

Reviewing Criteria:

When reviewing the document the following criteria should be used:

- Items highlighted in yellow are commentary that will not remain a part of the SAR.
- Items scored out identify deletions from the SAR.
- Items highlighted in blue are additions to the SAR.
- Items highlighted in green reflect that a question exist in the comment form seeking your input.

SAR Modifications:

The SAR DT has made modifications to the RA SAR Certification Process based on comments obtained from the 2nd posting of the BA SAR. Although these modifications were based on industry consensus for the BA SAR, the SAR DT is still seeking industry affirmation with regards to this SAR.

Standard Authorization Request Form

Name of Proposed Standard	Certification of the Reliability Authority Function
Request Date	October 7, 2002
Authorized for Posting	November 20, 2002
SAR ID#	RA_CERTIFICATION_01_02

SAR Requestor Information		SAR Type	
Name	Organization Certification Task Force	<input checked="" type="checkbox"/>	1. New Standard
Primary Contact	Gerry Burrows	<input type="checkbox"/>	2. Revision to existing Standard or
Telephone	816-654-1183	<input type="checkbox"/>	3. Withdrawal of existing Standard
e-mail	gerry.burrows@kcpl.com	<input type="checkbox"/>	4. Urgent Action

Purpose/Industry Need of Standard

To ensure that each entity that wants to be recognized as a Reliability Authority has the capability of performing the responsibilities assigned to the Reliability Authority function.

Brief Description of New Standard or Revision to Existing Standard

Each entity that wants to be recognized as a Reliability Authority shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Reliability Function.

Detailed Description of New Standard or Revision to Existing Standard Summary

The primary steps in the Reliability Authority Certification Process, and the entity responsible for each step, are as follows:

- Initiation of Process – Entity seeking certification (the “Applicant”)
- Provision of criteria, process, documentation, etc. – Region
- Formation of Certification Review Team – Region
- Data collection – Region
- Data review – Region (Review Team)
- Site visit – Region (Review Team)
- Recommendation – Region (Review Team)
- Certification and Authority to operate – Region
- Notification of authority to operate – NERC

Reliability Authority Certification Process

1. Single RA in a Single Region

An entity seeking certification as a Reliability Authority (the “Applicant”) will initiate the certification process by making a formal request to the Regional Manager in the Region where the Applicant plans to operate a Reliability area. ~~An Applicant that intends to operate a single Reliability area in multiple Regions shall notify all of the Regions of the request.~~ A copy of the request will also be sent to the NERC Director-Compliance.

Single RA in Multiple Regions

An entity seeking certification as a Reliability Authority (the “Applicant”) in multiple Regions will initiate the certification process by making a formal request to one of the Regional Managers of a Region where the Applicant plans to operate a Reliability area and copy all other Regional Managers of those Regions within which the Applicant will operate. A copy of the request will also be sent to the NERC Director-Compliance.

Please respond to question #1 on the comment form

2. Single RA in a Single Region

The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and the awarding of certification. ~~In the case of an application to multiple regions for operating a single Reliability area, the Regions shall choose a lead Region that will be responsible for coordinating the formal review process and awarding certification.~~

Single RA in multiple Regions

In situations where a RA crosses Regional boundaries, all affected Regions shall participate in the certification process. The affected Regions shall identify one of the affected Regions as the Lead

Region. The Lead Region shall be responsible for coordinating the formal review process and the awarding of certification in concurrence with the other affected Regions.

Most of the comments received indicate that the Region perform all certifications, using the standard NERC certification process and criteria. In situations where a RA 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.

Please respond to the question #2 posed in the comment form regarding this issue

3. A timeline, including specific milestones, shall be agreed to by the Applicant and the Regional or Lead Regional Council. The NERC Reliability Authority Certification Procedure and certification recommendation is expected to be completed within nine months of the date when the initial request was received by the Regional Manager.
4. The Region or Lead Region will notify all appropriate parties and provide each with the necessary information regarding the Reliability Authority's request for certification, the certification process, and the duties expected from each entity.
5. The Applicant must register in the NERC Master Registry. Registration stays on hold until certification is granted.
6. NERC 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.~~

Industry consensus supported this change for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to question #3 in the comment form.

7. The Region or Lead Region will provide questionnaires and related documents that will be used by all entities involved in the certification process. These questionnaires and related documents will be used to address the Applicant's capabilities and actions as they relate to established Reliability Authority requirements. The following list of entities will be recipients of the questionnaires and related documents as each is a source of certification information and data:
 - Applicant (i.e. entity seeking Reliability Authority certification)
 - Balancing Authorities and Transmission Operators within the Applicant's Reliability Area
 - Reliability Authorities adjacent to the applicant
 - Other Regional Council(s), when applicable
8. The Region or Lead Region will provide ~~its~~ expectations and standards regarding confidentiality and retention of all data reporting, completed questionnaires and forms, reports and recommendations associated with the documentation it provides and receives.
9. The Region or Lead Region will assemble a Certification Review Team charged with the responsibility of determining if the Applicant meets NERC's Reliability Authority Criteria. The Region or Lead Region and the Applicant will agree on the Review Team members before the

commencement of the review process. The Review Team will subject themselves to confidentiality agreements for any data or information that is made available to them through the certification review process.

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

Industry consensus supported this change for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to question #4 in the comment form.

- Interchange Authority
- Balancing Authority
- Reliability Authority
- Transmission Operator
- Regional Compliance Committee member
- Regional Operating Committee member
- Representative from NERC Staff
- Representative from another NERC Region
- Representative from an RTO, when applicable

Review team members cannot be employees of the applicant or any of its affiliates.

This modification was based on comments received during the 2nd posting of the BA SAR.

Please respond to question #5 on the comment form.

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. These representatives will be selected by the individual Regions that they represent and not by the Lead Region. Regional representation is still subject to Applicant approval. Remaining review team members must represent at least two of the remaining categories.

Please respond to question #6 in the comment form.

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.

Industry consensus supported this change for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to question #7 in the comment form.

Based on the comments received, the SAR DT will seek industry input into the additions of a Regional staff representation to the review teams.

Industry consensus supported this change for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to question #8 in the comment form.

In the alternative, the Region(s) may elect, with applicant agreement, to engage a completely

independent review team.

11. The Review Team will report its initial findings to the Applicant and to the Region(s) based on the information obtained through the initial application and questionnaires. The review Team will request any additional information before making an on-site visit.
12. The Review Team will conduct at least one on-site visit to the Applicant's control center facility. During the visit, the Review Team will:
 - Review with the Applicant the data collected through the questionnaires,
 - Interview the Applicant's operations and management personnel,
 - Inspect the Applicant's facilities and equipment, and
 - Review all necessary documents and data.
13. The Review Team will identify any deficiencies (to both the Applicant and to the Region(s)) that must be resolved prior to the review team making their final recommendation. The Review Team will review any follow-up work required by the Applicant until a certification recommendation is made.
14. The Review Team will formulate a certification recommendation based on: data collected and validated from the questionnaires; and from observations and information collected during an on-site visit to the Applicant's facility. The Review Team will support its recommendation through the production of an evaluation review template and a formal report. All members of the review team will have an equal voice in the certification recommendation.

Please respond to question #9 on the comment form.

15. Single RA in Single Region

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.

Single RA in Multiple Regions

The certification recommendation will be presented to the appropriate Regional committee(s) of all the affected Regions by the Review Team. The certification recommendation is then approved by all of the affected Regions. The Lead Region will be responsible for verifying the Regional approvals prior to awarding certification.

Please respond to question #10 in the comment form.

16. The Region or Lead Region will notify the Applicant ~~and NERC~~ of the its certification decision. The Region or Lead Region may ~~grant~~award or deny the Applicant's certification as a Reliability Authority. As an alternative, the Region or Lead Region (in consultation with the affected Regions) may, ~~at its discretion~~, grant 'pending certification' to the applicant. The pending certification shall be granted for a period of time not longer than 180 days. Pending certification, does not grant operation as a Reliability Authority. If the Applicant fails to meet the conditions set by the Region(s), within the granted timeframe, the Applicant's certification will be deemed to be the same as denied. If the Applicant meets the conditions set by the Region(s), within the granted timeframe, the Region or Lead Region must respond to the Applicant's notification of completion of requirements within 30 days.

Please respond to question #11 in the comment form

17. After the Region or Lead Region has approved the Applicant as a Reliability Authority, they will

notify NERC Staff, who in turn, will notify all of the necessary entities as to the date that the Applicant may begin its Reliability Authority operation. Reliability Authority operation shall not begin before the agreed upon date and must commence operation within 12 months of certification. Failure to begin operation within the 12-month period will require the applicant to re-apply for certification.

Please respond to question #12 in the comment form.

18. If the Region or Lead Region denies certification, it shall provide the Applicant with a written report containing specific reasons for the denial. If the Applicant disagrees with the Region's(s') decision, it can initiate the Regional ADR process within 60 days of the date of the written denial. If the Applicant fails to initiate the ADR process within the 60-day time limit as identified in the previous step, it may reapply for certification after 90 days from the date of written denial.

Re-certification Process

1. When events occur that subject an entity to be re-certified as defined by NERC Compliance (to be defined) criteria, the process used for re-certification will be administered in accordance with the certification procedure contained in this SAR.

Industry consensus supported the inclusion of a Re-certification Process in the SAR for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to questions #13 & #14 on the comment form.

De-certification Process

This section describes the process that will be used for the de-certification of a Reliability Authority when the entity does not wish to continue performing the Reliability Authority function and has arranged for a replacement entity to assume its Reliability Authority responsibilities.

1. The Reliability Authority requesting de-certification notifies the Region(s) it operates in that it wishes to be decertified and names the Reliability Authority(ies) that will be assuming its Reliability Authority responsibilities. If the Reliability Authority(ies) assuming the responsibilities is in a different Region, then a Lead Region will be designated and all Regions will be involved in the process.
2. The Region or Lead Region contacts the Reliability Authority(ies) that is to assume the additional Reliability Authority responsibilities to begin the certification process.
3. After the Region or Lead Region has certified the Reliability Authority(ies) assuming additional responsibilities, the Region or Lead Region will notify the Reliability Authority desiring de-certification and NERC staff of the date the Reliability Authority will cease operation.
4. NERC will notice the appropriate entities of this date.

Industry consensus supported the inclusion of a De-certification Process in the SAR for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to questions #15 & #16 on the comment form.

Reliability Authority Certification Criteria

Introduction

These Criteria establish the requirements for certification as a NERC RELIABILITY AUTHORITY. They are based on NERC Reliability Standards, NERC Operating Policies and Planning Standards, and the NERC Functional Model. NERC Policies and Standards applicable to the Reliability Authority function must be adhered to until they are replaced by Reliability Standards or retired.

Please respond to question #17 in the comment form.

Definition of the Reliability Authority Function

Ensures the reliability of the bulk power transmission system within its Reliability Authority Area.

Certification Criteria

1. **Confirmation by Regional Council.** To be recognized as a NERC-Certified RELIABILITY AUTHORITY, the entity must be reviewed and confirmed by the Regional Council(s) in which the entity operates.
2. **Agreements.** Agreements¹ must be in place defining the responsibilities and authority of the RELIABILITY AUTHORITY with respect to all Balancing Authorities, Interchange Authorities, Transmission Operators, Transmission Service Provider and all other applicable functional entities within the reliability area and with other Reliability Authorities. Agreements shall address both normal and emergency operations.

There were several recommendations that agreements should be added for Generators, Transmission Owners, and LSEs.

Please respond to question #18, #19, & #20 in the comment form.

3. **Personnel**
 - 3.1. Must have NERC-certified system operators performing the Reliability Authority responsibilities 24 hours a day, 7 days a week.
4. **Organization**
 - 4.1. Documentation identifying that the organization has signed the NERC Confidentiality Agreement.
 - 4.2. Documentation identifying that the Reliability Authority personnel are aware of their obligations and responsibilities under the NERC Confidentiality Agreement.
 - 4.3. Documentation identifying the code of conduct for personnel performing the Reliability

¹ An agreement is defined as a contract or other document delineating an arrangement that expresses assent by two or more parties to the same object. This arrangement determines a course of action to be followed by all parties involved in the situation. The key components of the agreement must identify the ability, intent, and authority of the parties. The requirement for these agreements can be satisfied in a variety of ways, including but not limited to: contracts, designation of authority documents, policies, procedures.

Authority responsibilities.

- 4.4. Documentation identifying that the Reliability Authority personnel are aware of their obligations and responsibilities under the code of conduct.

The have been many comments received that the code of conduct requirement should be removed from the RA certification criteria. The intent was that this requirement would be similar to the Reliability Coordinator Standards of Conduct. Do you agree that this requirement should be removed from the RA certification criteria?

Please respond to question #21 in the comment form.

5. **Data Acquisition and System Analysis**

- 5.1. Must have the ability to monitor its reliability area with real-time data. (e.g., demand, volts, VArS, frequency, interchange tie flows, reserves, ACE, equipment status, transmission line flows, etc.)
- 5.2. Process/procedure in place to receive day-ahead hourly dispatch pattern from the Balancing Authority.
- 5.3. Process/procedure in place to receive interchange transaction information from the Interchange Authority.
- 5.4. Process/procedure in place for collecting transmission owners' equipment ratings.
- 5.5. Process/procedure and tools in place to perform real-time and contingency reliability analyses.

Please respond to question #22 in the comment form.

- 5.6. Process/procedure and tools in place to coordinate and approve transmission outages from a reliability perspective.

Please respond to question #23 in the comment form.

- 5.7. Process/procedure and tools in place to collect and analyze generation outages from a reliability perspective.

Please respond to question #24 in the comment form.

- 5.8. Process/procedure in place with other Reliability Authorities to coordinate day-ahead analyses and to implement real-time actions.
- 5.9. Process/procedure and/or tools in place defining the analysis and approval process for interchange transactions into, out of, and through the reliability area.

Please respond to question #25 in the comment form.

- 5.10. Process/procedure and tools in place to develop real-time operating reliability limits.

Please respond to question #26 in the comment form.

- 5.11. Process/procedure in place that define the actions to be taken for maintaining reliability.

- 5.12. Process/procedure and tools in place for compliance with all applicable NERC reliability standards.

Comments were received that suggested a need for inclusion in the criteria that process/procedure and tools be in place that provide the RA with the means to comply with all applicable NERC reliability standards.

Please respond to question #27 in the comment form.

6. Emergency Operations

- 6.1. Process/procedure in place that defines the coordination and implementation of emergency operations within or on an area-wide basis.
- 6.2. Process/procedure in place that defines the coordination and implementation of system restoration operations within or on an area-wide basis.
- 6.3. Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.

Industry consensus supported this change for the Balancing Authority in 2nd posting of the BA SAR.

Please respond to question #28 in the comment form.

7. Security

- 7.1. Process/procedure in place for collection and dissemination of information with regards to physical and cyber security ~~related incidents~~ in accordance with NERC reliability standards.

Please respond to question #29 In the comment form.

Reliability Functions

The Standard will Apply to the Following Functions (Check all that apply)		
<input checked="" type="checkbox"/>	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
<input type="checkbox"/>	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
<input type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules
<input type="checkbox"/>	Planning Authority	Plans the bulk electric system
<input type="checkbox"/>	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
<input type="checkbox"/>	Transmission Owner	Owens transmission facilities
<input type="checkbox"/>	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
<input type="checkbox"/>	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer
<input type="checkbox"/>	Generator	Owens and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
<input type="checkbox"/>	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability and Market Interface Principles (check all that apply)	
1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.	<input checked="" type="checkbox"/>
2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand	<input type="checkbox"/>
3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably	<input checked="" type="checkbox"/>
4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented	<input checked="" type="checkbox"/>
5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems	<input checked="" type="checkbox"/>
6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions	<input checked="" type="checkbox"/>
7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis	<input checked="" type="checkbox"/>
The proposed Standard must comply with all of the following Market Interface Principles	<input checked="" type="checkbox"/>
Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
An Organization Standard shall not give any market participant an unfair competitive advantage	
An Organization Standard shall neither mandate nor prohibit any specific market structure	
An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

Related Standards, Function Certification Requirements or Business Practices

Standard No.	Explanation

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
ECAR	
ERCOT	
FRCC	<u>FRCC requires their own confidentiality agreement in addition to the NERC agreement. In addition, FRCC's Security Process (Reliability Plan) has other requirements for tools, etc. that must be met. Also, NERC can not set a requirement for the RA will preempt any state jurisdictional requirements. Linda Campbell for FRCC OC</u>
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WSCC	<u>WECC Reliability Coordinator Empowerment agreements may, or may not, come into play here - this is a placeholder for further development if necessary. Ed Riley – CAISO</u> <u>The Certification Process should include making changes to the TDF for the WECC Region. Terri M. Kuehneman SRP</u>

<u>SAR DT Members</u>

Gerry Burrows, Chairman

Pat Everly, Secretary

Larry Alderink

Don Badley

Alan Boesch

Lucius Burris

David Little

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Don Reichenbach

Richard Sikes

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