



**Comment Form for: Draft NERC Rules of Procedure section 500 & Appendix 5 (Solicitation of public comments per [NERC bylaws](#) Article XI section 2)**

Please use this form to submit comments on the proposed *NERC Rules of Procedure section 500, Appendix 5, and TOP, RC & BA questionnaires*. Comments must be submitted by **August 8, 2008**, you may submit the completed form by e-mail to [jim.hughes@nerc.net](mailto:jim.hughes@nerc.net) with the words "**Certification Process**" in the subject line. Additionally, if you wish to redline your comments, these documents are provided to you in Word. If you have any questions please contact Jim Hughes by telephone at 609-203-2288.

**Background Information:**

During the September 12, 2007 joint meeting of the Standards Committee (SC) and the Compliance and Certification Committee (CCC), the SC and CCC agreed to translate the work done on the following draft standards into a new certification process under the CCC:

- Transmission Operator Certification Standards (ORG-001 through ORG-008)
- Balancing Authority Certification Standards (ORG-009 through ORG-018)
- Reliability Coordinator Certification Standards (ORG-020 through ORG-027)

The CCC's Organization Registration & Certification Subcommittee (ORCS) has translated the essential elements of the above draft certification standards into new entity certification processes and want to post the new processes for comment (RoP 500, Appendix 5, and questionnaires).

Therefore, the ORCS is soliciting for public review and comments on the draft revisions to the NERC Rules of Procedure section 500, Appendix 5, and the TOP, BA, RC questionnaires relating to the certification process.

| Commenter Information                       |  |
|---|--|
| Name: Charles Yeung                         | Completed by: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Team   |
|   | If team, names of team members:<br>Patrick Brown<br>Jim Castle<br>Ron Falsetti<br>Matt Goldberg<br>Lourdes Estrada-Salinero<br>Anita Lee<br>Steve Myers<br>Bill Phillips |
| Position: Executive Director                |  |
| Region (e.g., RFC, SERC): SPP               | Date: 08/07/08   |
| Phone #: 832-724-6142 email: cyeung@spp.org | Any additional data:   |



**Comment Form — Draft NERC Rules of Procedure section 500 & Appendix 5**

Document that the comment applies to:           RoP 500            Appendix 5    Provisional Certification   
  TOP Questionnaire            BA Questionnaire            RC Questionnaire

Section that comment applies to: 501  
Recommended solution: The RoP regarding JROs should state explicitly that in order to be recognized as a JRO, the JRO must have a formal Agreement that identifies the members, the members' obligations, the process for allocation non-compliance penalties, and the process the JRO will use to resolve compliance disputes.

▷**Comment:** Section 502 (Program Requirements)

Article 2.3.5 addresses violations by NERC staff. The consequences of any such violation seem quite benign (the violator is dismissed from the team). The fact that a staff member could jeopardize the financial existence of an entire organization would seem to warrant more severe consequences than just being taken off of the team.

Document that the comment applies to:           RoP 500            Appendix 5    Provisional Certification   
  TOP Questionnaire            BA Questionnaire            RC Questionnaire

Section that comment applies to: 502  
Recommended solution: This Section requires inclusion of a process that will quickly resolve / dismiss minor violations. But in cases when an applicant files a grievance, the process should include an independent review committee (i.e. independent of NERC employees) that reports to the NERC Board. The committee would collect information, analyze the severity of the case and make recommendations to the NERC Board up to and including dismissal of the staff violator(s).  
  
Non-staff violators would similarly be evaluated with penalties varying from dismissal from the CT to being banned from all future NERC-related activities.

▷**Comment:** Section 503 (Program Implementation)

Article 2.3 references "authority and control " by a transmission planner. There are obligations and responsibilities assigned to a transmission planner, and indeed there are obligations for other entities to provide data to a transmission planner, but there is no control provided to a transmission planner.

Document that the comment applies to:           RoP 500            Appendix 5    Provisional Certification   
  TOP Questionnaire            BA Questionnaire            RC Questionnaire

Section that comment applies to: 503  
Recommended solution: Delete references to "control".

▷**Comment:** Section 506 (Independent Audit of NERC Organization Registration and Certification Program)

This section addresses an audit process for NERC to carry out the subject program, but does not address the situations for having such program delegated to the REs.

Document that the comment applies to:           RoP 500            Appendix 5    Provisional Certification   
  TOP Questionnaire            BA Questionnaire            RC Questionnaire

Section that comment applies to: 506  
Recommended solution: NERC needs to expand this Section.



**Comment Form — Draft NERC Rules of Procedure section 500 & Appendix 5**

▷**Comment:** Appendix 5 (Organization Registration and Certification Manual)

At this moment all areas are by definition adequately covered by RCs, TOPs and BAs. If a new entity fails to be certified, then there is no problem. But, when an existing member fails, then there is a problem (a problem not addressed in this proposal) - can that entity be allowed to continue to operate? If not, then who fills the identified gap(s)?

Also missing is the process for changing over from one certified member to another. What happens if a new entity is certified but the old entity wants to remain?

What happens when a new entity is certified, how does that entity segue into the operational system?

What are the obligations of the entity being replaced?

|                                       |  |  |  |
|---------------------------------------|--|--|--|
| Document that the comment applies to: | RoP 500 <input type="checkbox"/>           | Appendix 5 <input checked="" type="checkbox"/> | Provisional Certification <input type="checkbox"/> |
|                                       | TOP Questionnaire <input type="checkbox"/> | BA Questionnaire <input type="checkbox"/>      | RC Questionnaire <input type="checkbox"/>          |

Section that comment applies to:

Recommended solution:

If these Rules of Procedure are to be the long-term rules and not the transitional rules, then NERC must make clear in some form or other (cover letter; interpretation; ...) how the transition to certification of all entities will occur.

NERC should clarify that these (the final) Rules of Procedure are intended to be applied by NERC and the Regional Entities in registering new entities that are seeking to perform RC, BA & TOP functions for the first time. They are not intended to apply to the manner in which NERC and the Regional Entities may select to register those entities that currently perform RC, BA & TOP functions, but have not been registered to date.

NERC would also need to define a "new entity" as, for example, an entity that desires to operate as an RC, TOP or BA and has not been subject to a NERC Compliance Audit in calendar years 2007, 2008 or 2009. This approach would avoid redundancy in the certification process by specifying that NERC should only apply the certification rules to those entities that were not operating as an RC, TOP or BA on "day one" of ERO operations.

A changeover process is needed. This process will require a full review considering the potential legal implications. One such process could involve use of a provisional certification procedure under which the existing entity would in effect delegate control to the provisional entity. The existing entity would be held responsible for non-compliance and would retain the authority over the provisional entity and could override the decisions of the provisional entity if there were any reliability questions or issues. Such an approach would maintain relativity as well field test the provisional entity.

The RoP requires a section to deal with conflicts and disputes between certified entities.

