



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

April 29, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding Grays Harbor 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 Grays Harbor Energy LLC (GHE). This NOP includes information and details regarding the nature and resolution of the violations<sup>1</sup> discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Documents (Attachment b), 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)).<sup>2</sup>

This NOP is being filed with the Commission because Western Electricity Coordinating Council (WECC) and GHE have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the violations of PRC-005-1 Requirement (R) 1 and TOP-003-0 R1. According to the Settlement Agreement, GHE neither admits nor denies that its actions or inactions constitute violations of the subject Reliability Standards and has agreed to the assessed penalty of sixteen-thousand five-hundred and fifty dollars (\$16,550), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC200902062 and

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<sup>1</sup> 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.

<sup>2</sup> *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).

WECC201002074 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

**Statement of Findings Underlying the Violations**

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on January 24, 2011, by and between WECC and GHE. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. 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-773	WECC200902062	PRC-005-1	1	High <sup>3</sup>	2/1/08-7/30/10	16,550
	WECC201002074	TOP-003-0	1	Medium <sup>4</sup>	3/1/09-8/13/10	

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

PRC-005-1 R1 - OVERVIEW

GHE discovered its noncompliance with this Standard on June 22, 2010 while conducting an internal review, and submitted a Self-Report on June 30, 2010. WECC determined that GHE, as a Generator Owner, did not have a maintenance and testing plan including intervals, basis for intervals, or a summary of maintenance and testing procedures.

TOP-003-0 R1 - OVERVIEW

On April 30, 2010, WECC notified GHE that WECC was initiating the Self-Certification process with GHE’s Self-Certification due by July 20, 2010. GHE submitted its Self-Certification on July 16, 2010. WECC determined that GHE, as a Generator Operator, did not notify its Transmission Operator during a planned outage, and did not have an established method to notify its Transmission Operator of intended outages.

<sup>3</sup> When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

<sup>4</sup> When NERC filed VRFs for TOP-003-0, NERC originally assigned a “Medium” VRF to TOP-003-0 Requirement R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed the modified “<blank>” VRF for TOP-003-0 R1 for approval. On August 6, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 6, 2007 and the “<blank>” VRF has been in effect since August 6, 2007. TOP-003-0 R1.1, R1.2 and R1.3 each has a “Medium” VRF.

## Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>5</sup>

### 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,<sup>6</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on April 11, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of a sixteen-thousand five-hundred and fifty dollar (\$16,550) financial penalty against GHE 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 violations at issue.

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

1. the violations constituted GHE's first occurrence of violation of the subject NERC Reliability Standards;<sup>7</sup>
2. GHE self-reported the PRC-005-1 R1 violation;
3. WECC reported that GHE was cooperative throughout the compliance enforcement process;
4. GHE had a compliance program at the time of the violation which WECC considered a mitigating factor, as discussed in the Disposition Documents;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. WECC determined that the violations posed a minimal risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
7. WECC 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 approved the Settlement Agreement and believes that the assessed penalty of sixteen-thousand five-hundred and fifty dollars (\$16,550) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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<sup>5</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>6</sup> *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).

<sup>7</sup> GHE's affiliates' violations, which were not considered aggravating factors in determining the penalty amount, are identified and addressed in the Disposition Document.

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.

**Attachments to be included as Part of this Notice of Penalty**

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

- a) Settlement Agreement by and between WECC and GHE executed January 24, 2011, included as Attachment a;
- b) Disposition Document for Common Information, included as Attachment b;
  - i. Disposition Document for PRC-005-1 R1, included as Attachment b.1; and
  - ii. Disposition Document for TOP-003-0 R1, included as Attachment b.2.
- c) Record Documents for PRC-005-1 R1:
  - i. GHE's Self-Reporting Form for PRC-005-1 R1 submitted June 30, 2010, included as Attachment c.1;
  - ii. GHE's Mitigation Plan MIT-10-2824 for PRC-005-1 R1 submitted July 1, 2010, included as Attachment c.2;
  - iii. GHE's Certification of Mitigation Plan Completion for PRC-005-1 R1 dated September 17, 2010, included as Attachment c.3; and
  - iv. WECC's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated October 22, 2010, included as Attachment c.4.
- d) Record Documents for TOP-003-0 R1:
  - i. GHE's Self-Certification Form for TOP-003-0 R1 submitted July 16, 2010, included as Attachment d.1;
  - ii. GHE's Mitigation Plan MIT-09-2866 for TOP-003-0 R1 submitted July 26, 2010, included as Attachment d.2;
  - iii. GHE's Certification of Mitigation Plan Completion for TOP-003-0 R1 dated October 12, 2010, included as Attachment d.3; and
  - iv. WECC's Verification of Mitigation Plan Completion for TOP-003-0 R1 dated October 27, 2010, included as Attachment d.4.

**A Form of Notice Suitable for Publication<sup>8</sup>**

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

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<sup>8</sup> 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>Mark Maher* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (360) 713-9598 (801) 582-3918 – facsimile Mark@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6855 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters 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>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Alex George* VP Asset Management &amp; Operations Grays Harbor Energy LLC 1 South Wacker Drive, Suite 1900 Chicago, IL 60606 (312)582-1415 ageorge@invenergyllc.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>
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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  
Associate General Counsel for Corporate  
and Regulatory Matters  
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

cc: Grays Harbor Energy LLC  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

# **Settlement Agreement by and between WECC and GHE executed January 24, 2011**

**SETTLEMENT AGREEMENT**  
**OF**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**  
**AND**  
**GRAYS HARBOR ENERGY LLC**

Western Electricity Coordinating Council ("WECC") and Grays Harbor Energy LLC ("GHE")(collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 24 day of JAN, 2011.

**RECITALS**

A. The Parties desire to enter into this Agreement to resolve all outstanding issues between them arising from a non-public, preliminary assessment of GHE by WECC that resulted in certain WECC determinations and findings regarding what were two GHE Alleged Violations of the following North American Electric Reliability Corporation ("NERC") Reliability Standards ("Reliability Standards" or "Standards"):

WECC200902062	PRC-005-1 R1	<i>Transmission and Generation Protection System Maintenance and Testing</i>
WECC201002074	TOP-003-0 R3	<i>Planned Outage Coordination</i>

B. GHE is a Delaware limited liability company. Its principal offices are located in Chicago, Illinois. GHE's combustion turbines have a maximum capacity of approximately 620 MWs. GHE was registered on the NERC Compliance Registry on September 12, 2007 as a Generator Operator and Generator Owner.

C. WECC was formed on April 18, 2002 by the merger of the Western Systems Coordinating Council, Southwest Regional Transmission Association, and Western Regional Transmission Association. WECC is one of eight Regional Entities in the United States responsible for coordinating and promoting electric system reliability and enforcing the mandatory Reliability Standards created by NERC under the authority granted in Section 215 of the Federal Power Act. In addition, WECC supports efficient competitive power markets, assures open and non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members. WECC's region encompasses a vast area of nearly 1.8 million square miles extending from Canada to Mexico and including 14 western states. It is the largest and most diverse of the eight Regional Entities in the United States.

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Thus, for the purposes of this agreement, GHE agrees that the violations addressed herein



will be treated as Confirmed Violations as defined in the CMEP. However, GHE neither admits nor denies that its actions or non-actions constitute violations of the NERC Reliability Standards addressed herein.

Nothing contained in this Agreement shall be construed as a waiver of either Party's rights, except as otherwise contained herein. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating GHE for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against GHE for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure.

Defined terms used but not defined herein shall be as defined in the Reliability Standards.

NOW, THEREFORE, in consideration of the terms set forth herein WECC and GHE hereby agree and stipulate to the following:

#### **I. Confirmed Violations**

##### **A. NERC Reliability Standard PRC-005-1, Requirement 1**

**PRC-005-1 R1:** *Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:*

**R1.1:** *Maintenance and testing intervals and their basis.*

**R1.2:** *Summary of maintenance and testing procedures.*

GHE is subject to this Standard because it was registered on the NERC Compliance Registry on September 12, 2007 as a Generator Owner. On August 4, 2008, GHE self-certified it was compliant with this Standard. On July 8, 2009, GHE self-certified that it was compliant with this Standard. However, on June 22, 2010, while conducting an internal review, GHE discovered possible noncompliance with this Standard. On June 30, 2010, GHE submitted a Self-Report addressing its possible noncompliance. GHE stated in the Self-Report its corporate compliance manager reviewed GHE's Computerized Maintenance Management System and determined "adequate test intervals and basis for intervals were not documented within the system." GHE further stated that although it has been registered since June 2007 on the NERC Compliance Registry, its generating facility did not begin commercial operation until July 2008.

A WECC subject matter expert ("SME") reviewed the Self-Report. On July 12, 2010, the SME requested additional information from GHE. GHE responded on July 19, 2010.

The SME determined GHE used a third-party Maintenance and Testing Plan, but had not adopted such plan as GHE's own program. The SME determined GHE did maintain and test its protective devices, however the SME determined GHE did not have a

maintenance and testing plan, including intervals (and a basis for such intervals) and a summary of maintenance and testing procedures. Thus, the SME determined GHE had a possible violation of PRC-005-1 R1. Based on the historical facts outlined above, the SME determined GHE's noncompliance started February 1, 2008. The SME forwarded the Self-Report and the SME's findings to the WECC Compliance Enforcement Department ("Enforcement").

Enforcement reviewed the Self-Report and the SME's findings, including the SME's request for additional information and GHE's response to the request. According to the Self-Report, GHE's Computerized Maintenance Management System "was not fully operational for some time after commissioning of the facility" and GHE "personnel...assumed the descriptions of maintenance and testing intervals listed" in GHE's Computerized Maintenance Management System "would be sufficient." Enforcement affirmed the SME's findings that GHE did not have a maintenance and testing plan including intervals, basis for intervals, or a summary of maintenance and testing procedures. Enforcement determined GHE's failure to have such a plan is an Alleged Violation of PRC-005-1 R1, including R1.1 and R1.2.

On July 1, 2010, GHE submitted a mitigation plan to address this violation. This mitigation plan included an expected completion date of July 30, 2010. To mitigate this violation, according to the mitigation plan, GHE planned to "implement [a] Standard PRC-005 Program at site" and "generate a new list of compliance activities associated with protection system equipment." GHE stated on the mitigation plan its "documented program...is available in template form to the Facility and is currently being updated and authorized for use." GHE further stated "completion of the plan will ensure Grays Harbor personnel have the proper documentation required by the Standard and have properly documented maintenance intervals and plans for Protection System equipment."

WECC reviewed the mitigation plan. WECC determined GHE adequately described the cause of the violation and took appropriate actions, as outlined above, to mitigate the violation. Therefore, WECC accepted the mitigation plan. On September 10, 2010, WECC notified GHE of this acceptance.

On September 17, 2010, GHE certified it completed the actions outlined in the mitigation plan as of July 30, 2010. WECC reviewed GHE's PRC-005 maintenance and testing plan. During the review, a WECC SME conducted a phone interview with a GHE representative. WECC determined the maintenance and testing plan includes GHE's protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC Control Circuitry. WECC verified the maintenance and testing plan includes maintenance and testing intervals, basis for such intervals, and a summary of maintenance and testing procedures. Therefore, WECC accepted the mitigation plan. On October 22, 2010, WECC notified GHE of this acceptance.

Thus, GHE was in violation of this Standard from February 1, 2008 (the date the first GHE generator went online, synchronous with the Interconnection) to July 30, 2010 (the date GHE completed all actions outlined in its mitigation plan).

**B. NERC Reliability Standard TOP-003-1, Requirement 1**

**TOP-003-0 R1:** *Generator Operators and Transmission Operators shall provide planned outage information.*

**R1.1.** *Each Generator Operator shall provide outage information daily to its Transmission Operator for scheduled generator outages planned for the next day (any foreseen outage of a generator greater than 50 MW). The Transmission Operator shall establish the outage reporting requirements.*

**R1.2.** *Each Transmission Operator shall provide outage information daily to its Reliability Coordinator, and to affected Balancing Authorities and Transmission Operators for scheduled generator and bulk transmission outages planned for the next day (any foreseen outage of a transmission line or transformer greater than 100 kV or generator greater than 50 MW) that may collectively cause or contribute to an SOL or IROL violation or a regional operating area limitation. The Reliability Coordinator shall establish the outage reporting requirements.*

**R1.3.** *Such information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection.*

**Violation Facts:** GHE is subject to this Standard because it was registered on the NERC Compliance Registry on September 12, 2007 as a Generator Operator. On April 30, 2010 WECC notified GHE that WECC was initiating the Self-Certification process for the period from July 1, 2009 to June 30, 2010. Under this process, GHE's Self-Certification submittal was due by July 20, 2010. On July 16, 2010, GHE submitted its Self-Certification. GHE stated on its Self-Certification that it "did not have an established method to notify" its Transmission Operator. GHE further stated that GHE's generation output "is fully contracted to a third party which was aware of the outage schedule" and that this third party "ensures the Facility is not available to dispatch (i.e., no power sales are made) during the outage period." For two weeks in March-April 2010, GHE took its units out of service "without formal notification to the [Transmission Operator]." GHE's third party also did not notify GHE's Transmission Operator in accordance with this Standard. Accordingly, GHE self-certified that it was not compliant with TOP-003-0 R1.

A WECC SME reviewed GHE's Self-Certification submittal. The SME considered GHE's historical details as outlined in Table 1. The SME determined GHE did not have an established method to notify its Transmission Operator of its intended outage schedule. The SME determined that GHE is dispatched through a third party that schedules all generation using the Transmission Operator's established reporting process and that GHE assumed the third party was providing the required information to the Transmission Operator. The SME determined GHE's failure to notify its Transmission Operator in accordance with this Standard during GHE's two-week outage (described above) was a possible violation of TOP-003-0 R1. The SME forwarded the Self-Certification submittal and the SME's findings to Enforcement.

Enforcement reviewed the Self-Certification and the SME's findings. GHE had a planned outage and did not notify its Transmission Operator. Enforcement determined

GHE's failure to provide planned outage information to its Transmission Operator is an Alleged Violation of TOP-003-1 R1.

On July 26, 2010, GHE submitted a mitigation plan to address this violation. This mitigation plan included an expected completion date of August 13, 2010. According to the mitigation plan, to mitigate this violation, GHE's Transmission Operator gave GHE its outage report template and GHE completed the outage report and submitted it back to its Transmission Operator. In addition, GHE developed a procedure for its plant personnel to submit "availability and outage planning information" to the Transmission Operator in accordance with the Transmission Operator's schedule. According to the mitigation plan, GHE planned to train its personnel on this procedure. GHE further stated "personnel have implemented this process and are making reports to [its Transmission Operator]." GHE's "personnel are aware of...the site reporting process" and GHE plans to complete "the remaining personnel training outlined in the final step of the mitigation plan."

WECC reviewed the mitigation plan. A WECC SME determined GHE implemented most of the mitigation plan upon discovering the violation. WECC determined GHE adequately described the cause of the violation and included appropriate actions, as outlined above, to mitigate the violation. Therefore, WECC accepted the mitigation plan. On September 14, 2010, WECC notified GHE of this acceptance.

On October 12, 2010, GHE certified it completed the actions outlined in the mitigation plan as of August 1, 2010. GHE provided Training Records (i.e., proof of GHE staff attendance – NERC Standards Review), an E-mail regarding daily reporting to GHE's Transmission Operator from GHE (inquiry related to planned outage process) and an example of the daily email sent by GHE to the Transmission Operator utilizing the Transmission Operator's format. GHE noted the email included availability and outage information. WECC reviewed the completed mitigation plan and associated evidence. WECC verified GHE established a procedure to report (daily) the status of its generation availability. Therefore, WECC accepted the mitigation plan. On October 27, 2010, WECC notified GHE of this acceptance.

Thus, GHE was in violation of this Standard from March 1, 2009 (when GHE first took its generation off-line) to August 13, 2010 (when GHE completed all actions in its mitigation plan).

## **II. Settlement Terms**

A. **Payment.** To settle this matter, GHE hereby agrees to pay \$16,550 to WECC via wire transfer or cashier's check. GHE shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to GHE upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). GHE shall issue the payment to WECC no later than thirty days after receipt of the Notice of Payment Due. If this payment is not timely received, WECC shall assess, and GHE agrees to pay, an interest charge calculated according to the

method set forth at 18 CFR §35.19(a)(2)(iii) beginning on the 31<sup>st</sup> day following issuance of the Notice of Payment Due.

The terms of this Agreement, including the agreed upon payment, are subject to review and possible revision by NERC and FERC. Upon NERC approval of the Agreement, NERC will file a Notice of Penalty with FERC. If FERC approves the Agreement, NERC will post the Agreement publicly. If either NERC or FERC rejects the Agreement, then WECC will attempt to negotiate a revised settlement agreement with GHE that includes any changes to the Agreement specified by NERC or FERC. If the Parties cannot reach a settlement agreement, the CMEP governs the enforcement process.

B. Settlement Rationale. WECC's determination of penalties is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed "shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of [the Registered Entity] to remedy the violation in a timely manner." In addition, WECC considers the direction of the Commission provided in Order No. 693, the NERC Sanction Guidelines, the Commission's Policy Statement on Enforcement, the Commission's July 3, 2008 Guidance Order, the Commission's August 27, 2010 Guidance Order, and all other applicable guidance from NERC and FERC.

To determine a penalty or sanction, WECC considers various factors including, but not limited to: (1) Violation Risk Factor; (2) Violation Severity Level, (3) risk to the reliability of the Bulk Power System ("BPS"), including the seriousness of the violation; (4) Violation Time Horizon (5) the violation's duration; (6) the Registered Entity's compliance history; (7) the Registered Entity's self-reports and voluntary corrective action; (8) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (9) the quality of the Registered Entity's compliance program; (10) any attempt by the Registered Entity to conceal the violation or any related information; (11) whether the violation was intentional; (12) any other relevant information or extenuating circumstances; and (13) the Registered Entity's ability to pay a penalty, as applicable.

Enforcement determined that the proposed penalty is appropriate for the following reasons:

The following are the VRF and the reliability impact for each violation as determined by WECC:

1. The violation of PRC-005-1 R1 has a "High" VRF. GHE has been maintaining and testing its protection systems in accordance with International Electrical Testing Association (NETA). Although the generating plant was initially energized in 2007, it was not synchronized with the Western Interconnection until February 2008; therefore GHE is a relatively new generating station with newer protection systems. Further, although this is a 620 MW facility, the facility only operates as needed throughout the year with a historical capacity of 20.7 MW since its commissioning in 2008. For these

reasons, WECC determined that this violation posed minimal risk to the reliability of the BPS.

2. The violation of TOP-003-0 R1 has a "Medium" VRF. Although GHE failed to notify its Transmission Operator of planned outages in accordance with the Transmission Operator's established process, GHE's generation output is contracted to a third party. GHE and its third party were each aware of the planned outage. While the third party did not make the Transmission Operator aware of the planned outage in accordance with this Standard, the third party scheduler ensured GHE was not available for dispatch. Thus, the Transmission Operator would not call on GHE for generation output during the planned outage. Further, although this is a 620 MW facility, the facility only operates as needed throughout the year with a historical capacity of 20.7 MW since its commissioning in 2008. For these reasons, WECC determined that this violation posed minimal risk to the reliability of the BPS.

Each violation duration is as described above.

Enforcement applied a mitigating factor for the following reasons:

GHE took voluntary corrective action to remediate the following violations:

1. PRC-005-1 R1
2. TOP-003-0 R1

GHE self-reported the following violations:

1. PRC-005-1 R1

WECC reviewed GHE's Internal Compliance Program ("ICP"). WECC found that: GHE's ICP is documented; the ICP is disseminated throughout its operations staff; GHE has ICP oversight staff; ICP oversight staff is supervised at a high level in the organization; the ICP oversight staff has independent access to the CEO and/or board of directors; GHE operates the ICP such that it is independent of staff responsible for compliance with the Reliability Standards; GHE has allocated sufficient resources to its ICP; the ICP has the support and participation of senior management; GHE reviews and modifies its ICP regularly; GHE's ICP includes formal, internal self-auditing for compliance with all Reliability Standards on a periodic basis; and GHE's ICP includes disciplinary action for employees involved in violations of the Reliability Standards, when applicable.

Enforcement determined there were no aggravating factors warranting a penalty higher than the proposed penalty.

This is GHE's first assessed violation of the applicable standards.

GHE was cooperative throughout the enforcement process.

GHE did not fail to complete any applicable compliance directives.

There was no evidence of any attempt by GHE to conceal the violations.

There was no evidence that GHE's violations were intentional.

WECC is not aware of GHE affiliates' violations of this Reliability Standard or involvement in GHE's activities such that this violation by GHE should be treated as recurring misconduct.

### III. Additional Terms

A. Authority. The undersigned representative of each party warrants that he or she is authorized to represent and bind the designated party.

B. Representations. The undersigned representative of each party affirms that he or she has read the Agreement, that all matters set forth in the Agreement are true and correct to the best of his or her knowledge, information, or belief, and that he or she understands that the Agreement is entered into by each party in express reliance on the representations set forth herein.

C. Review. Each party agrees that it has had the opportunity to consult with legal counsel regarding the Agreement and to review it carefully. Each party enters the Agreement voluntarily. No presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

D. Entire Agreement. The Agreement represents the entire agreement between the Parties. No tender, offer, or promise of any kind outside the terms of the Agreement by any member, employee, officer, director, agent, or representative of GHE or WECC has been made to induce the signatories or the Parties to enter into the Agreement. No oral representations shall be considered a part of the Agreement.

E. Effective Date. The Agreement shall become effective upon FERC's approval of the Agreement by order or operation of law.

F. Waiver of Right to Further Proceedings. GHE agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. GHE waives its right to further hearings and appeal, unless and only to the extent that GHE contends that any NERC or FERC action concerning the Agreement contains one or more material modifications to the Agreement.

G. Reservation of Rights. WECC reserves all of its rights to initiate enforcement, penalty or sanction actions against GHE in accordance with the Agreement, the CMEP and the NERC Rules of Procedure. In the event that GHE fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue

enforcement, penalty or sanction actions against GHE up to the maximum penalty allowed by the NERC Rules of Procedure. GHE shall retain all of its rights to defend against such enforcement actions in accordance with the CMEP and the NERC Rules of Procedure. Failure by WECC to enforce any provision hereof on occasion shall not constitute a waiver by WECC of its enforcement rights or be binding on WECC on any other occasion.

H. Consent. GHE consents to the use of WECC'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 Regional Entity; provided, however, that Registered Entity 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 WECC, nor does GHE consent to the use of this Agreement by any other party in any other action or proceeding.

I. Amendments. Any amendments to the Agreement shall be in writing. No amendment to the Agreement shall be effective unless it is in writing and executed by the Parties.

J. Successors and Assigns. The Agreement shall be binding on successors or assigns of the Parties.

K. Governing Law. The Agreement shall be governed by and construed under the laws of the State of Utah.

L. Captions. The Agreement's titles, headings and captions are for the purpose of convenience only and in no way define, describe or limit the scope or intent of the Agreement.

M. Counterparts and Facsimiles. The Agreement may be executed in counterparts, in which case each of the counterparts shall be deemed to be an original. Also, the Agreement may be executed via facsimile, in which case a facsimile shall be deemed to be an original.

***[Remainder of page intentionally left blank -  
signatures affixed to following page]***





## **Attachment b**

# **Disposition Document for Common Information**



WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

**II. PENALTY INFORMATION**

TOTAL ASSESSED PENALTY OR SANCTION OF **\$16,550** FOR **TWO** VIOLATIONS 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

**On October 14, 2009, NERC submitted an Omnibus filing under NP10-2-000 which addressed violations for certain registered entities including one violation of PRC-005-1 R2 for Hardee Power Partners Limited, also owned and operated by Invenergy. 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 approved by the BOTCC on September 10, 2010 and 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 NOCV 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 approved by the BOTCC on October 10, 2010 and 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.**

**WECC determined that the prior violations should not serve as a basis for aggravating the penalty because WECC issued the NAVAPS for these violations and reached a settlement in principle with GHE prior to the NP11-23-000 and NP11-45-000 filings. In addition, there**

**were significant differences between the PRC-005-1 R1 violation in this case and the circumstances of the prior Hardee Power Partners Limited PRC-005-1 R2 violation. The Hardee Power Partners Limited PRC-005-1 R2 violation arose because relay testing was not completed for one of their generators during the fall of 2007. GHE’s PRC-005-1 R1 violation arose because GHE used a third-party maintenance and testing program without adopting it as its own program. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.**

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

YES  NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

**Other Invenenergy entities have violations of other standards but they were not the same or similar to the instant violations. Additional violations by subsidiaries of Invenenergy LLC which are not viewed as the same or similar to the instant violations. WECC 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 standards. 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 YES  NO

IF NO, EXPLAIN

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM

YES  NO  UNDETERMINED

EXPLAIN

**WECC reviewed GHE’s Internal Compliance Program (ICP) and considered it a mitigating factor when determining the penalty amount. The positive elements of GHE’s ICP include: (1) GHE’s ICP**

**is documented; (2) the ICP is disseminated throughout its operations staff; (3) GHE has ICP oversight staff; (4) ICP oversight staff is supervised at a high level in the organization; (5) the ICP oversight staff has independent access to the CEO and/or Board of Directors; (6) GHE operates the ICP such that it is independent of staff responsible for compliance with Reliability Standards; (7) GHE has allocated sufficient resources to its ICP; (8) the ICP has the support and participation of senior management; GHE reviews and modifies its ICP regularly; (9) GHE's ICP includes formal, internal self-auditing for compliance with Reliability Standards on a periodic basis; and (10) GHE's ICP includes disciplinary action for employees involved in violations of the Reliability Standards, when applicable.**

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

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR  
SANCTION ISSUED

DATE: **10/8/10** OR N/A

SETTLEMENT REQUEST DATE

DATE: **11/3/10** 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  DID NOT CONTEST

HEARING REQUESTED

YES  NO

DATE

OUTCOME

APPEAL REQUESTED

## **Disposition Document for PRC-005-1 R1**



## DISPOSITION OF VIOLATION

**Dated April 11, 2011**

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
<b>WECC200902062</b>	<b>WECC2010-610389</b>

### I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>PRC-005-1</b>	<b>1</b>		<b>High<sup>1</sup></b>	<b>Severe</b>

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

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

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

**The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems<sup>[2]</sup> affecting the reliability of the Bulk Electric System (BES) are maintained and tested.” Footnote added.**

**PRC-005-1 R1 provides:**

**R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:**

**R1.1. Maintenance and testing intervals and their basis.**

**R1.2. Summary of maintenance and testing procedures.**

---

<sup>1</sup> When NERC filed VRFs for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

<sup>2</sup> *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.”

## VIOLATION DESCRIPTION

**On August 4, 2008 and July 8, 2009, GHE self-certified that it was compliant with this Reliability Standard. This violation was discovered during a GHE internal Review on June 22, 2010. GHE's next Self-Certification was due by July 20, 2010. GHE submitted a Self-Report on June 30, 2010. A WECC subject matter expert (SME) reviewed the Self-Report and requested additional information on July 12, 2010 from GHE. GHE responded on July 19, 2010.**

**GHE used a third-party Maintenance and Testing Plan, but had not adopted that plan as GHE's own program. GHE did maintain and test its protective devices. GHE did not have a maintenance and testing plan that included intervals (and the basis for such intervals) and a summary of maintenance and testing procedures. According to the Self-Report and GHE responses to SME requests, GHE's Computerized Maintenance Management System "was not fully operational for some time after commissioning of the facility," and GHE "personnel... assumed the descriptions of maintenance and testing intervals listed" in GHE's Computerized Maintenance Management System "would be sufficient." WECC Enforcement reviewed the self-report and the SME's findings, including the request for additional information and GHE's response to the request, and determined that GHE had violated this Standard because it did not have a maintenance and testing plan including intervals, basis for intervals, or a summary of maintenance and testing procedures.**

## RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

**The violation posed a minimal risk to the reliability of the bulk power system (BPS) because GHE has been maintaining and testing its protection systems in accordance with International Electrical Testing Association specifications. Although the generating plant was initially energized in 2007, it was not synchronized with the Western Interconnection until February of 2008, so GHE is a relatively new generating station with newer protection systems. Functional testing is a part of commissioning so GHE's equipment was in known working condition at the time of the plant start-up. Further, although this is a 620 MW facility, the facility only operates as needed throughout the year with a historical capacity of 20.7 MW since its commissioning in 2008.**

**II. 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) **2/1/08 (when GHE's first generator went online, synchronous with the Interconnection) through 7/30/10 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **6/30/10**

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

**III. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-10-2824**  
 DATE SUBMITTED TO REGIONAL ENTITY **7/1/10**  
 DATE ACCEPTED BY REGIONAL ENTITY **8/25/10**  
 DATE APPROVED BY NERC **10/5/10**  
 DATE PROVIDED TO FERC **10/6/10**

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

MITIGATION PLAN COMPLETED YES  NO

EXPECTED COMPLETION DATE **7/30/10**  
 EXTENSIONS GRANTED  
 ACTUAL COMPLETION DATE **7/30/10**

DATE OF CERTIFICATION LETTER **9/17/10**  
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **7/30/10**

DATE OF VERIFICATION LETTER **10/22/10**  
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **7/30/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT  
RECURRENCE

**GHE implemented a Standard PRC-005 Program at site, and generated a new list of compliance activities associated with protection system equipment. GHE's maintenance and testing plan now includes: protective relays; associated communication systems; voltage and current sensing devices; station batteries; and DC Control Circuitry. The maintenance and testing plan includes maintenance and testing intervals, basis for such intervals, and a summary of maintenance and testing procedures.**

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

- **GHE's PRC-005 maintenance and testing plan**

EXHIBITS:

SOURCE DOCUMENT

**GHE's Self-Report for PRC-005-1 R1 submitted June 30, 2010**

MITIGATION PLAN

**GHE's Mitigation Plan MIT-10-2824 submitted July 1, 2010**

CERTIFICATION BY REGISTERED ENTITY

**GHE's Mitigation Plan Completion Certification submitted September 17, 2010**

VERIFICATION BY REGIONAL ENTITY

**WECC's Notice of Completed Mitigation Plan Acceptance dated October 22, 2010**

## **Disposition Document for TOP-003-0 R1**

**DISPOSITION OF VIOLATION**  
**Dated April 11, 2011**

NERC TRACKING NO. **WECC201002074** REGIONAL ENTITY TRACKING NO. **WECC2010-610422**

**I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>TOP-003-0</b>	<b>1<sup>1</sup></b>		<b>Medium<sup>2</sup></b>	<b>Severe<sup>3</sup></b>

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

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

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

**The purpose statement of TOP-003-0 provides: “Scheduled generator and transmission outages that may affect the reliability of interconnected operations must be planned and coordinated among Balancing Authorities, Transmission Operators, and Reliability Coordinators.”**

**TOP-003-0 R1 provides:**

**R1. Generator Operators and Transmission Operators shall provide planned outage information.**

**R1.1. Each Generator Operator shall provide outage information daily to its Transmission Operator for scheduled generator outages planned for the next day (any foreseen outage of a generator greater than 50 MW). The Transmission Operator shall establish the outage reporting requirements.**

<sup>1</sup> The Settlement Agreement (Attachment a, at pg. 1), has a typographical error which incorrectly states this is a violation of TOP-003-0 R3, the correct TOP-003-0 R1 is used consistently through the rest of the Settlement Agreement and supporting documents.

<sup>2</sup> TOP-003-0 does not have an assigned VRF. When NERC filed VRFs it originally assigned TOP-003-0 R1 a Medium VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified <blank> VRF and on August 9, 2007, the Commission approved the modified <blank> VRF. Therefore, the Medium VRF for TOP-003-0 R1 was in effect from June 18, 2007 until August 9, 2007 when the <blank> VRF became effective. TOP-003-0 R1.1, R1.2 and R1.3 each has a “Medium” VRF.

<sup>3</sup> TOP-003-0 R1 does not have an assigned VSL. Each of the sub-requirements of TOP-003-0 R1 has an assigned VSL of Severe.

**R1.2. Each Transmission Operator shall provide outage information daily to its Reliability Coordinator, and to affected Balancing Authorities and Transmission Operators for scheduled generator and bulk transmission outages planned for the next day (any foreseen outage of a transmission line or transformer greater than 100 kV or generator greater than 50 MW) that may collectively cause or contribute to an SOL or IROL violation or a regional operating area limitation. The Reliability Coordinator shall establish the outage reporting requirements.**

**R1.3. Such information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection.**

#### VIOLATION DESCRIPTION

**On April 30, 2010, WECC notified GHE that WECC was initiating the Self-Certification process for the period from July 1, 2009 to June 30, 2010. GHE's Self-Certification submittal was due by July 20, 2010. GHE submitted its Self-Certification on July 16, 2010. A WECC subject matter expert (SME) reviewed GHE's Self-Certification submittal and historical details. GHE was non-compliant because it did not have an established method to notify its Transmission Operator of its intended outage schedule. Further, GHE had a planned outage and had not notified its Transmission Operator. GHE is dispatched through Bonneville Power Administration (BPA), a third-party that schedules all generation using the Transmission Operator's established reporting process. GHE had assumed BPA was providing the required information to the Transmission Operator.**

#### RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

**The violation posed a minimal risk to the reliability of the bulk power system (BPS) because although GHE failed to notify its Transmission Operator of planned outages, GHE's generation output is contracted to BPA. Therefore, GHE and BPA were each aware of the planned outage. While the Transmission Operator was unaware of the planned outage, BPA, the third-party scheduler, ensured GHE was not available for dispatch. Therefore, the Transmission Operator would not have called on GHE for generation output during the planned outage. Further, although this is a 620 MW facility, the facility only operates as needed throughout the year, with a historical capacity of 20.7 MW since its commissioning in 2008.**

**II. 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) **3/1/09 (when GHE first took its generation off-line for its outage) through 8/13/10 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **7/16/10**

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

**III. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-09-2866**  
 DATE SUBMITTED TO REGIONAL ENTITY **7/26/10**  
 DATE ACCEPTED BY REGIONAL ENTITY **9/10/10**  
 DATE APPROVED BY NERC **10/7/10**  
 DATE PROVIDED TO FERC **10/7/10**

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

MITIGATION PLAN COMPLETED YES  NO

EXPECTED COMPLETION DATE **8/13/10**  
 EXTENSIONS GRANTED  
 ACTUAL COMPLETION DATE **8/13/10**



DATE OF CERTIFICATION LETTER **10/12/10**  
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **8/13/10<sup>4</sup>**

DATE OF VERIFICATION LETTER **10/27/10**  
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **8/13/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

**GHE's Transmission Operator gave GHE its outage report template and GHE completed the outage report and submitted it back to its Transmission Operator. In addition, GHE developed a procedure for its plant personnel to submit "availability and outage planning information" to the Transmission Operator in accordance with the Transmission Operator's schedule. GHE trained its personnel on this procedure. GHE was to ensure that its personnel are aware of the site reporting process.**

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

- **Training Record\_2010: proof of attendance for review of NERC Standards with Grays Harbor Staff**
- **Email re: daily report to BPA from Grays Harbor re: TOP-003: record of inquiry placed with BPA by Invenergy and the BPA response to the request for an outage process to follow**
- **Example daily email\_WECC RC Grays Harbor Energy 30JUN10.xls: example of the daily email sent by the generating facility to BPA using BPA's format**

EXHIBITS:

SOURCE DOCUMENT

**GHE's Self-Certification Form for TOP-003-0 R1 submitted July 16, 2010**

MITIGATION PLAN

**GHE's Mitigation Plan MIT-09-2866 submitted July 26, 2010**

CERTIFICATION BY REGISTERED ENTITY

**GHE's Mitigation Plan Completion Certification dated October 12, 2010**

VERIFICATION BY REGIONAL ENTITY

**WECC's Notice of Completed Mitigation Plan Acceptance dated October 27, 2010**

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<sup>4</sup> The Settlement Agreement contains a typographical error which incorrectly states that GHE certified it completed the actions outlined in the Mitigation Plan as of August 1, 2010.

## **Attachment c**

### **Record Documents for PRC-005-1 R1**

- i. GHE's Self-Reporting Form for PRC-005-1 R1 submitted June 30, 2010**
- ii. GHE's Mitigation Plan MIT-10-2824 for PRC-005-1 R1 submitted July 1, 2010**
- iii. GHE's Certification of Mitigation Plan Completion for PRC-005-1 R1 dated September 17, 2010**
- iv. WECC's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated October 22, 2010**

# Compliance

## Member Portal

Edit Grays Harbor Energy LLC

Logged in as:  
Kim Israelsson

Log Out

- System Administration
- Compliance
- Self Reports
- Complaints
- TFE Request
- Mitigation Plans
- Violation Retractions
- File Upload

### Self Report Form - 2010

Save PDF | Return To Search Results

New Mitigation Plan

**This form was submitted on 6/30/2010.**

\* Required Fields

Status: Saved

Region: WECC

NERC Registry ID: NCR02551

Joint Registration Organization (JRO) ID:

Registered Entity: Grays Harbor Energy LLC

Registered Entity Contact Information:

\* Alan Beckham (abeckham@invenergyllc.com) 312-582-1497

Standard Applicable to Self-Report: PRC-005-1

Requirement Applicable to Self-Report: R1.

Sub Requirements Applicable to Self-Report: R1.1.,R1.2.

Function Applicable to Self-Report: GO

Has this possible alleged violation previously been reported or discovered: \*  Yes  No

Provide NERC Violation ID (if known):

Date violation occurred: \* 6/22/2010

Date violation discovered: \* 6/23/2010

Is the violation still occurring? \*  Yes  No

Detail explanation and cause of violation: \*

Grays Harbor personnel have a PRC-005 procedure that indicates the program is described in the facilities CMMS. The CMMS (known as "EAM") was reviewed by the corporate compliance manager and found to be lacking adequate descriptions of maintenance activities. Further, the CMMS was not yet in operation which precluded maintenance records from being generated within the system. Adequate test intervals and basis for intervals were not documented within the system.

Reliability Impact: \* Minimal

Reliability Impact Description: \*

Grays Harbor personnel were performing maintenance activities on protection system components however a formal program did not exist. The Grays Harbor facility reached COD in July 2008; though it was registered for NERC purposes since 2007. (Grays Harbor was "moth-balled" during construction and subsequently completed by a different owner). Commissioning testing satisfied all aspects of the maintenance plan. Grays Harbor is a combined cycle facility interconnected to the BPA system. The facility operates sporadically throughout the year with historical capacity factor since commissioning in 2008 of 20.7.

**Additional Comments:**

The Facility has a program document template and is currently completing the "fill-in-the-blank" sections. Completion date tbd - a mitigation plan will be submitted for this issue.

**NOTE:** While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (See NERC Rules of Procedure, Appendix 4C, Section 6.4.)

 [Submit Self Report](#)

 [Save PDF](#) | [Return To Search Results](#)

Logged in as:  
Kim Israelsson

Log Out

- ▶ System Administration
- ▶ Compliance
- ▶ Self Reports
- ▶ Complaints
- ▶ TFE Request
- ▶ Mitigation Plans
- ▶ Violation Retractions
- ▶ File Upload

### Edit - Mitigation Plan

 Save PDF | [Return To Search Results](#)

\* Required Fields

Status: Saved

#### Mitigation Plan Summary

<b>Mitigation Plan Status:</b>	Region reviewing Mitigation Plan
<b>NERC Mitigation Plan #:</b>	
<b>Associated Violations:</b>	ID Not Assigned
<b>Mitigation Plan Due Date:</b>	
<b>Expected Completion Date:</b>	7/30/2010




#### Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2  I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

#### Section B: Registered Entity Information

- B.1 Identify your organization
- Company Name: Grays Harbor Energy LLC  
 Company Address: P.O. Box 26  
 Satsop, Washington  
 98583
- NERC Compliance Registry ID: NCR02551
- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.
- Name: \*

#### Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below. 
- Applicable Standard, Requirement(s) and Violation Date:
- Standard:
- PRC-005-1 R1.[PRC-005-1 R1.1.][PRC-005-1 R1.2.] (06/22/2010)
- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. 
- Additional detailed information may be provided as an attachment:
- The Facility procedure in place for PRC-005 indicated the plan was wholly contained within the CMMS system. The CMMS system (known as "EAM") was a new system and was not fully operational for some time after commissioning of the facility. Site personnel were not fully aware of the standards by which a "Program" were judged and assumed the descriptions of maintenance and intervals listed in EAM would be sufficient to demonstrate compliance.
- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. 
- Additional detailed information may be provided as an attachment:

## Section D: Details of Proposed Mitigation Plan

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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

1. Implement Standard PRC-005 Program at site - in progress complete nlt 7/2/10
2. Generate new list of compliance activities associated with protection system equipment.

D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented:

7/30/2010

D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone	Status	Due Date	Completed Date
Program document	Milestone Pending	7/2/2010	<a href="#">Detail</a>
Program review and documentation update	Milestone Pending	7/30/2010	<a href="#">Detail</a>

Milestone Comment: Milestone Completed Date:

[Close Current Milestone](#)

## Section E: Interim and Future Reliability Risk

### Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

The documented Program for PRC-005 is available in template form to the Facility and is currently being updated and authorized for use. Once in place Grays Harbor personnel will verify equipment has been maintained in a manner that satisfies the new written requirements. The Grays Harbor facility is relatively new, (24 months since commissioning was completed); the extensive acceptance tests performed at commissioning verified all equipment was in sound working order. The next interval for protection system testing of relays, DC circuitry, and instrument transformers has not yet been reached. The Battery maintenance activities which were in place were also sufficient to identify any faulty equipment associated with the DC supply to the protection system.

### Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk of Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

Answer: Completion of the Plan will ensure Grays Harbor personnel have the proper documentation required by the Standard and have properly documented maintenance intervals and plans for Protection System equipment. The use of the template Standard will assist in standardization of the Plan with other facilities and allow for more easily verifiable compliance in the future. An additional benefit of the plan is more defined, concise definition of activities and responsibilities within the organization.

## Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Duane Cook  
Compliance Process Analyst  
WECC  
801-819-7639  
dcooke@wecc.biz







Western Electricity Coordinating Council

**Non-Public and CONFIDENTIAL**

### **Certification of Mitigation Plan Completion Form**

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for Western Electricity Coordinating Council (WECC) to verify completion of the Mitigation Plan. WECC may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

**Registered Entity: Grays Harbor Energy LLC**

**NERC Registry ID: 02551**

**Date of Submittal of Certification: 9/17/10**

**NERC Violation ID No(s) (if known): WECC2010-610389**

**Standard: PRC-005-1**

**Requirement(s): R1**

**Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: 7/30/10**

**Date Mitigation Plan was actually completed: 7/28/10**

**Additional Comments (or List of Documents Attached): documents provided via portal submittal**

I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

**Name: Alan Beckham**

**Title: Compliance Manager**

**Email: [abeckham@invenenergyllc.com](mailto:abeckham@invenenergyllc.com)**

**Phone: 312-582-1497**

**Authorized Signature:**

**Date: 9/17/10**



**CONFIDENTIAL**



*Western Electricity Coordinating Council*

Chris Luras  
Manager of Compliance Enforcement

(801) 883-6887  
cluras@wecc.biz

VIA COMPLIANCE WEB PORTAL

October 22, 2010

Alan Beckham  
NERC Compliance Manager  
Grays Harbor Energy LLC  
One South Wacker; Suite 1900  
Chicago, Illinois 60606

NERC Registration ID: NCR02551  
NERC Violation ID: WECC201002062

Subject: Notice of Completed Mitigation Plan Acceptance  
Reliability Standard PRC-005-1 Requirement 1

Dear Alan,

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion and evidence submitted by Grays Harbor Energy LLC (GHE) on September 17, 2010 for the alleged violation of Reliability Standard PRC-005-1 Requirement 1. After a thorough review, WECC accepted the Certification of Mitigation Plan Completion.

If you have any questions or concerns, please contact Mary Rieger at [mrieger@wecc.biz](mailto:mrieger@wecc.biz).

Sincerely,

Chris Luras  
Manager of Compliance Enforcement

CL:rph

cc: Ruben Garcia, GHE Operations Manager  
John McGhee, WECC Director of Audits and Investigations  
Mary Rieger, WECC Compliance Engineer

## **Attachment d**

### **Record Documents for TOP-003-0 R1**

- i. GHE's Self-Certification Form for TOP-003-0 R1 submitted July 16, 2010**
- ii. GHE's Mitigation Plan MIT-09-2866 for TOP-003-0 R1 submitted July 26, 2010**
- iii. GHE's Certification of Mitigation Plan Completion for TOP-003-0 R1 dated October 12, 2010**
- iv. WECC's Verification of Mitigation Plan Completion for TOP-003-0 R1 dated October 27, 2010**

# Compliance

## Member Portal

Grays Harbor Energy LLC

Logged in as:  
**Alan Beckham**

Log Out

### TOP-003-0 Self Certification - Planned Outage Coordination - 7/1/2009 - 6/30/2010

Save Item | Delete Item | Cancel Changes | Save PDF | Return To Search Results

New Mitigation Plan | Attachments (0)

**This form was marked as ready to be added to a certification statement on 7/16/2010.**

\* Required Fields

Status: Saved

#### Technical Contact

\* Alan Beckham (abeckham@inenergyllc.com) Find | Clear | New Contact

WECC will disclose this information to NERC and other third parties, only as required, and in accordance with established procedures pursuant to section 1500 of the NERC rules of procedure.

#### Applicable Function(s): GOP

As an authorized representative of **Grays Harbor Energy LLC**, I certify the following:

- |   |   |
|---|---|
| <input type="checkbox"/> Do Not<br><input checked="" type="checkbox"/> NC<br><input type="checkbox"/> Own | <p><b>R1.</b> Generator Operators and Transmission Operators shall provide planned outage information.</p> <p><b>R1.1.</b> Each Generator Operator shall provide outage information daily to its Transmission Operator for scheduled generator outages planned for the next day (any foreseen outage of a generator greater than 50 MW). The Transmission Operator shall establish the outage reporting requirements.</p> <p><b>R1.3.</b> Such information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection.</p> |
|---|---|

Violation was previously self-reported or identified by Grays Harbor Energy LLC

Yes No

Violation Severity Level (Levels of Non-Compliance)

VSL - Lower

Provide a detailed explanation of non-compliance

The Facility did not have an established method to notify the TOP of its intended outage schedule. As a result a two week outage was taken during the period (late March-April 2010) without formal outage notification to the TOP.

Reliability Impact to the Bulk Power System

Minimal

Describe the Reliability Impact of this Non-Compliance

The Facility is an independent power producer combined cycle unit that operates sporadically through the season. The Facility output is fully contracted to a third party which was aware of the outage schedule. The third party scheduler ensures the Facility is not available for dispatch (i.e. no power sales are made) during

#### System Administration

#### Compliance

- All Forms
- Event Forms
- Self-Certification Forms

#### Submittal Forms

- BAL Forms
- CIP Forms
- COM Forms
- EOP Forms
- FAC Forms
- IRO Forms
- MOD Forms
- PRC Forms
- TOP Forms
- VAR Forms
- Historical Forms
- Certification Statements
- Reports

#### Self Reports

#### Complaints

#### TFE Request

#### Mitigation Plans

#### Violation Retractions

#### File Upload

the outage period however no formal notification was made to the TOP regarding the outage.

Do Not  
C NC Own  
jn jn jn

**R2.** Each Transmission Operator, Balancing Authority, and Generator Operator shall plan and coordinate scheduled outages of system voltage regulating equipment, such as automatic voltage regulators on generators, supplementary excitation control, synchronous condensers, shunt and series capacitors, reactors, etc., among affected Balancing Authorities and Transmission Operators as required.

Additional Comments

no scheduled outages for voltage regulating equipment were contemplated or taken. These types of outages, if scheduled, are normally performed during a full plant outage.

Do Not  
C NC Own  
jn jn jn

**R3.** Each Transmission Operator, Balancing Authority, and Generator Operator shall plan and coordinate scheduled outages of telemetering and control equipment and associated communication channels between the affected areas.

Additional Comments

no scheduled outages for this equipment were contemplated or taken. These types of outages, if scheduled, are normally performed during a full plant outage.




Summary of Self Certification Submittal [Auto Populated from responses]:

Grays Harbor Energy LLC is in Compliance with NERC Reliability Standard TOP-003-0 Requirement(s): R2.,R3.

Grays Harbor Energy LLC is Non-Compliant with NERC Reliability Standard TOP-003-0 Requirement(s): R1.

[Return to top](#)

**b** Ready to Create Certification Statement

 Save Item |  Delete Item | Cancel Changes |  Save PDF | [Return To Search Results](#)

Logged in as:  
**Alan Beckham**

Log Out

### Edit - Mitigation Plan

Save Item | Delete Item | Cancel Changes | Save PDF | Return to Mit Plan Search

\* Required Fields

Status: Saved

All Milestones have been Completed

#### Section A: Compliance Notices & Mitigation Plan Requirements

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.

A.2  I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

#### Section B: Registered Entity Information

B.1 Identify your organization

Company Name: Grays Harbor Energy LLC  
Company Address: P.O. Box 26  
Satsop, Washington  
98583

NERC Compliance Registry ID: NCR02551

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: \* Alan Beckham  Find | Clear

#### Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.

Applicable Standard, Requirement(s) and Violation Date:

Standard: TOP-003-0

TOP-003-0 R1.[TOP-003-0 R1.1].[TOP-003-0 R1.3.] (01/01/0001)

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above.

Additional detailed information may be provided as an attachment:

Lack of communication/knowledge of system: Facility personnel were unaware that daily information was not being provided to the TOP (BPA) by the entity that dispatches the generation.

C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan.

Additional detailed information may be provided as an attachment:

The Facility dispatches through a 3rd Party that schedules all generation using the BPA Customer Web Interface. The Facility personnel assumed all necessary information was flowing as required however outage and daily availability information was not being provided to the TOP in accordance with the TOP's template spreadsheet. The issue was raised with a TOP compliance representative by the Facility compliance manager at a WECC compliance conference. Swift resolution of the issue took place following the discussion at the conference

#### Section D: Details of Proposed Mitigation Plan

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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

Obtain template report spreadsheet from BPA. (Complete 6/14/10)  
 Grays Harbor Operations Manager submits completed spreadsheet to BPA. (Complete 6/14/10)  
 Grays Harbor Ops Mgr. develops instruction for Plant Ops personnel to submit availability and outage planning information sheet to BPA in accordance with BPA schedule. [Complete 7/1/2010]  
 Grays Harbor O&M Mgr. train personnel on requirement to submit information to BPA.[Initial training session performed 7/22/10; remainder of personnel to be trained when available]

**D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented:**

8/13/2010

**D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:**

Milestone	Status	Due Date	Completed Date	
BPA Report Template	Milestone Completed	6/14/2010	6/14/2010	<a href="#">Detail</a>
Grays Harbor BPA outage/availability report process	Milestone Completed	7/1/2010	7/1/2010	<a href="#">Detail</a>
Site Training	Milestone Pending	8/13/2010		<a href="#">Detail</a>

[Add New Mitigation Plan Milestone](#)

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

**E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS.**

Additional detailed information may be provided as an attachment:

The Facility personnel have implemented this process and are making reports to the TO/TOP/BA (BPA) in accordance with BPA's process requirements. Sufficient personnel are aware of and have been trained on the site reporting process to ensure there is no negative impact to reliability while completing the remaining personnel training outlined in the final step of the mitigation plan.

### **Prevention of Future BPS Reliability Risk**

**E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk of Alleged violations of the same or similar reliability standards requirements in the future.**

Additional detailed information may be provided as an attachment:

Successful completion of the Plan will ensure all site personnel are aware of the requirements of the report as well as the consequences of failure to report site information to BPA as required. In order to prevent future incidents from occurring both routine BPA and NERC Standards reporting refresher training will be provided during routine training sessions.

## **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:

- Submits this Mitigation Plan for acceptance by **WECC** and approval by NERC, and
- If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- Acknowledges:

- I am **Alan Beckham** of **Grays Harbor Energy LLC**
- I am qualified to sign this Mitigation Plan on behalf of **Grays Harbor Energy LLC**

3. I understand **Grays Harbor Energy LLC'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 this Mitigation Plan
5. **Grays Harbor Energy LLC** agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by **WECC** and approved by NERC

Authorized Individual Signature [Sign](#)

---

**Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

Duane Cook  
Compliance Process Analyst  
WECC  
801-819-7639  
[dcooke@wecc.biz](mailto:dcooke@wecc.biz)

---

 Save Item |  Delete Item | Cancel Changes |  Save PDF | [Return to Mit Plan Search](#)

# Compliance

## Member Portal

Grays Harbor Energy LLC

Logged in as:  
**Alan Beckham**

Log Out

### Edit

Save Item | Delete Item | Cancel Changes | Save PDF | Return to Mitigation Plan

\* Required Fields

Status: Saved

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for WECC to verify completion of the Mitigation Plan. WECC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6) Data or information submitted may become part of a public record upon final disposition of the possible violation, therefore any confidential information contained therein should be marked as such in accordance with the provisions of Section 1500 of the NERC Rules of Procedure.

Name of Registered Entity submitting certification: **Grays Harbor Energy LLC**

Name of Standard of mitigation violation(s): TOP-003-0

Mitigated information:

Requirement	Tracking Number	Violation ID
R1.	WECC2010-610422	ID Not Assigned

Date of completion of the Mitigation Plan:

8/13/2010

Summary of all actions described in Part D of the releveant mitigation plan:

---

Description of the information provided to WECC for their evaluation:

1.Training Record\_2010: proof of attendace for review of NERC Stds with Grays Harbor Staff.  
 2.Email re daily report to BPA from Grays Harbor re TOP-003: record of inquiry placed with BPA by Invenergy and the BPA response to the request for an outage process to follow.  
 3. Example daily email\_WECC RC Grays Harbor Energy 30JUN10.xls: example of the daily email sent by the geernating facility to BPA using BPA's format. Note the form covers availability and outage information as set up by BPA.

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation/evidence submitted to verify compliance.

---

Additional Notes or Comments pertaining to this violation:

---

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of th requirements of the referenced standard, and that all information submitted is complete and correct to the best of my knowledge. Submit all supporting documentation.

Authorized Individual Signature [Sign](#)

- System Administration
- Compliance
- Self Reports
- Complaints
- TFE Request
- Mitigation Plans
  - Add Mitigation Plan
  - Search Mitigation Plans
- Violation Retractions
- File Upload



Name: Alan Beckham  
Title: NERC Compliance Manager  
Entity: Grays Harbor Energy LLC  
Email: [abeckham@invenergyllc.com](mailto:abeckham@invenergyllc.com)  
Phone: 312-582-1497

**CONFIDENTIAL**



*Western Electricity Coordinating Council*

Chris Luras  
Manager of Compliance Enforcement

(801) 883-6887  
cluras@wecc.biz

VIA COMPLIANCE WEB PORTAL

October 27, 2010

Alan Beckham  
NERC Compliance Manager  
Grays Harbor Energy LLC  
One South Wacker; Suite 1900  
Chicago, Illinois 60606

NERC Registration ID: NCR02551  
NERC Violation ID: WECC201002074

Subject: Notice of Completed Mitigation Plan Acceptance  
Reliability Standard TOP-003-0 Requirement 1

Dear Alan,

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion and evidence submitted by Grays Harbor Energy LLC (GHE) on October 12, 2010 for the alleged violation of Reliability Standard TOP-003-0 Requirement 1. After a thorough review, WECC accepted the Certification of Mitigation Plan Completion.

If you have any questions or concerns, please contact Mary Rieger at [mrieger@wecc.biz](mailto:mrieger@wecc.biz).

Sincerely,

Chris Luras  
Manager of Compliance Enforcement

CL:rph

cc: Ruben Garcia, GHE Operations Manager  
John McGhee, WECC Director of Audits and Investigations  
Mary Rieger, WECC Compliance Engineer

**Attachment e**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Grays Harbor Energy LLC

Docket No. NP11-\_\_\_-000

NOTICE OF FILING  
April 29, 2011

Take notice that on April 29, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Grays Harbor Energy LLC in the Western Electricity Coordinating Council 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](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary