

Compliance Application Notice – 0029

PRC-004 R1, R2 and R3 Protection System Misoperations

Posted: December 9, 2011

Primary Interest Groups

Compliance Enforcement Authority (CEA)¹

NERC

Regional Entity

Transmission Owner (TO)

Generator Owner (GO)

Distribution Providers that own a Transmission Protection System (DP)

Issue: Does development of the common reporting template implemented by Electric Reliability Organization (ERO)-Reliability Assessment and Performance Analysis (RAPA) in 2011 modify the way in which compliance with PRC-004 will be measured?

For the purpose of aiding a CEA, this CAN provides instruction for assessing whether entities reported Protection System Misoperations as required by PRC-004.

Compliance Application

PRC-004 R1 - R3 provides:

R1. *The Transmission Owner and any Distribution Provider that owns a transmission Protection System shall each analyze its transmission Protection System Misoperations and shall develop and implement a Corrective Action Plan to avoid future Misoperations of a similar nature according to the Regional Reliability Organization's^[2] procedures developed for Reliability Standard PRC-003 Requirement 1.*

R2. *The Generator Owner shall analyze its generator Protection System Misoperations, and shall develop and implement a Corrective Action Plan to avoid future Misoperations of a similar nature according to the Regional Reliability Organization's procedures developed for PRC-003 R1.*

R3. *The Transmission Owner, any Distribution Provider that owns a transmission Protection System, and the Generator Owner shall each provide to its Regional Reliability Organization, documentation of its Misoperations analyses and Corrective Action Plans according to the Regional Reliability Organization's procedures developed for PRC-003 R1.*

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 and requirements.

² Consistent with applicable FERC precedent, the term 'Regional Reliability Organization' in this context refers to the applicable Regional Entity.

The ERO-RAPA common reporting template on Misoperation reporting guidelines can be found at: http://www.nerc.com/docs/pc/rmwg/Protection_System_Misoperation_Reporting_Template_Final.xlsx

The revised Misoperation reporting guidelines, implemented by ERO-RAPA in 2011, do not modify or negate the requirements under PRC-004. However, if a Regional Reliability Organization (RRO) has adopted the ERO-RAPA guidelines as the RRO's procedures used to meet compliance with PRC-003 R1, then the guidelines developed by ERO-RAPA should be treated as the RRO procedure that responsible entities must follow to comply with PRC-004 R1 - R3.

Whether an RRO has adopted the ERO-RAPA reporting guidelines to meet compliance with PRC-003 R1 or not, CEAs are to look for evidence that entities that are required to comply with PRC-004 R1 and R2: 1) analyzed all Protection System Misoperations in accordance with their RRO's latest procedures, and 2) developed and implemented a Corrective Action Plan (CAP) for each Misoperation in accordance with their RRO's procedures that are valid at that time. In addition, CEAs are to look for evidence that entities provided documentation of their Protection System Misoperations, analyses and CAPs according to the applicable RRO procedures in regard to PRC-004 R3.

Effective Period for CAN

This CAN is effective upon posting as final on the NERC Web site, and is to be used by CEAs to assess compliance from the posting date forward, regardless of the start date of any non-compliance or Possible Violation. It supersedes all prior communications and will remain in effect until such time that a future version of a FERC-approved 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,³ 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

A CEA is to assess the following to obtain reasonable assurance of the entity's compliance:

- the entity's record of all Protection System Misoperations analyses, and
- evidence the entity implemented a CAP in response to each Misoperation, and evidence that entities provided documentation of their Protection System Misoperations, analyses and CAPs according to the applicable RRO procedures.

³ "Initiated" means that a registered entity has received notification of the upcoming audit.

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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.