

Compliance Application Notice – 0011

PRC-005 R2 Interval Start Date for New Equipment

Posted: April 19, 2011

Revised: November 16, 2011

Primary Interest Groups

Compliance Enforcement Authority (CEA)¹

NERC

Regional Entity

Transmission Owner (TO)

Generator Owner (GO)

Distribution Provider (DP) that owns a transmission Protection System

Issue: May pre-operational test² records be used as evidence to show that maintenance and testing was performed within the registered entity's defined maintenance and testing interval for new equipment?

For the purpose of aiding a CEA, this CAN provides instruction for assessing the interval start date for new Protection System equipment that affects the reliability of the Bulk Electric System (BES), for the purpose of determining whether new Protection System equipment had been maintained and tested within the intervals defined in a registered entity's program.

Compliance Application

In order to determine compliance with PRC-005 R2, CEAs are instructed to look for evidence that substantiates the last date a registered entity tested and maintained its Protection System³ devices.

PRC-005 R2 provides, in pertinent part:

R2. *Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization^[4] on request (within 30 calendar days). The documentation of the program implementation shall include:*

¹ Compliance Enforcement Authorities include ERO auditors, investigators, enforcement personnel or any person authorized to assess issues of concern, potential non-compliance, and possible, alleged or confirmed violations of NERC Reliability Standard requirements.

² Pre-operational testing may also be referred to as "commissioning tests." The "pre-operational test" means the last testing a registered entity conducts on the Protection System device before the device is put into service.

³ The *NERC Glossary of Terms Used in Reliability Standards* defines Protection System as "Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry."

⁴ For this standard, the Regional Reliability Organization refers to the Regional Entity.

R2.1. *Evidence Protection System devices were maintained and tested within the defined intervals.*

R2.2. *Date each Protection System device was last tested/maintained.*

Without evidence demonstrating that new equipment was tested and was in appropriate condition to enter into service (the start date), a CEA cannot assess when the registered entity's maintenance or testing must occur.

As soon as the entity conducts its pre-operational testing, the interval begins for its maintenance and testing program.⁵ The completion of the pre-operational testing, not the initiation of the pre-operational testing, is the point in time that the registered entity is aware of the operating condition of the equipment. Thus the completion date of the pre-operational testing is the date that should be used as the start date for the equipment's maintenance and testing interval. As pre-operational testing may occur over a period of time, the CEA is to verify the date that the pre-operational testing was completed for the equipment at issue.

The next maintenance and testing date to be verified by the CEA would be at some specific period of time after the start date, as defined by the interval defined in the registered entity's maintenance and testing program.

Effective Period for CAN

This revised CAN supersedes the original CAN, as well as all prior communications. CEAs are to use this CAN to assess compliance from April 19, 2011, regardless of the start date of the violation. It will remain in effect until such time that a future version of a FERC or other applicable government authority approved standard or interpretation becomes effective and addresses the specific issue contained in this CAN.

For any enforcement action in process and for audits that have been initiated,⁶ a CEA will apply the appropriate discretion, including consideration of the specific facts and circumstances of the non-compliance, in determining whether to assess compliance pursuant to this CAN.

Evidence of Compliance

To determine evidence of the start date for a registered entity's equipment's maintenance and testing interval, a CEA is instructed to look for the date the registered entity completed its equipment's pre-

⁵ The registered entity's Protection System maintenance and testing program is only applicable for Protection System devices in service; however the date the equipment was placed in-service is not the date that should be used for the starting point of the maintenance and testing interval, unless the equipment was placed into service on the same date the pre-operational testing was completed.

⁶ "Initiated" means that a registered entity has received notification of the upcoming audit.

operational testing that demonstrated that the equipment was deemed operational and ready to be placed into service.

In the event that a registered entity has equipment that changes status, such that it becomes subject to the standard (such as a radial line becoming a non-radial line), a CEA is instructed to look for either:

1. the date existing Protection System devices were last maintained or tested, or
2. the date the registered entity completed its equipment’s pre-operational testing that demonstrated that the equipment was deemed operational and ready to be placed into service

as the start date for determining the equipment’s maintenance and testing interval under the registered entity’s maintenance and testing program.

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This document is designed to convey compliance monitoring instruction to achieve a measure of consistency among auditors and Compliance Enforcement Authorities. It is not intended to establish new requirements under NERC’s Reliability Standards or to modify the requirements in any existing NERC Reliability Standard. Compliance will continue to be assessed based on language in the currently enforceable NERC Reliability Standards. This document is not intended to define the exclusive method an entity must use to comply with a particular standard or requirement, or foreclose a registered entity’s demonstration by alternative means that it has complied with the language and intent of the standard or requirement, taking into account the facts and circumstances of a particular registered entity. Implementation of information in this document is not a substitute for compliance with requirements in NERC’s Reliability Standards.

Revision History

Posted Date	Action	Revision
April 19, 2011	Posted Final CAN	
November 16, 2011	Posted Revised CAN	Revised target audience to CEAs