



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

January 31, 2010

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: NERC Abbreviated Notice of Penalty regarding Stanton Wind Energy, LLC,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Stanton Wind Energy, LLC (Stanton Wind), with information and details regarding the nature and resolution of the violation¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document attached thereto, in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because Texas Reliability Entity, Inc. (Texas RE) and Stanton Wind have entered into a Settlement Agreement to resolve all outstanding issues arising from Texas RE's determination and findings of the enforceable violation of COM-002-2 Requirement (R) 1. According to the Settlement Agreement, Stanton Wind admits the violation, and has agreed to the assessed penalty of thirty five thousand dollars (\$35,000), in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violation identified as NERC Violation Tracking Identification Numbers TRE200800048 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

¹ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

Statement of Findings Underlying the Violation

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on January 5, 2011, by and between Texas RE and Stanton Wind. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-272	TRE200800048	COM-002-2	1	High	5/19/08 – 5/19/08	35,000

The text of the Reliability Standard at issue and further information on the subject violation is set forth in the Disposition Document.

COM-002-2 R1 - OVERVIEW

On August 18, 2008, Texas RE issued a spot check notice to Stanton Wind based on communication issues derived from a Special Protection System (SPS) event on May 19, 2008. Texas RE determined that Stanton Wind, as a Generator Operator, did not have staff available to respond to the Reliability Coordinator's directive to address a real time reliability issue.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed³

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁴ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on December 10, 2010. The NERC BOTCC approved the Settlement Agreement, including Texas RE's assessment of a thirty five thousand dollar (\$35,000) financial penalty against Stanton Wind and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

³ See 18 C.F.R. § 39.7(d)(4).

⁴ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

In reaching this determination, the NERC BOTCC considered the following factors:⁵

1. the violation constituted Stanton Wind's first occurrence of violation of the subject NERC Reliability Standards;⁶
2. Texas RE reported that Stanton Wind was cooperative throughout the compliance enforcement process;
3. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
4. Texas RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and
5. Texas RE reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the assessed penalty of thirty five thousand dollars (\$35,000) is appropriate for the violation and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

⁵ Although Texas RE reviewed the compliance program that Stanton Wind had in place at the time of the violation, Texas RE determined that the compliance was not worthy of any credit and therefore, did not consider it in determining the penalty. Stanton Wind has since instituted an improved compliance program.

⁶ Violations of other plants owned and operated by Invenergy, which were not considered the same or similar to the instant violation, are identified and addressed in the Disposition Document.

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as part of this NOP are the following documents:

- a) Settlement Agreement by and between Texas RE and Stanton Wind executed January 5, 2011, included as Attachment a;
 - i. Disposition Document, included as Addendum A to the Settlement Agreement.
- b) Texas RE's Preliminary Notice of Alleged Violation issued to Stanton Wind dated September 24, 2008, included as Attachment b;
- c) Stanton Wind's Mitigation Plan MIT-08-1409 for COM-002-2 R1 submitted November 11, 2008, included as Attachment c;
- d) Stanton Wind's Certification of Mitigation Plan Completion dated March 10, 2009, included as Attachment d; and
- e) Texas RE's Verification of Mitigation Plan Completion dated September 16, 2009, included as Attachment e.

A Form of Notice Suitable for Publication⁷

A copy of a notice suitable for publication is included in Attachment f.

⁷ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Alex George* Vice President Stanton Wind Energy, LLC One South Wacker Drive Suite 1900 Chicago, IL 60606 312-582-1415 312-224-1444 – facsimile Ageorge@inveneryllc.com</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Susan Vincent* General Counsel Texas Reliability Entity, Inc. 805 Las Cimas Parkway Suite 200 Austin, TX 78746 (512) 583-4922 (512) 233-2233 – facsimile susan.vincent@texasre.org</p> <p>Rashida Caraway* Manager, Compliance Enforcement Texas Reliability Entity, Inc. 805 Las Cimas Parkway Suite 200 Austin, TX 78746 (512) 583-4977 (512) 233-2233 – facsimile rashida.caraway@texasre.org</p>
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Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Abbreviated NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
Princeton, NJ 08540-5721
(609) 452-8060
(609) 452-9550 – facsimile
david.cook@nerc.net

/s/ Rebecca J. Michael
Rebecca J. Michael
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(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: Stanton Wind Energy, LLC
Texas Reliability Entity, Inc.

Attachments

Attachment a

**Settlement Agreement by and between Texas RE
and Stanton Wind executed January 5, 2011**



**SETTLEMENT AGREEMENT
OF
TEXAS RELIABILITY ENTITY, INC.
AND
STANTON WIND ENERGY, LLC**

I. Introduction

1. North American Electric Reliability Corporation (NERC) delegated authority to Texas Reliability Entity, Inc. to become the regional entity for the ERCOT region effective July 1, 2010, pursuant to Section 215(e)(4) of the Federal Power Act. NERC also delegated to Texas Reliability Entity, Inc. the authority and responsibility for the continuation of all compliance monitoring and enforcement activities that it had previously delegated to Texas Regional Entity (a division of Electric Reliability Council of Texas, Inc.). The term "Texas RE" is used herein to refer to both Texas Regional Entity and Texas Reliability Entity, Inc.
2. Texas RE and Stanton Wind Energy, LLC ("Stanton Wind") enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from Texas RE's determination and findings, pursuant to the NERC Rules of Procedure, of violations by Stanton Wind of NERC Reliability Standards COM-002-2, Requirement 1 ("R1") from a spot check conducted on September 24, 2008.

II. Stipulation

3. The facts stipulated herein are stipulated solely for the purpose of resolving between Texas RE and Stanton Wind the matters discussed herein and do not constitute stipulations or admissions for any other purpose. Texas RE and Stanton Wind hereby stipulate and agree to the following:

A. Background

4. Stanton Wind was registered on the NERC Compliance Registry for the Generator Operator ("GOP") function on February 8, 2008 and has been continuously registered as such through the date of this Agreement.
5. Texas RE received an Incident Form, from ERCOT ISO, that indicated Stanton Wind had a possible violation of a NERC Reliability Standard. On May 19, 2008, ERCOT ISO, the Reliability Coordinator, made five (5) attempts to issue a Verbal Dispatch Instruction ("VDI"). ERCOT ISO made one (1) attempt to contact appropriate personnel via the Stanton Wind designated control room phone as well as four (4) to other alternate phone numbers and received no answer. As a registered GOP, Stanton Wind was subject to the Requirements of NERC Reliability Standard COM-002-2 including R1 from February 8, 2008 through the date of the incident.
6. Texas RE sent an Incident Information Request, on May 23, 2008, to Stanton Wind requesting Stanton Wind's response to and perspective of the incident. On June 24, 2008, Stanton Wind provided its response and explanation regarding the facts alleged in the Texas RE Information Request.
7. On August 18, 2008, Texas RE issued a spot check for COM-002-2, R1 to Stanton Wind. The spot check requested that Stanton Wind provide a completed Reliability

Standard Audit Worksheet (RSAW) with supporting evidence showing compliance with COM-002-2, R1 on May 19, 2008. On September 8, 2008, Stanton Wind supplied documentation in response to the spot check.

B. Alleged Violations

8. As a result of the spot check, Texas RE determined one (1) alleged violation of the NERC Reliability Standard and Requirement: COM-002-2, R1.
9. On September 24, 2008, Texas RE sent Stanton Wind a Preliminary Notice of Alleged Violation ("PNAV") notifying Stanton Wind that it had allegedly violated COM-002-2, R1. On August 20, 2009, Texas RE sent Stanton Wind a Notice of Alleged Violation and Proposed Penalty or Sanction ("NAVAPS")
10. A description of the Alleged Violation is described in Section II of the Disposition Document.
11. Under these circumstances and given that Stanton Wind has taken or shall take the activities listed in the table located within Section IV. Mitigating Actions, Remedies, and Sanctions of this Agreement, Texas RE has decided to assess Stanton Wind \$35,000 in monetary penalties for these alleged violations.

III. PARTIES' SEPARATE REPRESENTATIONS

C. STATEMENTS OF TEXAS RE AND SUMMARY OF FINDINGS

12. During its September 24, 2008 spot check of Stanton Wind Texas RE found one (1) violation of the NERC Reliability Standards. The violation was that Stanton Wind did not have staff available during this time period to respond to the Reliability Coordinator's directive to address a real time reliability issue. This alleged violation of COM-002-2, R1 occurred on May 19, 2008 and was issued NERC Violation #: TRE200800048.
13. Texas RE and Stanton Wind with NERC's approval, have entered into an agreed upon mitigation plan, which is attached hereto at Exhibit B. Texas RE confirmed Stanton Wind's completion of the mitigation plan on September 15, 2009.
14. Texas RE agrees that this Agreement is in the best interest of the parties and in the best interest of bulk power system reliability.

D. STATEMENTS OF STANTON WIND

15. Stanton Wind admits the facts set forth and agrees to the parties herein and admits, for purposes of this Agreement that these facts constitute a violation of COM-002-2, R1.
16. Stanton Wind does not contest the alleged violation of COM-002-2, R1 or proposed penalty for such violation, and Stanton Wind agreed to submit and implement a mitigation plan to correct the violation and its underlying causes. Stanton Wind submitted its formal mitigation plan on November 11, 2008 and formally certified that it completed the mitigation plan on March 10, 2009.

17. Stanton Wind has agreed to the violations and entered into the Settlement Agreement with Texas RE to resolve the violations and to avoid extended litigation and potential uncertainty regarding to the matters described herein, and to effectuate a complete and final resolution of the issues set forth herein. Stanton Wind agrees that this Agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

- 18. Stanton Wind agreed to and has already completed a mitigation plan as described in Section IV of the Disposition Document.
- 19. Texas RE verified that the mitigation plan was completed as described in Section IV of the Disposition Document.
- 20. For purposes of settling any and all disputes arising from Texas RE's assessment into the matters resulting from a spot check conducted on September 24, 2008, Texas RE and Stanton Wind agree that as of and after the effective date of this Agreement, Stanton Wind shall take the following actions:

Activity	Dates to be completed
i. The possibility of the SQ3 OPX line resulting in voicemail was eliminated.	11/11/08
ii. Stanton Wind has instituted a zero tolerance policy for employees who fail to follow official procedure. Any activity by personnel resulting in a direct violation of the NERC Reliability Standards and/or the ERCOT Operating Guides is grounds for termination. Specifically, this includes any failure to answer or be available to answer the OPX and Hotlines at all times. The cost associated with a "zero tolerance" policy with respect to adhering to NERC standards is approximately \$25,000 to \$30,000.	9/9/09
iii. Stanton Wind scheduled one-on-one 24 hour real-time desk employee training on NERC Reliability Standards and ERCOT Operating Guides; individual meetings for certain real time employees were conducted during which the Real Time Operations Manual was reviewed with each employee.	9/9/09
iv. The Real-Time Operations Manual was updated to reflect the importance of adhering to all NERC Reliability Standards and ERCOT Operating Guides	9/9/09
v. ERCOT OPX and Hotline were prioritized over all other incoming phone calls. Stanton Wind instituted a business procedure which requires real-time operations personnel to make Hotline calls a number one priority when responding to multiple market related communications.	9/9/09
vi. Phone upgrade to include: 1) configuration of a screen notification alert when an incoming call is in the queue*;	11/1/10

<p>2) set up of wireless headsets that allow for roaming within a 350 ft. range as well as inbound/outbound call functionality with a battery talk time of 8 hours and stand by time of 12 hours; and 3) purchase and configuration of preset voice dialing to allow for "speed dial" outbound calls.*The cost associated with this upgrade is approximately \$4,500. *To be completed 1Q2011.</p>	
<p>vii. Co-host a compliance workshop, along with Texas RE, for other registered entities. Will work with Texas RE in providing a venue, preparing an agenda and getting speakers for the workshop.</p>	<p>2011</p>

21. In order to facilitate Texas RE's need to communicate the status and provide accountability to the ERO (NERC), Stanton Wind will provide updates quarterly or more frequently, upon request by Texas RE, Stanton Wind will submit these status updates to Texas RE in accordance with the confidentiality provisions of Section 1500 of the NERC Rules of Procedure.
22. It is understood that Texas RE shall audit the progress of mitigation plans and any other remedies of this Agreement, including, but not limited to site inspection, interviews, and request other documentation to validate progress and/or completion of the mitigation plans and any other remedies of this Agreement. Texas RE shall reasonably coordinate audits and information requests with Stanton Wind related to this Agreement.
23. Texas RE also considered the specific facts and circumstances of the violations and Stanton Wind's actions in response to the violations in determining a proposed penalty that meets the requirement in Section 215 of the Federal Power Act that "[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of Stanton Wind to remedy the violation in a timely manner."¹ The factors considered by Texas RE in the determination of the appropriate penalty are set forth in Section V of the Disposition Document.
24. For purposes of settling any and all disputes arising from Stanton Wind's spot check, Texas RE and Stanton Wind agree that after the effective date of this Agreement, Stanton Wind will pay to Texas RE a monetary penalty in the amount of \$35,000 for the alleged violation.
25. Stanton Wind shall pay to Texas RE the penalty of \$35,000 within twenty (20) days after this Agreement is approved by NERC and approved by the Federal Energy Regulatory Commission (the Commission) through an order or by operation of law. Texas RE shall notify NERC if the payment is not timely received.
26. Any failure by Stanton Wind to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Agreement shall be deemed to be either the same alleged violations that initiated this Settlement and/or additional violation(s) and may subject Stanton Wind to new or

¹16 U.S.C. § 824o(e)(6).

additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.

27. If Stanton Wind does not make the monetary penalty payment above by the date agreed by the parties herein, interest payable to Texas RE will begin to accrue, pursuant to the Commission's regulations at 18 C.F.R. §35.19(a)(2)(iii), from the date that payment is due, in addition to the penalty specified above.

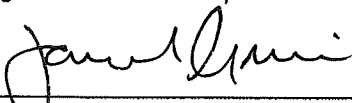
V. ADDITIONAL TERMS

28. The signatories to the Settlement Agreement agree that they enter into the Settlement Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of Texas RE or Stanton Wind has been made to induce the signatories or any other party to enter into the Settlement Agreement.
29. Texas RE shall report the terms of all settlements of compliance matters to NERC. NERC will review the settlement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the settlement or reject the settlement and notify Texas RE and Stanton Wind of changes to the settlement that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection and the Texas RE will attempt to negotiate a revised settlement agreement with Stanton Wind including any changes to the settlement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the settlement, NERC will (i) report the approved settlement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the settlement.
30. This Agreement shall become effective upon NERC approval and the Commission's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
31. Stanton Wind agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and Stanton Wind waives its right to further hearings and appeal, unless and only to the extent that Stanton Wind contends that any NERC or Commission action on the Agreement contains one or more material modifications to the Agreement. Texas RE reserves all rights to initiate enforcement, penalty or sanction actions against Stanton Wind in accordance with the NERC Rules of Procedure in the event that Stanton Wind fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event Stanton Wind fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, Texas RE will initiate enforcement, penalty, or sanction actions against Stanton Wind to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Stanton Wind shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
32. Stanton Wind consents to the use of Texas RE's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors,

including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Texas RE; provided, however, that Stanton Wind does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or Texas RE, nor does Stanton Wind consent to the use of this Agreement by any other party in any other action or proceeding.

33. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
34. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by such party in express reliance on those representations. The Agreement may be signed in counterparts.
35. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

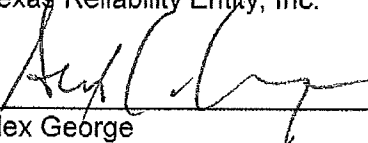
Agreed to and accepted:



Larry D. Grimm
President & CEO
Texas Reliability Entity, Inc.

1/5/11

Date



Alex George
Vice President
Stanton Wind Energy LLC

1/4/11

Date



Disposition Document

DISPOSITION OF VIOLATION¹
Dated January 5, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
TRE200800048	TRE200800048	NOC-272

REGISTERED ENTITY Stanton Wind Energy, LLC (“Stanton Wind”)	NERC REGISTRY ID NCR10224
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REGIONAL ENTITY
Texas Reliability Entity, Inc. (“Texas RE”)²

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X											
		2/8/08	2/8/08											

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

Stanton Wind is a 120 MW wind power facility operated by Invenergy Services LLC. Fulcrum Power Services LP³ acts as agent for some of the Generator

¹ For purposes of this document and attachments hereto, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² NERC delegated authority to Texas Reliability Entity, Inc. to become the regional entity for the Electric Reliability Council of Texas, Inc. (ERCOT) region effective July 1, 2010, pursuant to Section 215(e)(4) of the Federal Power Act. NERC also delegated to Texas Reliability Entity, Inc. the authority and responsibility for the continuation of all compliance monitoring and enforcement activities that it had previously delegated to Texas Regional Entity (a division of Electric Reliability Council of Texas, Inc.). The term “Texas RE” is used herein to refer to both Texas Regional Entity and Texas Reliability Entity, Inc.

³ Invenergy is not NERC registered but does own wind plants in the Texas RE region and other regions. Invenergy has broken up its registration by plant or facility location and each of Invenergy’s plants have separate registrations as a GOP. Fulcrum acts as Stanton Wind’s Qualified Scheduling Entity (QSE). In the Texas RE region, the QSE acts as the communicator between the plants and ERCOT ISO. So when ERCOT ISO attempted to get a directive out, it was Fulcrum that was contacted. Although Fulcrum performs the requirements of a GOP for the plant at issue in this violation, the plant is Stanton Wind’s responsibility. Therefore, the violation was assessed to Stanton Wind.

Operator requirements of Invenergy Services LLC. In this capacity, Fulcrum Power Services LP performs requirements of a GOP.⁴

Stanton Wind is operated by Stanton Wind Holdings, a subsidiary of the wind developer Invenergy Wind North America. The remaining shares are held by a unit of General Electric, GE Energy Financial Services, and the Invenergy group. Stanton Wind employs 80 GE 1.5-MW wind turbines and annually produces power sufficient for 37,000 homes.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
COM-002-2	1		High	High

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of COM-002-2 provides: “To ensure Balancing Authorities, Transmission Operators, and Generator Operators have adequate communications and that these communications capabilities are staffed and available for addressing a real-time emergency condition. To ensure communications by operating personnel are effective.”

COM-002-2 R1 provides:

“Each Transmission Operator, Balancing Authority, and Generator Operator shall have communications (voice and data links) with appropriate Reliability Coordinators, Balancing Authorities, and Transmission Operators. Such communications shall be staffed and available for addressing a real-time emergency condition.”

VIOLATION DESCRIPTION

On August 18, 2008, Texas RE issued a Spot Check notice to Stanton Wind based on communication issues derived from a Special Protection System (SPS) event on May 19, 2008.

On May 19, 2008, ERCOT ISO made five (5) attempts to issue a verbal dispatch instruction (VDI) for Stanton Wind to maintain generation below a SPS limit in order to prevent operation of the SPS. ERCOT ISO made one (1) attempt to contact appropriate personnel via the Stanton Wind designated control room phone as well as four (4) to other alternate phone numbers and received no answer. The sequence of ERCOT ISO telephone calls included the following:

⁴ All of the mitigation documents on the entity side were prepared by Fulcrum but the Settlement Agreement was signed by Stanton Wind.

Attempt 1: At 02:48:35, an ERCOT ISO Operator called Invenergy, at the Fulcrum site, which was not operational, and was forwarded to a voice mail system. This attempt was to the Stanton Wind designated control room phone.

- **Attempt 2:** At 02:49:34, an ERCOT ISO Operator called another phone line at the Fulcrum site and received a busy signal.
- **Attempt 3:** At 02:50:35, an ERCOT ISO Operator called the Fulcrum site, and was forwarded to a voice mail system. The ERCOT ISO Operator called the same number that was called at 02:49:34.
- **Attempt 4:** At 02:51:21, an ERCOT ISO Operator called the Fulcrum site, again and received a busy signal. The ERCOT ISO Operator called the same number that was called at 02:49:34 and 02:50:35.
- **Attempt 5:** At 02:51:48, an ERCOT ISO Operator called the Fulcrum QSE at the Fulcrum site and received no answer.

Upon failing to reach an operator for the Stanton Wind facility, ERCOT ISO dispatched an electronic instruction in the form of an Out Of Merit Energy Instruction (OOME) at 02:51:11 before the SPS eventually activated at 02:52:04.

On September 8, 2008, Stanton Wind supplied documentation to Texas RE in response to the August 18, 2008 Spot Check notice. The evidence reviewed by Texas RE included voice and operator logs showing that on May 19, 2008, ERCOT ISO made five (5) attempts to issue a VDI for Stanton Wind to maintain generation below a SPS limit in order to prevent operation of the SPS. As a Generator Operator, Stanton Wind did not have staff available during this time period to respond to the Reliability Coordinator's directive to address a real time reliability issue, as required by COM-002-2 R1.

The Spot Check resulted in a violation for Stanton Wind, upon which Enforcement concurred with the Spot Check findings.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

Texas RE determined that the violation did not pose a serious or substantial risk to the bulk power system (BPS) because Stanton Wind represented a small amount of generation at the time of the event. The activation of the SPS prevented further loss to the system. Stanton Wind was able to demonstrate that communications (voice and data links) with appropriate Reliability Coordinators, Balancing Authorities, and Transmission Operator were in place but were not adequately staffed.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
ADMITS TO IT YES

DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S) **5/19/08 (the day of the event)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **9/8/08**

IS THE VIOLATION STILL OCCURRING YES NO
 IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
 PRE TO POST JUNE 18, 2007 VIOLATION YES NO

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-08-1409**
 DATE SUBMITTED TO REGIONAL ENTITY **11/11/08**
 DATE ACCEPTED BY REGIONAL ENTITY **2/2/09**
 DATE APPROVED BY NERC **2/25/09**
 DATE PROVIDED TO FEREC **2/27/09**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	Submitted as complete
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	11/11/08

DATE OF CERTIFICATION LETTER	3/10/09
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	11/11/08

DATE OF VERIFICATION LETTER	9/16/09
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	11/11/08

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

Stanton Wind conducted training on NERC Reliability Standards for real-time desk employees of its operating agents. Stanton Wind also updated its operations’ manual to reflect the importance of adhering to NERC Reliability Standards and ERCOT Operating guides. A procedure has been created that requires real-time operations personnel to make ERCOT OPX and hotline calls to take priority over other incoming phone calls. Stanton Wind stated that its operating agent will internally test the telecommunications system on a quarterly basis to ensure that redundancy that is in place will function properly. Stanton Wind will perform periodic spot checks, on the operating agent’s real-time staff, to ensure personnel are available at all times.

As part of the Settlement Agreement, Stanton Wind agreed to complete other mitigating and above and beyond actions, as discussed in section IV, paragraph 20 of the Settlement Agreement.⁵

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

Texas RE reviewed the updated procedures and policies submitted by the entity. Texas RE also reviewed records of meetings where employees were trained on the importance of following NERC Reliability Standards and ERCOT ISO directives.

⁵ Activities i through vi have been completed.

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$35,000** FOR ONE VIOLATION OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

October 14, 2009, NERC submitted an Omnibus filing under NP10-2-000 which addressed violations for certain registered entities including two violations of CIP-001-1 R4 and PRC-005-1 R2 for Hardee Power Partners Limited and a violation of VAR-002-1 R1 for Judith Gap Energy LLC, both owned and operated by Invenergy in the FRCC and WECC regions, respectively. On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty.

A Settlement Agreement covering violations of PRC-005-1 R1 and R2 for Hardee Power Partners Limited (NOC-180) was filed with FERC under NP11-23-000 on November 30, 2010. On December 30, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

A Notice of Confirmed Violation covering a violation of TOP-003-0 R1 for Forward Energy, LLC, also owned and operated by Invenergy in the MRO region (NOC-654) was filed with FERC under NP11-45-000 on November 30, 2010. On December 30, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

Concurrently being filed is a Settlement Agreement covering a violation of CIP-001-1 R4 for Scurry County Wind, LP, also owned and operated by Invenergy in the Texas RE region.

Texas RE determined that these prior violations should not serve as a basis for aggravating the penalty because they involved standards that are not the same or similar to the instant standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

FULL COOPERATION IF NO, EXPLAIN YES NO

(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM YES NO UNDETERMINED
EXPLAIN

The internal compliance program (ICP) was reviewed. Texas RE determined that at the time of the violation, Stanton Wind did not have an ICP worthy of any credit, so it was not a consideration in determining the penalty.

Stanton Wind has since instituted an improved ICP. The Senior Manager reviews and approves the Policy and Procedure documents used to administer the corporate compliance program. The corporate program documents outline the policy and procedures for establishment of the compliance programs at each generating facility as well as the reporting relationships within the organization. These documents were generated by the Invenergy Compliance Manager, a position created to provide compliance guidance to Invenergy assets. The Compliance Manager reports directly to the Senior Manager. Invenergy Wind created and filled a full-time compliance manager position on December 1, 2009 to assist plant operations personnel understand their responsibilities for compliance with NERC Reliability Standards. The compliance manager subsequently has updated its compliance program and process, effective February 26, 2010, for all Invenergy Wind-affiliate generating facilities. The compliance manager also has instituted monthly compliance meetings, the first of which took place on January 19, 2010, which include all

operating Invenenergy Wind-affiliate generating facilities. The routine meetings facilitate the sharing of information among diverse regions and helps establish best practices for use at each generating facility. The compliance program also provides template documents for use at all affiliate generating facilities. These procedures were recently reviewed, updated, and re-formatted to contain additional information to assist operations personnel in maintaining Standards compliance. The facility implementation is scheduled to be complete in the fourth quarter of 2010. Routine internal certifications, intended to stimulate review of facility performance and compliance with Standards, are also included in the compliance program.

EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.
See above.

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES NO
IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT

Texas RE's Preliminary Notice of Alleged Violation issued to Stanton Wind dated September 24, 2008

MITIGATION PLAN

Stanton Wind's Mitigation Plan submitted November 11, 2008

CERTIFICATION BY REGISTERED ENTITY

Stanton Wind's Certification of Mitigation Plan Completion dated March 10, 2009

VERIFICATION BY REGIONAL ENTITY

Texas RE's Verification of Mitigation Plan Completion dated September 16, 2009

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED

DATE: **8/20/09** OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **9/8/09** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED
YES NO
DATE
OUTCOME
APPEAL REQUESTED

Attachment b

**Texas RE's Request for Proposal ("RFP") for "Xcel Wind"
'issued to Stanton Wind dated August 14, 2014:**

CONFIDENTIAL

Preliminary Notice of Alleged Violation

Date: September 24, 2008

Issued To: Stanton Wind Energy, LLC
Laura Miner
Asset Manager

Notification Number(s): TRE2008000048
Regional Entity Reference Number: NCR10224

Alleged Violation(s) of Requirement(s) of Reliability Standards Approved by the Applicable Governmental Authority

Reliability standard(s) allegedly violated: COM-002-2

Requirement(s) allegedly violated: R1

Discovery method of alleged violation: Spot Check

Date and time the alleged violation occurred or was discovered: May 19th, 2008 02:45 – 03:15

Evidence of alleged violation:

Stanton Wind Energy, LLC is hereby notified that Texas Regional Entity (Texas RE) alleges that on May 19, 2008 Stanton Wind Energy, LLC, which at the time was registered as a Generator Operator (GOP) under the NERC Compliance Registry, did not comply or was not in compliance with the above requirement(s) of the NERC Reliability Standards.

On May 19, 2008, in an effort to give a verbal dispatch instruction for Stanton Wind Farm to lower or maintain generation to prevent operation of a Special Protection System (SPS) event, ERCOT (ISO) made 5 attempts to contact appropriate personnel and received no answer. ERCOT (ISO) then attempted to send a dispatch instruction in the form of an Out Of Merit Energy Instruction (OOME) right before the SPS eventually activated. As a GOP, it appears that Stanton Wind Energy, LLC, did not have staff available during this time period to address a real time issue.

COM-002-2, R1 specifies each Transmission Operator, Balancing Authority, and Generator Operator shall have communications (voice and data links) with appropriate Reliability Coordinators, Balancing Authorities, and Transmission Operators. Such communications shall be staffed and available for addressing a real-time emergency condition.

R1.1. Each Balancing Authority and Transmission Operator shall notify its Reliability Coordinator, and all other potentially affected Balancing Authorities and Transmission

Operators through predetermined communication paths of any condition that could threaten the reliability of its area or when firm load shedding is anticipated.

This notice will be followed with a formal notice which will include a proposed penalty and/or sanction and will describe the due process available to Stanton Wind Energy, LLC if you choose to contest this finding. Please send a proposed mitigation plan to correct the Alleged Violation to mitigation@texasre.org within 30 days of this notice.

If you feel that this notification is error or have any questions, please contact Mark Henry at (512)225-7021 or e-mail at Mark.Henry@TexasRE.org.

Respectfully submitted,



Mark Henry
Manager, Compliance Review & Verification
Texas Regional Entity
(512) 225-7021
Email: Mark.Henry@TexasRE.org

cc: Victor Barry, Texas Regional Entity
David Bueche, Texas Regional Entity

Attachment c

**Stanton Wind's Mitigation Plan MIT-08-1409 for
COM-002-2 R1 submitted November 11, 2008**

Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: November 11, 2008

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan: [November 11, 2008](#)

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- This submittal form may be used to provide a required Mitigation Plan for review and approval by Texas Regional Entity (Texas RE) and NERC.
- The Mitigation Plan shall be submitted to the Texas RE and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.

- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by Texas RE and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- Texas RE or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: [Stanton Wind Farm LLC](#)
Company Address: [1 South Wacker Drive, Ste 2020](#)
[Chicago IL 60606](#)

NERC Compliance Registry ID [*if known*]:

B.2 Identify the individual in your organization who will serve as the Contact to Texas RE regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Texas RE regarding this Mitigation Plan.

Name: [Chris Ray](#)
Title: [Vice President](#)
[Fulcrum Power Services, LP](#)
[Agent for Stanton Wind Farm LLC](#)
[5120 Woodway, Ste 10010](#)
[Houston, TX 77056](#)
Email: cray@fulcrumpower.com
Phone: [713-297-4528](tel:713-297-4528)
CC: [James Rafferty](#)
Email: jrafferty@invenergyllc.com
CC: [Eddie Perez](#)
Email: eperez@invenergyllc.com

Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following [alleged](#) violation(s) of the reliability standard listed below:

C.1 Standard: COM-002-2

C.2 Requirement(s) **allegedly** violated and **alleged** violation dates:

NERC Violation ID # [if known]	Texas RE Violation ID # [if known]	Requirement Violated (**) (e.g. R3.2)	Violation Date ^(*)
TRE2008000048	NCR10224	R1	5/19/2008

(*) Note: The Violation Date shall be: (i) the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by Texas RE. Questions regarding the date to use should be directed to the Texas RE.

(**) Requirement Allegedly Violated

C.3 Identify the cause of the violation(s) identified above:

On May 19, 2008 the Fulcrum Power operations personnel on duty to support Fulcrum's QSE operations failed to answer the phone over a five minute period on behalf of the Invenergy Stanton QSE.

C.4 Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

- 1) The Fulcrum employee who was on duty at the time of the alleged violation is no longer with the company.
- 2) Given the amount of time between the initial OPX call and the actual SPS trigger, it is improbable that Stanton Wind Farm would have been able to respond quickly enough to avoid the SPS event.

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

- 1) **Fulcrum has instituted a zero tolerance policy for employees who fail to follow official procedure.**

Any activity by Fulcrum personnel resulting in a direct violation of the NERC Reliability Standards and/or the ERCOT Operating Guides is grounds for termination. Specifically, this includes any failure to answer or be available to answer the OPX and Hotlines at all times.

- 2) **Fulcrum scheduled one-on-one 24 hour real-time desk employee training on NERC Reliability Standards and ERCOT Operating Guides.**

Individual meetings for certain real time employees have taken place and additional meetings are scheduled. Chris Ray, Vice President and Brian Tyson, Manager, Real Time Operations are reviewing the Real Time Operations Manual with each employee and have and continue to stress the consequences of non-compliance.

- 3) **Fulcrum has updated the Fulcrum Real-Time Operations Manual to reflect the importance of adhering to all NERC Reliability Standards and ERCOT Operating Guides.**

A copy of the NERC Reliability Standards for GOPs has been included in the Real-Time Operations Manual along with a description of employee responsibilities as they relate to the Reliability Standards.

- 4) **ERCOT OPX and Hotline calls will take precedence over other incoming phone calls.**

Fulcrum has created a procedure which requires real-time operations personnel to make Hotline calls a number one priority when responding to multiple market related communications.

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]

Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

At Fulcrum, we empower key managers and employees to work directly with ERCOT and our customers. The officers of the company are focused on strategic matters and business development for the company, however, each and every person at Fulcrum is very concerned with the success of our individual customers and seeks to deliver the highest quality service by understanding the rules of the market and executing within those parameters. The foundation of our company is the provision of energy management services, and we fully realize that if Fulcrum falls short in any capacity, particularly in regards to reliability standards, we jeopardize the success of our core business. Steps are being taken in the Mitigation Plan as outlined in Part D to ensure, without a doubt, that every employee in the organization understands adherence to the NERC Reliability Standards and ERCOT Operating Guides is mandatory, thus minimizing, with the goal of eradicating, the possibility of any future incidents.

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

- 1) As part of Fulcrums ongoing compliance efforts, on Thursday, November 5, 2008, Chris Ray attended the Texas Regional Entity Standards and Compliance Workshop held in Austin.

- 2) On a quarterly basis, beginning in January 2009, Fulcrum Power will internally test the telecommunications system including the phone lines for all of the Fulcrum managed QSEs to ensure the redundancy put in place continues to function properly and that no hotline is rolling to voicemail. Fulcrum Power will contact ERCOT to ask them to test the hotline as well.
- 3) Invenergy Corporate and Plant Operations staff will perform periodic spot checks on Fulcrum's 24 hour real-time staff to ensure operations personnel are available at all times.

Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, Texas RE for acceptance by Texas RE and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Executive Vice President of Fulcrum Power Services L.P.
 2. I am qualified to sign this Mitigation Plan on behalf of Fulcrum Power Services L.P.
 3. I have read and understand Fulcrum Power Services, L.P.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Fulcrum Power Services, L.P. agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by Texas RE and approved by NERC.

Authorized Individual Signature



(Electronic signatures are acceptable; see CMEP)

Name (Print): Kimberly Casey

Title: Authorized Representative of Fulcrum Energy LLC, General Partner of Fulcrum Power Services L.P.

Date: 11/11/08

Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

Fulcrum Power Services acts as agent for the QSE operations of Invenergy Stanton (SQ3), the QSE for Stanton Wind Energy, LLC. In this capacity, Fulcrum performs all of the requirements of a QSE, including, but not limited to, submitting generation schedules, resource plans, balancing energy bids, and outage schedules, as well as receiving balancing or out-of-merit instructions and appropriately communicating such instructions to Stanton Wind Energy, LLC.

Fulcrum maintains a 24-hour, 365-day operations facility at the company's main office, as well as a backup disaster recovery facility at CyrusOne in Houston, TX. The QSE operators are on duty around the clock, with a schedule that typically consists of two operators from 6:00 AM until midnight on weekdays, and one person on nights, weekends, and holidays. Through its 24-hour operations, Fulcrum manages nine Level 3 & 4 QSEs with wind, simple-cycle gas, and combined-cycle gas generation.

Fulcrum maintains three OPX lines and three hotlines between Fulcrum's primary and disaster recovery site and ERCOT's primary and backup sites, for a total of 24 direct lines with ERCOT. These lines are delivered to analog telephones via a POTS line to the operations centers, and are also simultaneously delivered to the PBX system. As a result, the lines are more easily answered and are automatically recorded, but in the event of a failure of the PBX system the analog phones can still be used. These lines have been successfully tested with ERCOT's telecommunications department, which verified the lines are in place and operating appropriately. Additionally, the phone records of ERCOT's operations center that demonstrate these lines have been answered, as well as Fulcrum's electronic recordings of these lines, should further verify that the lines are in place and operating correctly. One set of lines is for the Invenergy QSEs, including Invenergy North America QSE, Camp Springs I (SQ1), Camp Springs II (SQ2), Stanton Wind Energy (SQ3), and McAdoo Wind (SQ4).

In summary, Fulcrum Power, on behalf of the QSEs it represents, has the existing infrastructure in place to meet the requirements of the ERCOT Operation Guide and the NERC Reliability Standards. Fulcrum has:

- A 24 hour operations desk staffed continuously;
- OPX and Hotline voice circuits transported on separate channels;
- Dedicated OPX and Hotline circuits for each of the QSEs it represents, including the Invenergy QSE;
- OPX and Hotline circuits delivered to the operations desk via analog telephones, while the circuits are also forwarded to the PBX system, the forwarding keeps the

analog circuits that also go to the operations desk intact, rendering the PBX connection supplemental, and not in place of, the analog lines;

- The PBX line does not have an automatic transfer or roll to voicemail feature.

Submit completed and signed forms to mitigation@texasre.org

Please direct any questions regarding completion of this form to:

Texas Regional Entity
Rashida Williams
512-225-7056
rashida.williams@texasre.org

Attachment d

Stanton Wind's Certification of Mitigation Plan Completion dated March 10, 2009



March 10, 2009

Jeff Whitmer
Texas Regional Entity
7620 Metro Center Drive
Austin, TX 78744

RE: Stanton Wind Energy, LLC Mitigation Plan

Dear Mr. Whitmer:

Pursuant to your February 2, 2009 letter stating the Texas Regional Entity's acceptance of Stanton Wind's mitigation plan for NERC Violation TRE2008000048, this letter is to certify that all items in the mitigation plan have been completed.

If you have any additional questions, please feel free to contact me at 7132-297-4528, or by email at cray@fulcrumpower.com.

Sincerely,

A handwritten signature in blue ink that reads "Chris Ray". The signature is written in a cursive, flowing style.

Chris Ray
Sr. Director
Fulcrum Power Marketing, LLC

Attachment e

Texas RE's Verification of Mitigation Plan Completion dated September 16, 2009

September 16, 2009

Stanton Wind Energy, LLC
NERC ID#: NCR10224
Violation Number(s): TRE200800048

Re: Texas Regional Entity (Texas RE) Mitigation Plan Verification of Completion

Stanton Wind Energy, LLC:

As a result of a Spot Check opened on August 18, 2008, it was determined that Stanton Wind Energy, LLC ("Stanton Wind") did not have staff available to address real-time issues during a May 19, 2008 incident. During this incident, ERCOT (ISO) made five (5) attempts to issue a Verbal Dispatch Instruction to Stanton Wind in an effort to prevent a Special Protection System ("SPS") from triggering, but received no answer from the entity. ERCOT (ISO) then attempted to issue the dispatch instruction via an Out Of Merit Energy Instruction, but shortly thereafter, the SPS activated.

Stanton Wind Energy, LLC certified that the mitigation plan for this violation was completed as of November 11, 2008. Stanton Wind submitted their updated procedures stressing the importance and precedence of following ERCOT (ISO) directives and all NERC Reliability Standards at all times. Stanton Wind has also submitted their policy of zero-tolerance for employees who violate these official procedures. Finally, Stanton Wind also provided Texas RE with records of mandatory meetings in which employees were trained on the importance of following ERCOT (ISO) Protocols and NERC Reliability Standards. Texas RE has reviewed these documents and verified that Stanton Wind has taken the appropriate measures to remain compliant with COM-002-2, R1.

Based on evidence presented by Stanton Wind Energy, LLC and reviewed by Texas RE on September 15, 2009, this letter confirms the above mentioned mitigation plans are complete.

If you have any questions, please feel free to contact Andy Oliver at (512) 275-7542 or via e-mail at Andy.Oliver@TexasRE.org.

Respectfully submitted,

Jeff Whitmer
Texas Regional Entity
Manager, Compliance Enforcement

Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Stanton Wind Energy, LLC

Docket No. NP11-____-000

NOTICE OF FILING
January 31, 2011

Take notice that on January 31, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Stanton Wind Energy, LLC in the Texas Reliability Entity, Inc. region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary