospective review team members?**

- Yes**  
 **No**

**Comments:**

**Certification Process - #10**

Comments from the industry requested that other industry representatives could be additional members of the review team, but would also be subject to the agreement of the Applicant and the Region.

**10. Do you agree with this interpretation?**

**Yes**

**No**

**Comments:**

**Certification Process - #15**

The following has been added to the process to clarify the intent of the step in the process.

“The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved by the Region.”

**11. Do you agree with clarification?**

**Yes**

**No**

**Comments:**

**Certification Process - #17**

Issues were raised from comments received recommending the addition of a maximum time limit for an entity to begin operation after being granted certification. The time limit would require that an entity begin operation within a specific time or be subject to re-certifying prior to the commencement of operation.

**12. Do you agree with adding a time limit to begin operation?**

**Yes**

**No**

**Comments:**

**If yes, please specify what you feel would be an appropriate time limit: 12 Months**

**De-Certification Process**

Several commenters recommended that the SAR be modified to include de-certification procedures. The SAR DT is seeking industry input into this matter. If the industry consensus to question #1 is that the SAR should include both the certification process and criteria requirements then should the SAR also include the De-certification process? The SAR DT assumes that if the industry consensus to question #1 is to have the process and criteria in separate SARs, then the de-certification process should also be in a separate SAR.

**13. Assuming that the Process and Criteria will remain together in one SAR, should a de-certification process be added to the SAR?**

**Yes**

**No**

**Comments:** The SAR should provide a process to allow for an entity to request de-certification.

Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

**Re-Certification Process**

Industry consensus indicates a need for re-certification for a BA when there is a change to the footprint, repeated non-compliance, and flagrant violations.

**14. What would constitute a change in footprint to initiate the re-certification process?**

**Comments:** A significant change in either load or generation (perhaps > 50% growth in a period less than one year).

**15. What would constitute repeated non-compliance to initiate the re-certification process?**

**Comments:** Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

**16. What would be considered a flagrant violation to initiate the re-certification process?**

**Comments:** Forced de-certification for poor performance is a compliance issue and should be addressed with other compliance issues.

**Agreements Between BA and Generators and LSEs**

Under the Functional Model, the BA will not necessarily own generation. Absent a market for such services, the BA would have to have some type of an agreement with the generators to provide Interconnected Operations Services.

Currently NERC Policy 6 requires that Control Areas have Capacity and Energy emergency plans and procedures in place. The SAR DT anticipates that similar requirements would be imposed on the BA. Agreements need to be in place to meet these requirements.

**17. Should the BA have agreements in place with the Generator(s) within its Balancing Area that address the provision of Interconnected Operations Services?**

- Yes**
- No**

**Comments:** The agreements could be with a combination of generators or loads.

**18. Should the BA have agreements in place with the LSE(s) within its Balancing Area that address Capacity and Emergency plans and procedures?**

- Yes**
- No**

**Comments:**

**Agreements Between BA and Adjacent BAs**

There may be a need for the BA to enter into some agreement(s) with its neighboring BA(s) based on the activities that take place between them. The SAR DT feels that it may be necessary to have these agreements in place to identify how the parties will handle seams issues and interact on a day-to-day basis. In order for the BA to meet these requirements, agreements need to be in place.

**19. Should the BA have agreements in place with all of its adjacent BA(s) that address coordination of seams issues and day-to-day interactions?**

- Yes**
- No**

**Comments:** BA's should have agreements with interconnected BA's but not if they are only adjacent.

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**20. Do you agree that the requirements for NERC Confidentiality Agreements should be removed from the criteria?**

- Yes**
- No**

**Comments:** We believe that this is a business or commercial issue.

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**21. Do you agree that the requirements for Codes of Conduct should be removed from the criteria?**

- Yes**
- No**

**Comments:** We believe that this is a business or commercial issue.

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place to ensure resources/demand balance in compliance to NERC Standards.”

**22. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place for providing frequency control.”

**23. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, a deletion was made to the following:

“Process/procedure in place for calculating and reporting performance of NERC Standards ~~for CPS and DCS.~~”

**24. Do you agree with the deletion of “for CPS and DCS” from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Emergency Operation**

Based on the comments received, an addition was made to the criteria:

**“Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.”**

**25. Do you agree with the addition of this requirement to the criteria?**

**Yes**

**No**

**Comments:**

**26. Are you aware of any Regional or Interconnection Differences that should be included in this SAR?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

**27. Is the revised SAR missing any requirements that should be added?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

## **SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR**

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*Note – This form is to comment on version 2 of the Coordinate Operations SAR.*

*The latest version of this SAR (BA\_CERTIFICATION\_01\_02) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between February 28–March 31, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

*If you have any questions about this SAR Comment Form, please contact Tim Gallagher, Director of Standards at 609-452-8060.*

### **Background**

The Certification SAR Drafting Team (SAR DT) reviewed comments received from industry participants during the first posting of the SARs for certification of the Reliability Authority (RA), Balancing Authority (BA), Interchange Authority (IA) and Transmission Operator (TOP). Each of these SARs contained the process and criteria for certification of that function.

Most of the comments received during the first comment period dealt with the ‘process’ for certifying a function, rather than the ‘criteria’. The SAR DT responded to the comments received on the BA SAR, revised the BA SAR based on industry input, and posted the BA SAR for a second time to seek additional industry consensus, primarily on the ‘process’.

The SAR DT will continue to consider the comments received for the RA, IA and TOP SARs. The comments received from this 2<sup>nd</sup> posting of the BA SAR that are relevant to the RA, IA and TOP SARs will be incorporated and all four SARs will be posted again in May.

The Certification SAR DT asks that you review the revised SAR and respond to the questions in this comment form. If you have questions, you can contact the Director of Standards, Tim Gallagher in the NERC office. Tim can be reached at 609-452-8060 or at [tim.gallagher@nerc.com](mailto:tim.gallagher@nerc.com).

**SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR**

<b>SAR Commenter Information (For Individual Commenters)</b>	
Name	Jim Byrd
Organization	Oncor
Industry Segment #	1
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E-mail	jbyrd@oncorgroup.com

- Key to Industry Segment #'s:**
- 1 – Trans. Owners
  - 2 – RTO's, ISO's, RRC's
  - 3 – LSE's
  - 4 – TDU's
  - 5 - Generators
  - 6 - Brokers, Aggregators, and Marketers
  - 7 - Large Electricity End Users
  - 8 - Small Electricity Users
  - 9 - Federal, State, and Provincial  
Regulatory or other Govt. Entities



**Certification Process and Criteria**

Many comments were received that raised issues with including the process for certifying an entity performing a function with the criteria for certification in one SAR. The reasoning behind combining the two was based on the Reliability Standard Process Manual that states, "... a procedure that must be followed as written must be incorporated into a Reliability Standard. " There does not appear to be anything to gain by separating the process out from the criteria and putting these items in separate standards. By having them combined, uniformity between the process and criteria can be maintained. Since it is important that certifications be carried out in the same manner across North America, the procedures are appropriately included in the standard. The industry asked that the process be standardized to eliminate unnecessary differences between regions.

**1. Do you agree with keeping the process and the criteria together in one SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #2**

Most of the comments received indicate that the Regions should perform all certifications, using the standard NERC certification process and criteria. In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional differences identified in the standard (associated with affected Regions) will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification.

Based on this input, the process was modified as presented:

"The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding certification. ~~In the case of an application to multiple regions for operating a single Balancing area, the Regions shall choose a lead Region that will be responsible for coordinating the formal review process and awarding certification.~~ In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional Differences identified in the standard associated with affected Regions will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification."

**2. Do you agree with this modification to the process step #2 of the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #6**

Based on comments received, the process was modified as presented:

“NERC/Regional Staff will begin the process of making any necessary modeling/software changes for the IDC. The Applicant and Region will supply necessary modeling information, and the revised model will be placed on hold until final certification is obtained.”

**3. Do you agree with this modification to the process step #6 of the SAR?**

Yes

No

**Comments:**

**Certification Process - #10**

Based on Comments received, the SAR DT is attempting to clarify the intent of this statement:

“The Review Team will consist of a minimum of three individuals. The selected individuals will represent selected from at least three of the of the categories listed below: “

**4. Do you agree with this modification to the SAR?**

Yes

No

**Comments:**

**Certification Process - #10**

Based on Comments received, the SAR DT has added the following statement to the process:

“Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. Remaining review team members must represent at least two of the remaining categories.”

**5. Do you agree with this addition to the SAR?**

Yes

No

**Comments:**

**Certification Process - #10**

Industry consensus could not be determined from the input received in the previous posting with regards to the inclusion of a NERC representative on all review teams. The SAR DT is assuming that a NERC representative can be a member of the review team, but is not a mandatory team member. Additional industry input is needed.

**6. Do you agree with this assumption being made by the SAR DT?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Based on the comments received, the SAR DT is seeking industry input into the additions of a Generator, Load Serving Entity, and Regional staff representation as prospective members of the review teams.

**7. Do you agree that a representative from a Generator should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:**

**8. Do you agree that a representative from a Load Serving Entity should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:**

**9. Do you agree that a representative from Regional staff should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:** Isn't this automatic since this is a Region driven certification process?

**Certification Process - #10**

Comments from the industry requested that other industry representatives could be additional members of the review team, but would also be subject to the agreement of the Applicant and the Region.

**10. Do you agree with this interpretation?**

Yes

No

**Comments:**

**Certification Process - #15**

The following has been added to the process to clarify the intent of the step in the process.

“The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved by the Region.”

**11. Do you agree with clarification?**

Yes

No

**Comments:**

**Certification Process - #17**

Issues were raised from comments received recommending the addition of a maximum time limit for an entity to begin operation after being granted certification. The time limit would require that an entity begin operation within a specific time or be subject to re-certifying prior to the commencement of operation.

**12. Do you agree with adding a time limit to begin operation?**

Yes

No

**Comments:**

**If yes, please specify what you feel would be an appropriate time limit: 1 year**

**De-Certification Process**

Several commenters recommended that the SAR be modified to include de-certification procedures. The SAR DT is seeking industry input into this matter. If the industry consensus to question #1 is that the SAR should include both the certification process and criteria requirements then should the SAR also include the De-certification process? The SAR DT assumes that if the industry consensus to question #1 is to have the process and criteria in separate SARs, then the de-certification process should also be in a separate SAR.

**13. Assuming that the Process and Criteria will remain together in one SAR, should a de-certification process be added to the SAR?**

**Yes**

**No**

**Comments:** This should be a separate process.

**Re-Certification Process**

Industry consensus indicates a need for re-certification for a BA when there is a change to the footprint, repeated non-compliance, and flagrant violations.

**14. What would constitute a change in footprint to initiate the re-certification process?**

**Comments:** consolidating two or more areas into one

**15. What would constitute repeated non-compliance to initiate the re-certification process?**

**Comments:**

**16. What would be considered a flagrant violation to initiate the re-certification process?**

**Comments:**

**Agreements Between BA and Generators and LSEs**

Under the Functional Model, the BA will not necessarily own generation. Absent a market for such services, the BA would have to have some type of an agreement with the generators to provide Interconnected Operations Services.

Currently NERC Policy 6 requires that Control Areas have Capacity and Energy emergency plans and procedures in place. The SAR DT anticipates that similar requirements would be imposed on the BA. Agreements need to be in place to meet these requirements.

**17. Should the BA have agreements in place with the Generator(s) within its Balancing Area that address the provision of Interconnected Operations Services?**

- Yes  
 No

**Comments:** This should be covered in the market rules

**18. Should the BA have agreements in place with the LSE(s) within its Balancing Area that address Capacity and Emergency plans and procedures?**

- Yes  
 No

**Comments:** should be a RA requirement

**Agreements Between BA and Adjacent BAs**

There may be a need for the BA to enter into some agreement(s) with its neighboring BA(s) based on the activities that take place between them. The SAR DT feels that it may be necessary to have these agreements in place to identify how the parties will handle seams issues and interact on a day-to-day basis. In order for the BA to meet these requirements, agreements need to be in place.

**19. Should the BA have agreements in place with all of its adjacent BA(s) that address coordination of seams issues and day-to-day interactions?**

- Yes
- No

**Comments:** This is an RA issue

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**20. Do you agree that the requirements for NERC Confidentiality Agreements should be removed from the criteria?**

- Yes
- No

**Comments:**

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**21. Do you agree that the requirements for Codes of Conduct should be removed from the criteria?**

- Yes
- No

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place to ensure resources/demand balance in compliance to NERC Standards.”

**22. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place for providing frequency control.”

**23. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, a deletion was made to the following:

“Process/procedure in place for calculating and reporting performance of NERC Standards ~~for CPS and DCS.~~”

**24. Do you agree with the deletion of “for CPS and DCS” from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Emergency Operation**

Based on the comments received, an addition was made to the criteria:

**“Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.”**

**25. Do you agree with the addition of this requirement to the criteria?**

**Yes**

**No**

**Comments:** Yes, based on the assumption that facility means the control room/ computer system operated by the BA. No, if you mean a plan in place to recover from a wide spread outage of the grid.

**26. Are you aware of any Regional or Interconnection Differences that should be included in this SAR?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

**27. Is the revised SAR missing any requirements that should be added?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

## **SAR Comment Form for 2<sup>nd</sup> Posting of the Balancing Authority Certification SAR**

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*Note – This form is to comment on version 2 of the Coordinate Operations SAR.*

*The latest version of this SAR (BA\_CERTIFICATION\_01\_02) is posted on the Standards web site at: <http://www.nerc.com/~filez/sar-approved.html>*

*E-mail this form between February 28–March 31, 2003, to: [sarcomm@nerc.com](mailto:sarcomm@nerc.com) with “SAR Comments” in the subject line.*

*Please review the changes made to the SAR and answer the questions in the yellow boxes.*

*If you have any questions about this SAR Comment Form, please contact Tim Gallagher, Director of Standards at 609-452-8060.*

### **Background**

The Certification SAR Drafting Team (SAR DT) reviewed comments received from industry participants during the first posting of the SARs for certification of the Reliability Authority (RA), Balancing Authority (BA), Interchange Authority (IA) and Transmission Operator (TOP). Each of these SARs contained the process and criteria for certification of that function.

Most of the comments received during the first comment period dealt with the ‘process’ for certifying a function, rather than the ‘criteria’. The SAR DT responded to the comments received on the BA SAR, revised the BA SAR based on industry input, and posted the BA SAR for a second time to seek additional industry consensus, primarily on the ‘process’.

The SAR DT will continue to consider the comments received for the RA, IA and TOP SARs. The comments received from this 2<sup>nd</sup> posting of the BA SAR that are relevant to the RA, IA and TOP SARs will be incorporated and all four SARs will be posted again in May.

The Certification SAR DT asks that you review the revised SAR and respond to the questions in this comment form. If you have questions, you can contact the Director of Standards, Tim Gallagher in the NERC office. Tim can be reached at 609-452-8060 or at [tim.gallagher@nerc.com](mailto:tim.gallagher@nerc.com).



**Certification Process and Criteria**

Many comments were received that raised issues with including the process for certifying an entity performing a function with the criteria for certification in one SAR. The reasoning behind combining the two was based on the Reliability Standard Process Manual that states, "... a procedure that must be followed as written must be incorporated into a Reliability Standard. " There does not appear to be anything to gain by separating the process out from the criteria and putting these items in separate standards. By having them combined, uniformity between the process and criteria can be maintained. Since it is important that certifications be carried out in the same manner across North America, the procedures are appropriately included in the standard. The industry asked that the process be standardized to eliminate unnecessary differences between regions.

**1. Do you agree with keeping the process and the criteria together in one SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #2**

Most of the comments received indicate that the Regions should perform all certifications, using the standard NERC certification process and criteria. In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional differences identified in the standard (associated with affected Regions) will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification.

Based on this input, the process was modified as presented:

"The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding certification. ~~In the case of an application to multiple regions for operating a single Balancing area, the Regions shall choose a lead Region that will be responsible for coordinating the formal review process and awarding certification.~~ In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process and have an equal vote in the final review team decision, but one Region shall be identified to coordinate the entire process. The Region identified as the lead Region shall ensure that all Regional Differences identified in the standard associated with affected Regions will be satisfied in the process. The lead Region will be responsible for coordinating the formal review process and awarding certification."

**2. Do you agree with this modification to the process step #2 of the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #6**

Based on comments received, the process was modified as presented:

“NERC/Regional Staff will begin the process of making any necessary modeling/software changes for the IDC. The Applicant and Region will supply necessary modeling information, and the revised model will be placed on hold until final certification is obtained.”

**3. Do you agree with this modification to the process step #6 of the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Based on Comments received, the SAR DT is attempting to clarify the intent of this statement:

“The Review Team will consist of a minimum of three individuals. **The selected individuals will represent** selected from at least three of the of the categories listed below: “

**4. Do you agree with this modification to the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Based on Comments received, the SAR DT has added the following statement to the process:

“**Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. Remaining review team members must represent at least two of the remaining categories.**”

**5. Do you agree with this addition to the SAR?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Industry consensus could not be determined from the input received in the previous posting with regards to the inclusion of a NERC representative on all review teams. The SAR DT is assuming that a NERC representative can be a member of the review team, but is not a mandatory team member. Additional industry input is needed.

**6. Do you agree with this assumption being made by the SAR DT?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Based on the comments received, the SAR DT is seeking industry input into the additions of a Generator, Load Serving Entity, and Regional staff representation as prospective members of the review teams.

**7. Do you agree that a representative from a Generator should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:**

**8. Do you agree that a representative from a Load Serving Entity should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:**

**9. Do you agree that a representative from Regional staff should be on the list of prospective review team members?**

**Yes**

**No**

**Comments:**

**Certification Process - #10**

Comments from the industry requested that other industry representatives could be additional members of the review team, but would also be subject to the agreement of the Applicant and the Region.

**10. Do you agree with this interpretation?**

Yes

No

**Comments:**

**Certification Process - #15**

The following has been added to the process to clarify the intent of the step in the process.

“The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved by the Region.”

**11. Do you agree with clarification?**

Yes

No

**Comments:**

**Certification Process - #17**

Issues were raised from comments received recommending the addition of a maximum time limit for an entity to begin operation after being granted certification. The time limit would require that an entity begin operation within a specific time or be subject to re-certifying prior to the commencement of operation.

**12. Do you agree with adding a time limit to begin operation?**

Yes

No

**Comments:**

**If yes, please specify what you feel would be an appropriate time limit: Not longer than one year after certification.**

**De-Certification Process**

Several commenters recommended that the SAR be modified to include de-certification procedures. The SAR DT is seeking industry input into this matter. If the industry consensus to question #1 is that the SAR should include both the certification process and criteria requirements then should the SAR also include the De-certification process? The SAR DT assumes that if the industry consensus to question #1 is to have the process and criteria in separate SARs, then the de-certification process should also be in a separate SAR.

**13. Assuming that the Process and Criteria will remain together in one SAR, should a de-certification process be added to the SAR?**

**Yes**

**No**

**Comments:** There definitely should be a decertification process addressed, if only on a voluntary basis.

**Re-Certification Process**

Industry consensus indicates a need for re-certification for a BA when there is a change to the footprint, repeated non-compliance, and flagrant violations.

**14. What would constitute a change in footprint to initiate the re-certification process?**

**Comments:** Addition to the footprint of an entity not previously certified in another footprint.

**15. What would constitute repeated non-compliance to initiate the re-certification process?**

**Comments:** Any level 4 violation of an applicable compliance standard or repeated lower level violations as judged by the region, should trigger at least a re-certification investigation.

**16. What would be considered a flagrant violation to initiate the re-certification process?**

**Comments:** As above, a Level 4 violation, or inadequate mitigation plan submitted to other lower level violations.

**Agreements Between BA and Generators and LSEs**

Under the Functional Model, the BA will not necessarily own generation. Absent a market for such services, the BA would have to have some type of an agreement with the generators to provide Interconnected Operations Services.

Currently NERC Policy 6 requires that Control Areas have Capacity and Energy emergency plans and procedures in place. The SAR DT anticipates that similar requirements would be imposed on the BA. Agreements need to be in place to meet these requirements.

**17. Should the BA have agreements in place with the Generator(s) within its Balancing Area that address the provision of Interconnected Operations Services?**

**Yes**

**No**

**Comments:** Yes, but I would seriously question the qualifications of a BA who has only contractual agreements and no directly controlled generation. If this situation were proposed I would think that the certification process would have a strenuous procedure to review the individual contracts and a detailed inspection of the infrastructure that will be used.

**18. Should the BA have agreements in place with the LSE(s) within its Balancing Area that address Capacity and Emergency plans and procedures?**

**Yes**

**No**

**Comments:**

**Agreements Between BA and Adjacent BAs**

There may be a need for the BA to enter into some agreement(s) with its neighboring BA(s) based on the activities that take place between them. The SAR DT feels that it may be necessary to have these agreements in place to identify how the parties will handle seams issues and interact on a day-to-day basis. In order for the BA to meet these requirements, agreements need to be in place.

**19. Should the BA have agreements in place with all of its adjacent BA(s) that address coordination of seams issues and day-to-day interactions?**

**Yes**

**No**

**Comments:** And these agreements should be subject to review before certification.

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**20. Do you agree that the requirements for NERC Confidentiality Agreements should be removed from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria - Organization**

Based on the comments received, requirements dealing with NERC Confidentiality Agreements and Codes of Conduct have been removed from the criteria.

**21. Do you agree that the requirements for Codes of Conduct should be removed from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place to ensure resources/demand balance in compliance to NERC Standards.”

**22. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, an addition was made to the following:

“Procedure **and tools** in place for providing frequency control.”

**23. Do you agree with the addition of tools to the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Data Acquisition and System Analysis**

Based on the comments received, a deletion was made to the following:

“Process/procedure in place for calculating and reporting performance of NERC Standards ~~for CPS and DCS.~~”

**24. Do you agree with the deletion of “for CPS and DCS” from the criteria?**

**Yes**

**No**

**Comments:**

**Certification Criteria – Emergency Operation**

Based on the comments received, an addition was made to the criteria:

“Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.”

**25. Do you agree with the addition of this requirement to the criteria?**

**Yes**

**No**

**Comments:**

**26. Are you aware of any Regional or Interconnection Differences that should be included in this SAR?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**

**27. Is the revised SAR missing any requirements that should be added?**

**Yes**

**No**

**Comments:**

**If yes, please identify what you feel should be added.**