



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

March 31, 2010

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

**Re: NERC Notice of Penalty regarding RRI Energy Mid-Atlantic Power Holdings, LLC,  
RRI Energy Wholesale Generation, LLC, and Orion Power Midwest, LP  
FERC Docket No. NP10-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding RRI Energy Mid-Atlantic Power Holdings, LLC (Mid-Atlantic) NERC Registry ID number NCR08070, RRI Energy Wholesale Generation, LLC (Wholesale) NERC Registry ID number NCR00396, and Orion Power Midwest, LP (Orion) NERC Registry ID number NCR00864, (collectively, the “RRI Entities”)<sup>2</sup> 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>3</sup>

On October 10, 2008 the RRI Entities submitted four separate Self-Reports<sup>4</sup> to ReliabilityFirst Corporation (ReliabilityFirst) regarding the RRI Entities’ failure to complete and document

---

<sup>1</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 (2008). *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).

<sup>2</sup> ReliabilityFirst Corporation confirmed that Mid-Atlantic was included on the NERC Compliance Registry as Generator Owner and Generator Operator on August 22, 2007 and Wholesale was included on the NERC Compliance Registry as Generator Owner and Generator Operator on May 30, 2007. Orion was included on the NERC Compliance Registry as Generator Owner on May 30, 2007 and as a Generator Operator on July 31, 2007. As Generator Owners, each entity was subject to the requirements of NERC Reliability Standard PRC-005-1.

<sup>3</sup> See 18 C.F.R. § 39.7(c)(2).

<sup>4</sup> The Self-Reports for Mid-Atlantic and Wholesale were submitted under different corporate names. Effective May 2, 2009, the corporate names of Mid-Atlantic and Wholesale were changed from Reliant Energy Mid-Atlantic Power Holdings, LLC and Reliant Energy Wholesale Generation, LLC, to RRI Energy Mid-Atlantic Power Holdings, LLC and RRI Energy Wholesale Generation, LLC, respectively. Reliant Energy, Inc.’s corporate name was also changed to RRI Energy, Inc. The corporate name changes were made in connection with the sale by Reliant of its non-jurisdictional retail business to NRG Retail, LLC, a wholly-owned subsidiary of NRG Energy, Inc., which occurred on May 1, 2009.

## NERC Notice of Penalty

RRI Energy Mid Atlantic Power Holdings, LLC, RRI Energy Wholesale Generation, LLC and Orion Power Midwest, LP

March 31, 2010

Page 2

battery testing within defined intervals as required by PRC-005-1 Requirement (R) 2.1. This Notice of Penalty is being filed with the Commission because, based on information from ReliabilityFirst, ReliabilityFirst and the RRI Entities have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in ReliabilityFirst's determination and findings of four alleged violations of PRC-005-1 R2.1. According to the Settlement Agreement, each RRI Entity neither admits nor denies the alleged violations, but has agreed to the proposed penalties to be assessed to each, 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. The RRI Entities have agreed to a total penalty of eight thousand dollars (\$8,000), to be assessed as follows: Mid-Atlantic has agreed to a penalty of two thousand dollars (\$2,000) to be assessed to Mid-Atlantic; Wholesale has agreed to a penalty of four thousand dollars (\$4,000) to be assessed to Wholesale; and Orion has agreed to a penalty of two thousand dollars (\$2,000) to be assessed to Orion. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers RFC200800085, RFC200800086, RFC200800087 and RFC200800088 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

### Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on November 9, 2009, by and between ReliabilityFirst and the RRI Entities which is included as Attachment e and the Supplemental Record of Information dated November 13, 2009. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty 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 (2007), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF <sup>5</sup>	Total Penalty (\$)
Reliability First Corporation	RRI Energy Wholesale Generation, LLC	NOC-417	RFC200800085	PRC-005-1	2.1	High	2,000
	RRI Energy Wholesale Generation, LLC (Seward)		RFC200800087	PRC-005-1	2.1	High	2,000
	Orion Power Midwest, LP		RFC200800086	PRC-005-1	2.1	High	2,000

<sup>5</sup> PRC-005-1 R2 has a "Lower" Violation Risk Factor (VRF); R2.1 has a "High" VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a "High" VRF. In the Commission's June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 "High" VRF as filed. Therefore, the "High" VRF was in effect from June 26, 2007.

## NERC Notice of Penalty

RRI Energy Mid Atlantic Power Holdings, LLC, RRI Energy Wholesale Generation, LLC and Orion Power Midwest, LP

March 31, 2010

Page 3

	RRI Energy Mid Atlantic Power Holdings, LLC		RFC200800088	PRC-005-1	2.1	High	2,000
Total Penalty							8,000

### PRC-005-1

The purpose of Reliability Standard PRC-005-1 is to ensure that all transmission and generation Protection Systems<sup>6</sup> affecting the reliability of the bulk power system (BPS) are maintained and tested.

PRC-005-1 R2 requires a Generator Owner, such as each RRI Entity, that owns a generation Protection System to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Entity on request (within 30 calendar days). This documentation of the program implementation must include: (R2.1) evidence Protection System devices were maintained and tested within the defined intervals and (R2.2) the date each Protection System was last tested/maintained. PRC-005-1 R2.1 has a “High” Violation Risk Factor (VRF).

According to the Settlement Agreement, on October 10, 2008 the RRI Entities submitted four separate Self-Reports regarding the RRI Entities’ failure to complete and document battery testing within defined intervals as required by PRC-005-1 R2.1. In these Self-Reports, the RRI Entities stated that, over the past year, their generating facilities missed some battery maintenance and testing events established by their maintenance schedules.

### RFC200800085 - Wholesale

Wholesale self-reported that it missed five (5) battery tests out of 49 scheduled. Wholesale owned two generating stations, Aurora and Hunterstown,<sup>7</sup> with a total of seven (7) batteries<sup>8</sup> subject to NERC Reliability Standard PRC-005-1 at the time of this possible violation. The battery at the Aurora Station was found to be tested within its defined intervals. Five (5) out of the six (6) batteries at the Hunterstown Station were not tested according to Wholesale’s Protection System maintenance and testing program. Hunterstown Station tested its batteries on a quarterly basis and the Aurora Station tested its batteries on a monthly, quarterly and annual basis. The missed battery testing amounted to 10% of the total number of battery tests required and 3% of the total testing requirements over the past year for Wholesale. The 3% was derived by taking the total number of Protection Systems device checks performed during the compliance period at Wholesale (170 completed tests) and dividing by the total number of checks scheduled for all Protection System devices (175 scheduled tests) batteries and relays.

<sup>6</sup> The NERC Glossary of Terms Used in Reliability Standards, updated April 20, 2009, defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

<sup>7</sup> Hunterstown Station tested its batteries on a quarterly basis and the Aurora Station tested its batteries on a monthly, quarterly and annual basis.

<sup>8</sup> Aurora Station has one (1) battery and Hunterstown Station has six (6) batteries.

All batteries were found to be in acceptable working condition prior to and immediately after the tests were completed.

ReliabilityFirst determined that Wholesale missed five scheduled battery tests and failed to maintain and test its Protection System devices within the defined intervals for those devices. ReliabilityFirst determined that the alleged violation duration was from June 30, 2008, the date Wholesale missed its first test, until September 18, 2008, the date that Wholesale mitigated its noncompliance as all batteries were on schedule with their relative maintenance and testing dates.<sup>9</sup>

#### RFC200800087 - Seward

Seward generating facility, which later became a part of Wholesale,<sup>10</sup> self-reported that it missed one (1) battery test out of 12 scheduled battery tests. The battery testing that was not performed at Seward amounted to 8.3% of the total number of battery tests required and 5% (20 tests completed out of 21 tests scheduled for its Protection System devices batteries and relays) of the total Protection System device testing requirements for Seward. The battery that missed the test in February 2008 was found to be in acceptable working condition prior to and immediately after the test was completed.

ReliabilityFirst determined that Seward missed one scheduled battery test and failed to maintain and test its Protection System devices within the defined intervals for that device.

ReliabilityFirst determined that the alleged violation duration was from March 1, 2008, the date Seward missed its test, until March 11, 2008, the date that Seward mitigated its noncompliance as all batteries were on schedule with their relative maintenance and testing dates.<sup>11</sup>

#### RFC200800086 - Orion

Orion self-reported that it missed seven (7) battery tests out of 131 scheduled battery tests. Orion owned six generating stations with a total of seventeen (17) batteries subject to NERC Standard PRC-005-1 at the time of this possible violation. Five (5) of the seventeen (17) total batteries were not tested within the defined intervals. During a routine review of records, it was discovered that scheduled battery maintenance and testing tasks had not been performed at the Avon Lake, Brunot Island, New Castle and Niles Stations. Avon Lake tested its batteries on a quarterly basis and missed a single quarterly check due in the first quarter of 2008; Brunot Island tested its batteries on a quarterly basis and missed a single quarterly check due in the second quarter of 2008, but did perform three monthly checks on April 30, 2008, May 30, 2008, and June 30, 2008; New Castle tested its batteries on a monthly basis and missed monthly tests due in October 2007, December 2007, March 2008, and May 2008; and Niles tested its batteries on a

---

<sup>9</sup> The Settlement Agreement incorrectly states the duration of the violation as October 10, 2008 through November 18, 2008.

<sup>10</sup> On December 1, 2008, Wholesale merged with the Seward generating facility, formerly Reliant Energy Seward, LLC. Wholesale remained as the surviving entity and thereby acquired ownership and operation of the Seward generating facility. Because Wholesale had assumed ownership for the Seward facility, it has therefore taken responsibility for the Seward alleged violation in addition to the Wholesale alleged violation of PRC-005-1 R2.1.

<sup>11</sup> The Settlement Agreement incorrectly states the duration of the violation as October 10, 2008 through November 18, 2008.

bi-monthly basis and missed a single bi-monthly check due in August/September 2008. The battery testing that was not performed at Orion amounted to 5.4%<sup>12</sup> of the total number of battery tests required and approximately 3% (691 tests completed out of 714 tests scheduled for its Protection System devices batteries and relays) of the total Protection System device testing requirements for Orion.<sup>13</sup> Orion indicates that 99 of the 116 tests scheduled at Orion during the applicable period were completed meaning 15% of its tests were missing.<sup>14</sup> All batteries were found to be in acceptable working condition prior to and immediately after the tests were completed.

ReliabilityFirst determined that Orion missed seven scheduled battery tests and failed to maintain and test its Protection System devices within the defined intervals for those devices. ReliabilityFirst determined that the alleged violation duration was from October 31, 2007, the date Orion missed its first test, until November 11, 2008, the date that Orion mitigated its noncompliance as all batteries were on schedule with their relative maintenance and testing dates.<sup>15</sup>

#### RFC200800088 – Mid-Atlantic

Mid-Atlantic self-reported that it missed 51 out of 222 scheduled battery tests. Mid Atlantic's fourteen active generation stations had a total of forty (40) batteries subject to NERC Standard PRC-005-1 at the time of the possible violation. Sixteen (16) of the batteries were not tested according to Mid-Atlantic's Protection System maintenance and testing program amounting to 23% of the total number of battery tests required and 4% (1,122 tests completed out of 1,170 tests scheduled for its Protection System devices batteries and relays) of the total Protection System device testing requirements for Mid-Atlantic.<sup>16</sup> Specifically from the third quarter of 2007 to the third quarter of 2008, Gilbert Station did not complete scheduled quarterly battery maintenance on two of its nine generating units in two quarters, and four units missed quarterly battery maintenance in one quarter; Titus Station (Units 4 and 5 only) missed quarterly battery maintenance checks in one quarter and an annual battery maintenance check was missed for the entire station (station battery, Units 4 and 5). Shawville Station (Units 3 and 4) station battery missed one bi-annual battery maintenance check in the last year; Sayreville Station (4 units) missed battery maintenance checks in three quarters; and Werner Station (4 units) missed battery maintenance checks in three quarters. All batteries were found to be in acceptable working condition prior to and immediately after the tests were completed.

---

<sup>12</sup> The actual calculation comes out to 5.34% (missed battery tests divided by the total number of scheduled battery tests).

<sup>13</sup> The Mitigation Plan incorrectly states that the total Protection System device testing requirements for Orion was 4%.

<sup>14</sup> These numbers represented in the ReliabilityFirst's verification of completion were from a specific response to an information request and are different from the numbers reflected in the Settlement Agreement because this information was supplied later during settlement negotiations and are the more accurate representation.

<sup>15</sup> The Settlement Agreement incorrectly states the duration of the violation as October 10, 2008 through November 18, 2008.

<sup>16</sup> The Mitigation Plan incorrectly states that the total Protection System device testing requirements for Mid-Atlantic was 3%.



ReliabilityFirst determined that Mid-Atlantic missed scheduled battery tests and failed to maintain and test its Protection System devices within the defined intervals for those devices. ReliabilityFirst determined that the alleged violation duration was from September 30, 2007, the date Mid-Atlantic missed its first test, until September 16, 2008, the date Mid-Atlantic mitigated its noncompliance as all batteries were on schedule with their relative maintenance and testing dates.<sup>17</sup>

According to the RRI Entities, prior to the self-reports, each generating facility relied upon a facility-specific battery maintenance and testing program. As a result, testing obligations varied among generating facilities, with each facility determining the testing interval and actions based upon the unique conditions and characteristics pertaining to the batteries located at the respective generating facility. Pursuant to the discovery of the alleged violations, a uniform battery testing program was developed to apply to all generation facilities owned and operated by RRI companies. The purpose of this uniform testing program was to ensure that a consistent maintenance and testing battery testing program is maintained across the fleet. This uniform program also enables centralized monitoring and tracking of maintenance and testing activities to ensure that such actions are performed on schedule.

This uniform maintenance and testing program consists of quarterly and annual inspections and/or testing above and beyond the operation inspections and functional checks that occur on a daily, weekly, or monthly basis. Quarterly inspections and checks include, among other things, inspection of posts and connections for evidence of corrosion, looseness or damage, and checks for battery cleanliness and evidence of cracks or electrolyte leakage. Inspections and tests at 12 to 18-month intervals include recording the temperature and specific gravity of each cell for vented lead-acid batteries, measurement of the internal impedance of individual cells for sealed or valve regulated lead-acid batteries, and measurement of cell interconnection resistance.

ReliabilityFirst determined that the alleged violations did not create a serious or substantial risk to the BPS because, based on the RRI Entities' response and the sample testing records that were provided to ReliabilityFirst's request for information, for each battery that had a test interval missed, no abnormalities were found during the test immediately prior to and immediately following the missed test interval.

#### Regional Entity's Basis for Penalty

According to the Settlement Agreement, ReliabilityFirst assessed a combined penalty of eight thousand dollars (\$8,000) for these referenced alleged violations. In reaching this determination, ReliabilityFirst considered the following factors:

1. the RRI Entities self-reported the alleged violations;
2. these alleged violations constituted the RRI Entities' first occurrence of violations of NERC Reliability Standards;

---

<sup>17</sup> The Settlement Agreement incorrectly states the duration of the violation as October 10, 2008 through November 18, 2008.

3. the RRI Entities remedied the alleged violations in a timely manner, having completed its Mitigation Plans by the approved completion date(s);
4. the RRI Entities were cooperative and open throughout the entire compliance enforcement process;
5. no misrepresentation or concealment of facts was evident; and
6. the alleged violations did not create a serious or substantial risk to the BPS, as discussed above.

Therefore, after consideration of the above factors, ReliabilityFirst determined that, in this instance, the combined penalty amount of eight thousand dollars (\$8,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

### **Status of Mitigation Plans<sup>18</sup>**

The RRI Entities Mitigation Plans to address the four separate alleged violations of PRC-005-1 R2.1 were each submitted to ReliabilityFirst on November 18, 2008,<sup>19</sup> stating completion as of October 9, 2008. The plans were accepted by ReliabilityFirst on December 5, 2008, and approved by NERC on January 9, 2009. Wholesale's Mitigation Plan for RFC200800085 is designated as MIT-08-1244. Wholesale/Seward's Mitigation Plan for RFC200800087 is designated as MIT-08-1246. Orion's Mitigation Plan for RFC200800086 is designated as MIT-08-1245. Mid-Atlantic's Mitigation Plan RFC200800088 is designated as MIT-08-1247. Each Mitigation Plan was submitted as non-public information to FERC on January 9, 2009 in accordance with FERC orders.

The Mitigation Plans required each RRI Entity to:

1. Hire a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests. This was completed in August 2008;
2. Direct central support personnel to monitor performance of the battery maintenance and testing checks; and
3. Perform testing for those batteries that were past the interval testing dates, which had been performed for the third quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to PRC-005-1.

Orion's Mitigation Plan, MIT-08-1245, also required Orion's central support personnel to conduct additional tracking of the Brunot Island Station and required the New Castle Station to change its internal practices for the its timing, execution and verification of its

---

<sup>18</sup> See 18 C.F.R. § 39.7(d)(7).

<sup>19</sup> Each Mitigation Plans is dated November 14, 2008 on its first page with a signature date of October 14, 2008.

battery maintenance and testing checks to align with NERC's "Example of Excellence" for battery testing.

The Mitigation Plans also stated the RRI Entities had purchased a software package in February 2008 and had entered into a consulting agreement with a large consulting firm to configure the software to allow personnel to check the status of compliance to NERC Reliability Standards, receive periodic reports on compliance and receive warning notifications of approaching deadlines. These software-related tasks were above and beyond those needed to complete the Mitigation Plans and were not to be considered as part of the Mitigation Plans. The consultants estimated completion date was February 2009.

The RRI Entities stated in each of the four Mitigation Plans that the actions required by the Mitigation Plan had been completed on October 9, 2008, and each entity submitted evidence in support of the completion of its individual Mitigation Plan completion for PRC-005-1 R2.1:

- 1) Responses to ReliabilityFirst's Request for Information (RFI), March 16, 2009, including:
  - a. a chart listing all batteries at each station with affected batteries highlighted in yellow (Attachments to RFI);
  - b. a chart showing the specific details of the test events;
  - c. statistical data relating to the number of test intervals missed at each station and the associated percentages;
  - d. work orders for the stations that had battery tests missed, indicating completion in performing the required battery maintenance thereby demonstrating all preventative maintenance work orders are up to date (Attachments to RFI).
- 2) Responses to ReliabilityFirst's RFI, March 26, 2009, including:
  - a. the job description for the position of Manager of Regulatory Affairs and NERC Reliability Standards; and
  - b. an e-mail sent on behalf of the Reliant Energy Vice President of Engineering and Technical Services dated October 23, 2008. This correspondence emphasized that the strict compliance to the station maintenance plan is mandatory and inspection/test results must be traceable and retrievable. This correspondence also discussed the revised "Engineering & Technical Services Directive: Maintenance Program for Generator Protection Systems," and more specifically discussed the fact that the revised document includes a station battery maintenance plan that will apply to all stations for NERC compliance.

The RRI Entities also implemented software to allow personnel to check the status of compliance to NERC Reliability Standards, receive periodic reports on compliance and receive warning notifications of approaching deadlines.

On November 18, 2008, the RRI Entities certified that the above actions required in each of the Mitigation Plans were completed as of October 9, 2008. The certifications were submitted using



Mitigation Plan forms that were signed on October 14, 2008, and contained in each Mitigation Plan.

On September 18, 2009, after its review of the RRI Entities' submitted evidence, ReliabilityFirst determined that Seward, Mid-Atlantic and Orion's Mitigation Plans were completed. On September 20, 2009 ReliabilityFirst verified that Wholesale's Mitigation Plan was completed and notified each RRI Entity of its compliance with PRC-005-1 R2.1.

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>20</sup>**

#### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, and the Commission's July 3, 2008 Guidance Order<sup>21</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 10, 2010. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's imposition of a financial penalty, assessing a penalty of eight thousand dollars (\$8,000) against RRI Entities 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 alleged violations at issue.

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

1. these violations were self-reported;
2. these alleged violations constituted the RRI Entities' first occurrence of violations of NERC Reliability Standards;
3. RFC reported there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
4. RFC reported that the RRI Entities were cooperative and open throughout the compliance enforcement process; and
5. the alleged violations did not create a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed eight thousand dollar (\$8,000) penalty (\$2,000 assessed to Mid-Atlantic, \$2,000 assessed to Orion, and \$4,000 assessed to Wholesale) is appropriate for the violations and circumstances, and consistent with NERC's goal to promote and ensure reliability of the BPS.

---

<sup>20</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>21</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty 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 part of this Notice of Penalty are the following documents:

- a) Wholesale's Self-Report for Violation ID # RFC200800085 dated October 10, 2008, included as Attachment a;
- b) Wholesale's Self-Report for (Seward) Violation ID # RFC200800087 dated October 10, 2008, included as Attachment b;
- c) Orion's Self-Report for Violation ID # RFC200800086, dated October 10, 2008, included as Attachment c;
- d) Mid-Atlantic's Self-Report for Violation ID # RFC200800088 dated October 10, 2008, included as Attachment d;
- e) Settlement Agreement by and between ReliabilityFirst Corporation and the RRI Entities executed November 9, 2009, included as Attachment e;
- f) Wholesale's Mitigation Plan for Violation ID # RFC200800085 designated as MIT-08-1244 dated November 14, 2008 and submitted November 18, 2008 and Certification of Completion herein, included as Attachment f;
- g) Wholesale/Seward's Mitigation Plan for Violation ID # RFC200800087 designated as MIT-08-1246 dated November 14, 2008 and submitted November 18, 2008 and Certification of Completion herein, included as Attachment g;
- h) Orion's Mitigation Plan for Violation ID # RFC200800086 designated as MIT-08-1245 dated November 14, 2008 and submitted November 18, 2008 and Certification of Completion herein, included as Attachment h;
- i) Mid-Atlantic's Mitigation Plan for Violation ID # RFC200800088 designated as MIT-08-1247 dated November 14, 2008 and submitted November 18, 2008 and Certification of Completion herein, included as Attachment i;
- j) ReliabilityFirst's Verification of Completion of the Mitigation Plan for Wholesale Violation ID # RFC200800085 dated September 20, 2009, included as Attachment j;
- k) ReliabilityFirst's Verification of Completion of the Mitigation Plan for Wholesale (Seward) Violation ID # RFC200800087 dated September 18, 2009, included as Attachment k;
- l) ReliabilityFirst's Verification of Completion of the Mitigation Plan for Orion Violation ID # RFC200800086 dated September 18, 2009, included as Attachment l; and
- m) ReliabilityFirst's Verification of Completion of the Mitigation Plan for Mid-Atlantic Violation ID # RFC200800088 dated September 18, 2009, included as Attachment m.

**A Form of Notice Suitable for Publication<sup>22</sup>**

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

**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* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>David Freysinger* Senior Vice President, Generation Operations RRI Energy, Inc. 1000 Main Street Houston, Texas 77002 (832) 357-7378 DFreysinger@rrienergy.com</p> <p>Christopher Hajovsky* Director, Regulatory Affairs and NERC Reliability Standards RRI Energy, Inc. 1000 Main Street Houston, Texas 77002 (832) 357-7908 CJHajovsky@rrienergy.com</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Timothy R. Gallagher* President &amp; CEO ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5390 – facsimile tim.gallagher@rfirst.org</p> <p>Raymond J. Palmieri* Vice President and Director of Compliance ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile ray.palmieri@rfirst.org</p>
---	--

<sup>22</sup> See 18 C.F.R. § 39.7(d)(6).

NERC Notice of Penalty

RRI Energy Mid Atlantic Power Holdings, LLC, RRI Energy Wholesale Generation, LLC and  
Orion Power Midwest, LP

March 31, 2010

Page 12

Michael Jines\*

Executive Vice President, General Counsel, Corporate  
Secretary and Chief Compliance Officer  
RRI Energy, Inc.  
1000 Main Street  
Houston, Texas 77002  
(832) 357-7465  
MJines@rrienergy.com

Gretchen Schott\*

Senior Counsel  
RRI Energy, Inc.  
1000 Main Street  
Houston, Texas 77002  
(832) 357-6933  
GSchott@rrienergy.com

\*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.

Robert K. Wargo\*

Manager of Compliance Enforcement  
ReliabilityFirst Corporation  
320 Springside Drive, Suite 300  
Akron, Ohio 44333  
(330) 456-2488  
(330) 456-5408 – facsimile  
bob.wargo@rfirst.org

Stephanie C. Davis\*

Compliance Enforcement Specialist  
ReliabilityFirst Corporation  
320 Springside Drive, Suite 300  
Akron, Ohio 44333  
(330) 456-2488  
(330) 456-5408 – facsimile  
stephanie.davis@rfirst.org

## Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

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

/s/ Rebecca J. Michael  
Rebecca J. Michael  
Assistant General Counsel  
Holly A. Hawkins  
Attorney  
North American Electric Reliability  
Corporation  
1120 G Street, N.W.  
Suite 990  
Washington, D.C. 20005-3801  
(202) 393-3998  
(202) 393-3955 – facsimile  
rebecca.michael@nerc.net  
holly.hawkins@nerc.net

cc: RRI Energy, Inc.  
ReliabilityFirst Corporation

Attachments



## **Attachment a**

### **Wholesale's Self-Report for Violation ID # RFC200800085 dated October 10, 2008**



**COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM  
VIOLATION SELF-REPORTING FORM**

*This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self-assessment.*

1. **Reliability Standard** (XXX-###-# or XXX-###-RFC-##) PRC-005-1
2. **Violation(s):** Check the appropriate box(s) to identify violation(s) of any of the applicable requirement(s) referenced in the standard.

**For violations of requirements with Levels of Non-Compliance or Violation Severity Levels (VSL) specified in the standard:**

- ☒ Entity is Level 1 Non-Compliance or has Lower VSL for the following: requirement(s): 2.1 for function(s): GO
- ☐ Entity is Level 2 Non-Compliance or has Moderate VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 3 Non-Compliance or has High VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 4 Non-Compliance or has Severe VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

**For violations of requirements with no Levels of Non-Compliance or Violation Severity Levels specified in the standard:**

- ☐ Entity is in violation of requirement(s) not referenced in the Levels of Non-Compliance or Violation Severity Levels section of the standard:

requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

3. **Description of the violation:** Reliant Energy Wholesale Generation, LLC owns two generating facilities in the RFC region. Over the past year, the generating facilities have missed some battery maintenance and testing events established by our maintenance schedule.
3. **Additional information:** Attached to this Self-Reporting Form is the Generator Owner Verification Form for the facilities owned by Reliant Energy Wholesale Generation, LLC. Also attached is the battery maintenance and testing information for each facility..

5. **Mitigation Plan attached:** ☒ Yes ☐ No

6. **Officer Verification:** I understand that this information is being provided as required by the ReliabilityFirst Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

**Enter NERC Registry ID#** NCR00396

Officer's Name: David Freysinger

Officer's Title: Senior Vice President, Generation Operations

Officer's e-mail address: DFreysinger@reliant.com Phone: 713-497-7378

Registered Company Name: Reliant Energy Wholesale Generation, LLC CDMS User ID: \_\_\_\_\_

Primary Compliance Contact (PCC)/Alternate: Chris Hajovsky

Email: CJHajovsky@reliant.com Phone: 713-497-7908 Date: 10/10/08

E-mail Submittals to: [compliance@rfirst.org](mailto:compliance@rfirst.org) or Fax#: 330- 456-5408 – Attention Compliance Dept.  
For any questions regarding compliance submittals, please e-mail: [compliance@rfirst.org](mailto:compliance@rfirst.org).

## **Attachment b**

**Wholesale's Self-Report for (Seward) Violation  
ID # RFC200800087 dated October 10, 2008**



**COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM**  
**VIOLATION SELF-REPORTING FORM**

*This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self-assessment.*

1. Reliability Standard (XXX-###-# or XXX-###-RFC-##) PRC-005-1

2. Violation(s): Check the appropriate box(s) to identify violation(s) of any of the applicable requirement(s) referenced in the standard.

**For violations of requirements with Levels of Non-Compliance or Violation Severity Levels (VSL) specified in the standard:**

- ☒ Entity is Level 1 Non-Compliance or has Lower VSL for the following: requirement(s): 2.1 for function(s): GO
- ☐ Entity is Level 2 Non-Compliance or has Moderate VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 3 Non-Compliance or has High VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 4 Non-Compliance or has Severe VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

**For violations of requirements with no Levels of Non-Compliance or Violation Severity Levels specified in the standard:**

- ☐ Entity is in violation of requirement(s) not referenced in the Levels of Non-Compliance or Violation Severity Levels section of the standard:

requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

3. **Description of the violation:** Reliant Energy Seward, LLC is a generating facility in the RFC region. Over the past year, the generating facility has missed some battery maintenance and testing events established by our maintenance schedule.

3. **Additional information:** Attached to this Self-Reporting Form is the Generator Owner Verification Form for Reliant Energy Seward, LLC. Also attached is the battery maintenance and testing information for the facility..

5. Mitigation Plan attached: ☒ Yes ☐ No

6. **Officer Verification:** I understand that this information is being provided as required by the ReliabilityFirst Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

**Enter NERC Registry ID#** NCR00907

Officer's Name: David Freysinger

Officer's Title: Senior Vice President, Generation Operations

Officer's e-mail address: DFreysinger@reliant.com Phone: 713-497-7378

Registered Company Name: Reliant Energy Seward, LLC CDMS User ID: \_\_\_\_\_

Primary Compliance Contact (PCC)/Alternate: Chris Hajovsky

Email: CJHajovsky@reliant.com Phone: 713-497-7908 Date: 10/10/08

**E-mail Submittals to: compliance@rfirst.org or Fax#: 330-456-5408 – Attention Compliance Dept.**



For any questions regarding compliance submittals, please e-mail: [compliance@rfirst.org](mailto:compliance@rfirst.org).

## **Attachment c**

**Orion's Self-Report for Violation ID #  
RFC200800086, dated October 10, 2008**



**COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM  
VIOLATION SELF-REPORTING FORM**

*This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self-assessment.*

1. Reliability Standard (XXX-###-# or XXX-###-RFC-##) PRC-005-1
2. Violation(s): Check the appropriate box(s) to identify violation(s) of any of the applicable requirement(s) referenced in the standard.

**For violations of requirements with Levels of Non-Compliance or Violation Severity Levels (VSL) specified in the standard:**

- ☒ Entity is Level 1 Non-Compliance or has Lower VSL for the following: requirement(s): 2.1 for function(s): GO
- ☐ Entity is Level 2 Non-Compliance or has Moderate VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 3 Non-Compliance or has High VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 4 Non-Compliance or has Severe VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

**For violations of requirements with no Levels of Non-Compliance or Violation Severity Levels specified in the standard:**

- ☐ Entity is in violation of requirement(s) not referenced in the Levels of Non-Compliance or Violation Severity Levels section of the standard:

requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

3. **Description of the violation:** Orion Power Midwest, LP owns six generating facilities in the RFC region. Over the past year, two of the six generating facilities have missed some battery maintenance and testing events established by our maintenance schedule.

3. **Additional information:** Attached to this Self-Reporting Form is the Generator Owner Verification Form for the facilities owned by Orion Power Midwest, LP. Also attached is the battery maintenance and testing information for each facility.

5. **Mitigation Plan attached:** ☒ Yes ☐ No

6. **Officer Verification:** I understand that this information is being provided as required by the ReliabilityFirst Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

**Enter NERC Registry ID#** NCR00864

Officer's Name: David Freysinger

Officer's Title: Senior Vice President, Generation Operations

Officer's e-mail address: DFreysinger@reliant.com Phone: 713-497-7378

Registered Company Name: Orion Power Midwest, LP CDMS User ID: \_\_\_\_\_

Primary Compliance Contact (PCC)/Alternate: Chris Hajovsky

email: CJHajovsky@reliant.com Phone: 713-497-7908 Date: 10/10/2008

**E-mail Submittals to: compliance@rfirst.org or Fax#: 330- 456-5408 – Attention Compliance Dept.**

For any questions regarding compliance submittals, please e-mail: [compliance@rfirst.org](mailto:compliance@rfirst.org).

## **Attachment d**

**Mid-Atlantic's Self-Report for Violation ID #  
RFC200800088 dated October 10, 2008**





**COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM  
VIOLATION SELF-REPORTING FORM**

*This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self-assessment.*

1. Reliability Standard (XXX-###-# or XXX-###-RFC-##) PRC-005-1
2. Violation(s): Check the appropriate box(s) to identify violation(s) of any of the applicable requirement(s) referenced in the standard.

**For violations of requirements with Levels of Non-Compliance or Violation Severity Levels (VSL) specified in the standard:**

- ☒ Entity is Level 1 Non-Compliance or has Lower VSL for the following: requirement(s): 2.1 for function(s): GO
- ☐ Entity is Level 2 Non-Compliance or has Moderate VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 3 Non-Compliance or has High VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_
- ☐ Entity is Level 4 Non-Compliance or has Severe VSL for the following: requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

**For violations of requirements with no Levels of Non-Compliance or Violation Severity Levels specified in the standard:**

- ☐ Entity is in violation of requirement(s) not referenced in the Levels of Non-Compliance or Violation Severity Levels section of the standard:

requirement(s): \_\_\_\_\_ for function(s): \_\_\_\_\_

3. **Description of the violation:** Reliant Energy Mid Atlantic Power Holdings, LLC owns fourteen generating facilities in the RFC region. Over the past year, four of the fourteen generating facilities have missed some battery maintenance and testing events established by the schedule.
3. **Additional information:** Attached to this Self-Reporting Form is the Generator Owner Verification Form for the facilities owned by Reliant Energy Mid Atlantic Power Holdings, LLC. Also attached is the battery maintenance and testing information for each facility.
5. **Mitigation Plan attached:** ☒ Yes ☐ No
6. **Officer Verification:** I understand that this information is being provided as required by the ReliabilityFirst Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

**Enter NERC Registry ID#** NCR08070

Officer's Name: David Freysinger

Officer's Title: Senior Vice President, Generation Operations

Officer's e-mail address: DFreysinger@reliant.com Phone: 713-497-7378

Registered Company Name: Reliant Energy Mid Atlantic Power Holdings, LLC CDMS User ID: \_\_\_\_\_

Primary Compliance Contact (PCC)/Alternate: Chris Hajovsky

Email: CJHajovsky@reliant.com Phone: 713-497-7908 Date: 10/10/08

E-mail Submittals to: [compliance@rfirst.org](mailto:compliance@rfirst.org) or Fax#: 330- 456-5408 – Attention Compliance Dept.  
For any questions regarding compliance submittals, please e-mail: [compliance@rfirst.org](mailto:compliance@rfirst.org).

## **Attachment e**

### **Settlement Agreement by and between Reliability*First* Corporation and the RRI Entities executed November 9, 2009**



---

In re RRI ENERGY	)	DOCKET NUMBER
MID-ATLANTIC POWER HOLDINGS,	)	RFC200800088
LLC	)	
NERC Registry ID #NCR08070	)	
	)	
and	)	
RRI ENERGY WHOLESALE	)	RFC200800085
GENERATION, LLC	)	
NERC Registry ID # NCR00396	)	RFC200800087
	)	
and	)	
ORION POWER MIDWEST, L.P.	)	RFC200800086
NERC Registry ID #NCR00864	)	

**SETTLEMENT AGREEMENT  
OF  
RELIABILITYFIRST CORPORATION  
AND  
RRI ENERGY MID-ATLANTIC POWER HOLDINGS, LLC  
AND  
RRI ENERGY WHOLESALE GENERATION, LLC  
AND  
ORION POWER MIDWEST, L.P.**

**I. INTRODUCTION**

1. ReliabilityFirst Corporation (“ReliabilityFirst”) and RRI Energy Mid-Atlantic Power Holdings, LLC (“Mid-Atlantic”) (formerly known as Reliant Energy Mid-Atlantic Power Holdings, LLC (“REMA”)) and RRI Energy Wholesale Generation, LLC (“Wholesale”) (formerly known as Reliant Energy Wholesale Generation, LLC (“REWG”)) and Orion Power Midwest, L.P. (“Orion”) enter into this Settlement Agreement (“Agreement”) to resolve all outstanding issues arising from preliminary and non-public assessments resulting in ReliabilityFirst’s determinations and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of violations by each of Mid-Atlantic, Wholesale, and Orion of the NERC Reliability Standard PRC-005-1, Requirement 2.1.

## II. STIPULATION OF FACTS

2. The facts stipulated herein are stipulated solely for the purpose of resolving between ReliabilityFirst and each of Mid-Atlantic, Wholesale, and Orion the matters discussed herein with respect to each of Mid-Atlantic, Wholesale, and Orion, respectively, and do not constitute stipulations or admissions for any other purpose. ReliabilityFirst stipulates and agrees to the following, and Mid-Atlantic, Wholesale, and Orion each hereby stipulate and agree to the following facts as such facts relate to it specifically:

### A. Background

3. Mid-Atlantic is a wholly-owned subsidiary of RRI Energy, Inc. (“RRI Energy”) (formerly known as Reliant Energy, Inc. (“Reliant”)) that owns and operates fourteen (14) generating facilities, with another facility pending in PJM’s interconnection queue, in the ReliabilityFirst region. Mid-Atlantic is registered with NERC as a Generator Owner (“GO”) and Generator Operator (“GOP”).
4. Wholesale is a wholly-owned subsidiary of RRI Energy that owns and operates three (3) generating facilities in the ReliabilityFirst region. As of the date of Wholesale’s Self-Report described in Paragraph 8 below, Wholesale owned and operated two (2) generating facilities (i.e., the Hunterstown and Aurora Stations). On December 1, 2008, Wholesale acquired by merger ownership of a third generating facility (the Seward generating facility). Until December 1, 2008, the Seward generating facility had been owned and operated by an affiliate of Wholesale, Reliant Energy Seward, LLC (“Seward”). Effective December 1, 2008, however, Seward was merged into Wholesale, with Wholesale remaining as the surviving entity and thereby acquiring ownership of the Seward generating facility. As a result, the violation of PRC-005-1, Requirement 2.1 that Seward self-reported (identified as NERC Violation ID Number RFC200800087) is addressed herein. Wholesale is registered with NERC as a GO and GOP.
5. Orion is a wholly-owned subsidiary of RRI Energy that owns and operates six (6) generating facilities in the ReliabilityFirst region (i.e., the Avon Lake, Brunot Island, Cheswick, Elrama, New Castle and Niles Stations). Orion is registered with NERC as a GO and GOP.
6. Effective May 2, 2009, the corporate names of Mid-Atlantic and Wholesale were changed from Reliant Energy Mid-Atlantic Power Holdings, LLC and Reliant Energy Wholesale Generation, LLC, respectively, to RRI Energy Mid-Atlantic Power Holdings, LLC and RRI Energy Wholesale Generation, LLC, respectively. Reliant Energy, Inc.’s name was also changed to RRI Energy, Inc. The corporate name changes were made in connection with the sale by Reliant of its non-jurisdictional retail business to NRG Retail, LLC, a wholly-owned subsidiary of NRG Energy, Inc., which occurred on May 1, 2009.



**B. Alleged Violation of PRC-005-1, Requirement 2.1 – RFC200800085 (Wholesale)**

7. NERC Reliability Standard PRC-005-1 “*Transmission and Generation Protection System Maintenance and Testing*”, Requirement 2.1, states “Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

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

8. On October 10, 2008, Wholesale submitted to ReliabilityFirst a Compliance Monitoring and Enforcement Program Violation Self-Reporting Form in which Wholesale identified Non-Compliance with Requirement 2.1 of NERC Reliability Standard PRC-005-1. Specifically, in the Self-Reporting Form, Wholesale stated, “Reliant Energy Wholesale Generation, LLC owns two generating facilities in the RFC region. Over the past year, the generating facilities have missed some battery maintenance and testing events established by our maintenance schedule.”
9. On February 2, 2009, ReliabilityFirst sent a Request for Information (“Wholesale Information Request”) to Wholesale in order to clarify the number of batteries that were affected by the missing battery tests. On March 16, 2009, Wholesale responded to ReliabilityFirst’s Information Request.
10. Wholesale’s Responses to ReliabilityFirst’s Wholesale Information Request stated that the Hunterstown and Aurora Stations have a total of seven (7) batteries. Of these seven (7) batteries, only five (5) were affected by the testing issues referenced in the Self-Report. Of the 49 battery tests scheduled by Wholesale during the period of the self-report, five (5) were missed, for a total of 10% of the total number of tests required.<sup>1</sup> All batteries were in acceptable condition and were working prior to and immediately after the tests were completed.

---

<sup>1</sup> This percentage is calculated for battery testing only. All other Protection System devices subject to testing obligations under NERC Reliability Standard PRC-005-1 were tested in a timely fashion and in compliance with the obligations established in the Standard. This percentage is lower if all Protection System devices that are part of the obligations under PRC-005-1 are included.

11. Prior to the self-report, each generating facility for Wholesale relied upon a facility-specific battery maintenance and testing program. As a result, testing obligations varied among generating facilities, with each facility determining the testing interval and actions based upon the unique conditions and characteristics pertaining to the batteries located at the respective generating facility. Pursuant to the discovery of the self-reported violation, a uniform battery testing program was developed to apply to all generation facilities owned and operated by RRI Companies. The purpose of this uniform testing program is to ensure that a consistent maintenance and testing battery testing program is maintained across the fleet. This uniform program also enables centralized monitoring and tracking of maintenance and testing activities to ensure that such actions are performed on schedule. This newly implemented maintenance and testing program consists of quarterly and annual inspections and/or testing above and beyond the operational inspections and functional checks that occur on a daily, weekly, or monthly basis. Quarterly inspections and checks include, among other things, inspection of posts and connections for evidence of corrosion, looseness or damage, inspection of post seals for evidence of damage or deterioration, and checks for battery cleanliness and evidence of cracks or electrolyte leakage. Inspections and tests at 12-18 month intervals include recording the temperature and specific gravity of each cell for vented lead-acid batteries, measurement of the internal impedance of individual cells for sealed or valve regulated lead-acid batteries, and measurement of cell interconnection resistance.
12. In the Self-Report, and as clarified in subsequent responses to ReliabilityFirst Information Requests, Wholesale indicated that battery tests were missed at the Hunterstown Station (Seward is addressed in section D below). Hunterstown tested its batteries on a quarterly basis, with testing at the Aurora Station being performed on monthly, quarterly and annual intervals. The Hunterstown Station has a total of six (6) batteries across the four (4) Hunterstown units, and five (5) of those batteries missed battery tests in the second quarter of 2008. The remaining batteries for Wholesale were completed as scheduled. In the battery tests immediately before and after the missed intervals, Wholesale determined that all batteries were in good working condition.
13. ReliabilityFirst alleges that Wholesale failed to provide sufficient evidence that Protection System devices were maintained and tested within the defined intervals.

**C. Alleged Violation of PRC-005-1, Requirement 2.1 – RFC200800086 (Orion)**

14. NERC Reliability Standard PRC-005-1 “*Transmission and Generation Protection System Maintenance and Testing*”, Requirement 2.1, states “Each Transmission Owner and any Distribution Provider that owns a transmission

Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

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

15. On October 10, 2008, Orion submitted to ReliabilityFirst a Compliance Monitoring and Enforcement Program Violation Self-Reporting Form in which Orion identified Non-Compliance with Requirement 2.1 of NERC Reliability Standard PRC-005-1. Specifically, in the Self-Reporting Form, Orion stated that “Orion Power Midwest, LP owns six generating facilities in the RFC region. Over the past year, two of the six generating facilities have missed some battery maintenance and testing events established by our maintenance schedule.”
16. On February 2, 2009, ReliabilityFirst sent a Request for Information (“Orion Information Request”) to Orion in order to clarify the number of batteries that were affected by the missing battery tests. On March 16, 2009, Orion responded to ReliabilityFirst’s Information Request.
17. Orion’s Responses to ReliabilityFirst’s Information Request stated that the six (6) generating facilities owned by Orion have a total of 17 batteries. Of these 17 batteries, only five (5) were affected by the testing issues referenced in the Self-Report. Of the 131 battery tests scheduled by Orion during the period of the Self-Report, seven (7) were missed, for a total of 5.4% of the total number of tests required.<sup>2</sup> All batteries were in acceptable condition and were working prior to and immediately after the tests were completed.
18. Prior to the self-report, each generating facility for Orion relied upon a facility-specific battery maintenance and testing program. As a result, testing obligations varied among generating facilities, with each facility determining the testing interval and actions based upon the unique conditions and characteristics pertaining to the batteries located at the respective generating facility. Pursuant to the discovery of the self-reported violation, a uniform battery testing program was developed to apply to all generation facilities owned and operated by RRI Companies. The purpose of this uniform testing program is to ensure that a

---

<sup>2</sup> This percentage is calculated for battery testing only. All other Protection System devices subject to testing obligations under NERC Reliability Standard PRC-005-1 were tested in a timely fashion and in compliance with the obligations established in the Standard. This percentage is lower if all Protection System devices that are part of the obligations under PRC-005-1 are included.

consistent maintenance and testing battery testing program is maintained across the fleet. This uniform program also enables centralized monitoring and tracking of maintenance and testing activities to ensure that such actions are performed on schedule. This newly implemented maintenance and testing program consists of quarterly and annual inspections and/or testing above and beyond the operational inspections and functional checks that occur on a daily, weekly, or monthly basis. Quarterly inspections and checks include, among other things, inspection of posts and connections for evidence of corrosion, looseness or damage, inspection of post seals for evidence of damage or deterioration, and checks for battery cleanliness and evidence of cracks or electrolyte leakage. Inspections and tests at 12-18 month intervals include recording the temperature and specific gravity of each cell for vented lead-acid batteries, measurement of the internal impedance of individual cells for sealed or valve regulated lead-acid batteries, and measurement of cell interconnection resistance.

19. In the Self-Report, and as clarified in subsequent responses to ReliabilityFirst Information Requests, Orion indicated battery tests were missed at the Avon Lake, Brunot Island, New Castle, and Niles Stations. Battery tests at the Cheswick and Elrama Stations were completed as scheduled. At the Avon Lake and Brunot Island Stations, Orion tested batteries on a quarterly basis. At the New Castle Station, batteries were tested on a monthly basis. At the Niles Station, batteries were tested on a bi-monthly basis (six (6) times a year). Orion determined that all batteries were in good working condition based on testing performed immediately after the missed intervals.
20. ReliabilityFirst alleges that Orion failed to provide sufficient evidence that Protection System devices were maintained and tested within the defined intervals.

**D. Alleged Violation of PRC-005-1, Requirement 2.1 – RFC200800087 (Wholesale for Seward Generating Facility)**

21. NERC Reliability Standard PRC-005-1 “*Transmission and Generation Protection System Maintenance and Testing*”, Requirement 2.1, states “Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

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

22. On October 10, 2008, Seward submitted to ReliabilityFirst a Compliance Monitoring and Enforcement Program Violation Self-Reporting Form in which Seward identified Non-Compliance to Requirement 2.1 of NERC Reliability Standard PRC-005-1. Specifically, in the Self-Reporting Form, Seward stated, “Reliant Energy Seward, LLC is a generating facility in the RFC region. Over the past year, the generating facility has missed some battery maintenance and testing events established by our maintenance schedule.”
23. On February 2, 2009, ReliabilityFirst sent a Request for Information (“Seward Information Request”) to Wholesale (as successor to Seward) in order to clarify the number of batteries that were affected by the missing battery tests. On March 16, 2009, Wholesale responded to ReliabilityFirst’s Information Request.
24. Wholesale’s Responses to ReliabilityFirst’s Seward Information Request stated that it owned one (1) generating unit at the Seward generating facility and one (1) battery which was affected by the testing issues referenced in the Self-Report. Of the 12 total battery tests scheduled by Seward and Wholesale (as successor to Seward) during the period of the Self-Report, one(1) was missed, for a total of 8.3% of the total number of tests required.<sup>3</sup> The battery was in acceptable condition and was working prior to and immediately after the test was completed.
25. Prior to the self-report, Seward’s generating facility relied upon a facility-specific battery maintenance and testing program. As a result, testing obligations varied among generating facilities, with each facility determining the testing interval and actions based upon the unique conditions and characteristics pertaining to the batteries located at the respective generating facility. Pursuant to the discovery of the self-reported violation, a uniform battery testing program was developed to apply to all generation facilities owned and operated by RRI Companies. The purpose of this uniform testing program is to ensure that a consistent maintenance and testing battery testing program is maintained across the fleet. This uniform program also enables centralized monitoring and tracking of maintenance and testing activities to ensure that such actions are performed on schedule. This newly implemented maintenance and testing program consists of quarterly and annual inspections and/or testing above and beyond the operational inspections and functional checks that occur on a daily, weekly, or monthly basis. Quarterly inspections and checks include, among other things, inspection of posts and connections for evidence of corrosion, looseness or damage,

---

<sup>3</sup> This percentage is calculated for battery testing only. All other Protection System devices subject to testing obligations under NERC Reliability Standard PRC-005-1 were tested in a timely fashion and in compliance with the obligations established in the Standard. This percentage is lower if all Protection System devices that are part of the obligations under PRC-005-1 are included.

inspection of post seals for evidence of damage or deterioration, and checks for battery cleanliness and evidence of cracks or electrolyte leakage. Inspections and tests at 12-18 month intervals include recording the temperature and specific gravity of each cell for vented lead-acid batteries, measurement of the internal impedance of individual cells for sealed or valve regulated lead-acid batteries, and measurement of cell interconnection resistance.

26. In the Self-Report, and as clarified in subsequent responses to ReliabilityFirst Information Requests, Seward indicated battery tests were missed at the Seward generating facility. At the time of the Possible Alleged Violation, batteries were tested on a monthly basis. Seward missed testing in February of 2008. In the tests immediately before and after the missed test interval, the battery was found to be in good, working condition
27. ReliabilityFirst alleges that Wholesale (as successor to Seward) failed to provide sufficient evidence that Protection System devices were maintained and tested within the defined intervals.

**E. Alleged Violation of PRC-005-1, Requirement 2.1 – RFC200800088 (Mid-Atlantic)**

28. NERC Reliability Standard PRC-005-1 “*Transmission and Generation Protection System Maintenance and Testing*”, Requirement 2.1, states “Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

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

29. On October 10, 2008, Mid-Atlantic submitted to ReliabilityFirst a Compliance Monitoring and Enforcement Program Violation Self-Reporting Form in which Mid-Atlantic identified Non-Compliance with Requirement 2.1 of NERC Reliability Standard PRC-005-1. Specifically, in the Self-Reporting Form, Mid-Atlantic stated, “Reliant Energy Mid-Atlantic Power Holdings, LLC owns fourteen generating facilities in the RFC region, and of the fourteen generating facilities, four facilities missed 22 battery testing events.”
30. On February 2, 2009, ReliabilityFirst sent a Request for Information (“Mid-Atlantic Information Request”) to Mid-Atlantic in order to clarify the number of batteries that were affected by the missing battery tests. On March 16, 2009, Mid-Atlantic responded to ReliabilityFirst’s Information Request.

31. Mid-Atlantic's Responses to ReliabilityFirst's Mid-Atlantic Information Request stated that the 14 generating facilities owned by Mid-Atlantic have a total of 40 batteries. Of these 40 batteries, only 16 were affected by the testing issues referenced in the Self-Report. Of the 222 battery tests scheduled by Mid-Atlantic during the period of the Self-Report, 51 were missed, for a total of 23% of the total number of tests required.<sup>4</sup> All batteries were found to be in acceptable condition and were working prior to and immediately after the tests were completed.
32. Prior to the self-report, each generating facility for Mid-Atlantic relied upon a facility-specific battery maintenance and testing program. As a result, testing obligations varied among generating facilities, with each facility determining the testing interval and actions based upon the unique conditions and characteristics pertaining to the batteries located at the respective generating facility. Pursuant to the discovery of the self-reported violation, a uniform battery testing program was developed to apply to all generation facilities owned and operated by RRI Companies. The purpose of this uniform testing program is to ensure that a consistent maintenance and testing battery testing program is maintained across the fleet. This uniform program also enables centralized monitoring and tracking of maintenance and testing activities to ensure that such actions are performed on schedule. This newly implemented maintenance and testing program consists of quarterly and annual inspections and/or testing above and beyond the operational inspections and functional checks that occur on a daily, weekly, or monthly basis. Quarterly inspections and checks include, among other things, inspection of posts and connections for evidence of corrosion, looseness or damage, inspection of post seals for evidence of damage or deterioration, and checks for battery cleanliness and evidence of cracks or electrolyte leakage. Inspections and tests at 12-18 month intervals include recording the temperature and specific gravity of each cell for vented lead-acid batteries, measurement of the internal impedance of individual cells for sealed or valve regulated lead-acid batteries, and measurement of cell interconnection resistance.
33. In the Self-Report, and as clarified in subsequent responses to ReliabilityFirst Information Requests, Mid-Atlantic indicated that battery tests were missed at the Gilbert, Sayreville, Shawville, Titus and Werner Stations. Battery testing at the other nine (9) Mid-Atlantic generating facilities was completed as scheduled. Mid-Atlantic generating facilities test batteries on a combination of monthly,

---

<sup>4</sup> This percentage is calculated for battery testing only. All other Protection System devices subject to testing obligations under NERC Reliability Standard PRC-005-1 were tested in a timely fashion and in compliance with the obligations established in the Standard. This percentage is lower if all Protection System devices that are part of the obligations under PRC-005-1 are included.

quarterly or annual intervals, depending upon the generating facility. In the tests immediately after the missed interval, Mid-Atlantic determined that all batteries were in good working condition.

34. ReliabilityFirst alleges that Mid-Atlantic failed to provide sufficient evidence that Protection System devices were maintained and tested within the defined intervals.

### **III. PARTIES' SEPARATE REPRESENTATIONS**

#### **A. STATEMENT OF RELIABILITYFIRST AND SUMMARY OF FINDINGS**

35. ReliabilityFirst considers this Agreement as serving to resolve all issues with regards to each of the above captioned docket numbers and commit Wholesale (including in its capacity as successor to Seward), Orion, and Mid-Atlantic (each individually, an "RRI Company") to each perform such actions applicable to it hereafter enumerated and listed as conditions for it under this Agreement.
36. The alleged violation of PRC-005-1, R2.1 by Mid-Atlantic has a Violation Risk Factor (VRF) of "High," consistent with the VRF Matrix from the NERC December 17, 2007 Compliance Filing. The duration of this alleged violation, for purposes of penalty determination is from October 10, 2008, the date Mid-Atlantic submitted its Self-Report, to November 18, 2008, the date on which Mid-Atlantic submitted an acceptable Mitigation Plan to ReliabilityFirst. Pursuant to the ruling of the Federal Energy Regulatory Commission ("Commission"), such penalties may be applied on a daily basis for the duration of the violation.<sup>5</sup>
37. The alleged violation of PRC-005-1, R2.1 by Wholesale has a Violation Risk Factor (VRF) of "High," consistent with the VRF Matrix from the NERC December 17, 2007 Compliance Filing. The duration of this alleged violation, for purposes of penalty determination is from October 10, 2008, the date Wholesale submitted its Self-Report, to November 18, 2008, the date on which Wholesale submitted an acceptable Mitigation Plan to ReliabilityFirst. Pursuant to the ruling of the Commission, such penalties may be applied on a daily basis for the duration of the violation.
38. The alleged violation of PRC-005-1, R2.1 by Wholesale (as successor to Seward) has a Violation Risk Factor (VRF) of "High," consistent with the VRF

---

<sup>5</sup> "Mandatory Reliability Standards for the Bulk-Power System," Order 693, 118 FERC ¶ 61,218 at P.276 (2007)



Matrix from the NERC December 17, 2007 Compliance Filing. The duration of this alleged violation, for purposes of penalty determination is from October 10, 2008, the date Seward submitted its Self-Report, to November 18, 2008, the date on which Seward submitted an acceptable Mitigation Plan to ReliabilityFirst. Pursuant to the ruling of the Commission, such penalties may be applied on a daily basis for the duration of the violation.

39. The alleged violation of PRC-005-1, R2.1 by Orion has a Violation Risk Factor (VRF) of “High,” consistent with the VRF Matrix from the NERC December 17, 2007 Compliance Filing. The duration of this alleged violation, for purposes of penalty determination is from October 10, 2008, the date Orion submitted its Self-Report, to November 18, 2008, the date on which Orion submitted an acceptable Mitigation Plan to ReliabilityFirst. Pursuant to the ruling of the Commission, such penalties may be applied on a daily basis for the duration of the violation.
40. ReliabilityFirst agrees that this Agreement is in the best interest of it and each RRI Company and in the best interest of bulk power system reliability.

#### **B. STATEMENT OF MID-ATLANTIC**

41. Mid-Atlantic neither admits nor denies that the facts stipulated and agreed to herein with respect to Mid-Atlantic constitute violations of PRC-005-1, R2.1.
42. Notwithstanding the above, Mid-Atlantic has agreed to enter into this Agreement with ReliabilityFirst to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Mid-Atlantic believes that this Agreement is consistent with its and ReliabilityFirst’s shared interest in maintaining a reliable electric infrastructure.

#### **C. STATEMENT OF WHOLESALE**

43. Wholesale (including in its capacity as successor to Seward) neither admits nor denies that the facts stipulated and agreed to herein with respect to Wholesale constitute violations of PRC-005-1, R2.1.
44. Notwithstanding the above, Wholesale has agreed to enter into this Agreement with ReliabilityFirst to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Wholesale believes that this agreement is consistent with its and ReliabilityFirst’s shared interest in maintaining a reliable electric infrastructure.

#### **D. STATEMENT OF ORION**

45. Orion neither admits nor denies that the facts stipulated and agreed to herein with respect to Orion constitute violations of PRC-005-1, R2.1.
46. Notwithstanding the above, Orion has agreed to enter into this Settlement Agreement with ReliabilityFirst to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Orion believes that this agreement is consistent with its and ReliabilityFirst's shared interest in maintaining a reliable electric infrastructure.

#### **IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS**

47. On November 18, 2008, Wholesale submitted to ReliabilityFirst a Mitigation Plan (NERC Mitigation Plan ID# MIT-08-1244) to address the possible alleged violation set forth in Wholesale's Self-Report. The Mitigation Plan was accepted by ReliabilityFirst on December 5, 2008 and sent to NERC on December 11, 2008. The Mitigation Plan was approved by NERC on January 9, 2009 and sent to FERC as confidential, non-public information on the same day. In the Mitigation Plan, Wholesale certified completion as of October 9, 2008.
48. In the Mitigation Plan, Wholesale outlined the actions taken to immediately mitigate the alleged violation. Wholesale stated that all necessary battery maintenance and testing for the generating units had been performed for the third quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1, R2.1.
49. ReliabilityFirst reviewed the evidence Wholesale submitted in support of its certification of completion of the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed. On September 20, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms (*see* Attachment a, "Summary and Review of Evidence of Mitigation Plan Completion, Wholesale PRC-005-1, Requirement 2.1").
50. On November 18, 2008, Seward submitted to ReliabilityFirst a Mitigation Plan (NERC Mitigation Plan ID# MIT-08-1246) to address the possible alleged violation set forth in Seward's Self-Report. The Mitigation Plan was accepted by ReliabilityFirst on December 5, 2008 and sent to NERC on December 11, 2008. The Mitigation Plan was approved by NERC on January 9, 2009 and sent to FERC as confidential, non-public information on the same day. In the Mitigation Plan, Seward certified completion as of October 9, 2008.
51. In the Mitigation Plan, Seward outlined the actions taken to immediately mitigate the alleged violation. Seward stated that all necessary battery maintenance and

testing for the generating units had been performed for the third quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1, R2.1.

52. ReliabilityFirst reviewed the evidence Seward submitted in support of its certification of completion of the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed. On September 18, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms (*see* Attachment a, “Summary and Review of Evidence of Mitigation Plan Completion, Wholesale (Seward) PRC-005-1, Requirement 2.1”).
53. On November 18, 2008, Orion submitted to ReliabilityFirst a Mitigation Plan (NERC Mitigation Plan ID# MIT-08-1245) to address the possible alleged violation set forth in Orion’s Self-Report. The Mitigation Plan was accepted by ReliabilityFirst on December 5, 2008 and sent to NERC on December 11, 2008. The Mitigation Plan was approved by NERC on January 9, 2009 and sent to FERC as confidential, non-public information on the same day. In the Mitigation Plan, Orion certified completion as of October 9, 2008.
54. In the Mitigation Plan, Orion outlined the actions taken to immediately mitigate the alleged violation. Orion stated that all necessary battery maintenance and testing for the generating units had been performed for the third quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1, R2.1.
55. ReliabilityFirst reviewed the evidence Orion submitted in support of its certification of completion of the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed. On September 18, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms (*see* Attachment a, “Summary and Review of Evidence of Mitigation Plan Completion, Orion PRC-005-1, Requirement 2.1”).
56. On November 18, 2008, Mid-Atlantic submitted to ReliabilityFirst a Mitigation Plan (NERC Mitigation Plan ID# MIT-08-1247) to address the possible alleged violation set forth in Mid-Atlantic’s Self-Report. The Mitigation Plan was accepted by ReliabilityFirst on December 5, 2008 and sent to NERC on December 11, 2008. The Mitigation Plan was approved by NERC on January 9, 2009 and sent to FERC as confidential, non-public information on the same day. In the Mitigation Plan, Mid-Atlantic certified completion as of October 9, 2008.
57. In the Mitigation Plan, Mid-Atlantic outlined the actions taken to immediately mitigate the alleged violation. Mid-Atlantic stated that all necessary battery maintenance and testing for the generating units had been performed for the third

quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1, R2.1.

58. ReliabilityFirst reviewed the evidence Mid-Atlantic submitted in support of its certification of completion of the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed. On September 18, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms (*see* Attachment A, "Summary and Review of Evidence of Mitigation Plan Completion, Mid-Atlantic PRC-005-1, Requirement 2.1").
59. Wholesale (including as successor to Seward) shall pay a monetary penalty of \$4,000 to ReliabilityFirst, within twenty days of date on which Wholesale receives an invoice from ReliabilityFirst. ReliabilityFirst shall submit an invoice to Wholesale as soon as practicable after the date on which the Agreement or penalties set forth herein are approved either by order of the Federal Energy Regulatory Commission or by operation of law, and ReliabilityFirst shall notify NERC if the payment is not received.
60. Orion shall pay a monetary penalty of \$2,000 to ReliabilityFirst, within twenty days of the date on which Orion receives an invoice from ReliabilityFirst. ReliabilityFirst shall submit an invoice to Orion as soon as practicable after the date on which the Agreement or penalties set forth herein are approved either by order of the Federal Energy Regulatory Commission or by operation of law, and ReliabilityFirst shall notify NERC if the payment is not received.
61. Mid-Atlantic shall pay a monetary penalty of \$2,000 to ReliabilityFirst, NERC within twenty days of the date on which Mid-Atlantic receives an invoice from ReliabilityFirst. ReliabilityFirst shall submit an invoice to Mid-Atlantic as soon as practicable after the date on which the Agreement or the penalties set forth herein are approved either by order of the Federal Energy Regulatory Commission or by operation of law, and ReliabilityFirst shall notify NERC if the payment is not received.
62. In order to facilitate ReliabilityFirst's need to communicate the status and provide accountability to the ERO (NERC), Wholesale, Orion and Mid-Atlantic each commit, to the extent necessary, to provide status updates regarding its respective mitigation at a minimum quarterly or, if requested by ReliabilityFirst, more frequently. Any status updates provided by Wholesale, Orion, or Mid-Atlantic to ReliabilityFirst under the terms of this Agreement shall be provided in accordance with, and subject to, the confidentiality provisions of Section 1500 of the NERC Rules of Procedure.
63. It is understood that ReliabilityFirst staff shall audit the progress of any mitigation plans and any other remedies set forth in this Agreement, including,

but not limited to site inspection, interviews, and request other documentation to validate progress and/or completion of any such mitigation plans and any other remedies set forth in this Agreement. To the extent necessary, ReliabilityFirst shall reasonably coordinate any audits and information requests related to this Agreement with each RRI Company as applicable.

64. (a) Based on the above actions taken or to be taken by Wholesale, Wholesale shall pay \$4,000 to ReliabilityFirst as stated in this Agreement. However, if Wholesale fails to complete the actions described above, ReliabilityFirst reserves the right to assess and collect a monetary penalty, to impose a sanction or otherwise to impose enforcement actions with respect to such failure. Wholesale shall retain all rights to defend against such additional enforcement actions in accordance with NERC Rules of Procedure. (b) Based on the above actions taken or to be taken by Orion, Orion shall pay \$2,000 to ReliabilityFirst as stated in this Agreement. However, if Orion fails to complete the actions described above, ReliabilityFirst reserves the right to assess and collect a monetary penalty, to impose a sanction or otherwise to impose enforcement actions with respect to such failure. Orion shall retain all rights to defend against such additional enforcement actions in accordance with NERC Rules of Procedure. (c) Based on the above actions taken or to be taken by Mid-Atlantic, Mid-Atlantic shall pay \$2,000 to ReliabilityFirst as stated in this Agreement. However, if Mid-Atlantic fails to complete the actions described above, ReliabilityFirst reserves the right to assess and collect a monetary penalty, to impose a sanction or otherwise to impose enforcement actions with respect to such failure. Mid-Atlantic shall retain all rights to defend against such additional enforcement actions in accordance with NERC Rules of Procedure.
65. Failure of an RRI Company 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 Settlement Agreement applicable to it, may result in such RRI Company being deemed to have engaged in the same alleged violations that initiated this Settlement for such RRI Company and/or additional violation(s) for such RRI Company and may subject such RRI Company to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
66. If an RRI Company does not timely make the monetary penalty payment applicable to it as described above, such RRI Company will also be required to pay interest from the date that its payment is due until the date it makes payment, calculated in accordance with the Commission's regulations at 18 C.F.R. § 35.19(a)(2)(iii).

## **V. ADDITIONAL TERMS**

67. The signatories to the Agreement agree that they have entered into the Agreement voluntarily and that, other than the recitations set forth herein, no

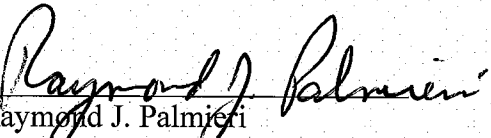
tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of ReliabilityFirst or Wholesale, Orion, or Mid-Atlantic has been made to induce any signatory to enter into the Agreement.

68. ReliabilityFirst shall report the terms of each settlement of compliance matters to NERC. NERC will review each settlement provided for herein 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 such settlements or reject such settlements and notify ReliabilityFirst and each of Wholesale, Orion and Mid-Atlantic of any changes to the settlements that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection, and ReliabilityFirst will attempt to negotiate a revised settlement agreement with each RRI Company as applicable, including any changes to such settlements as specified by NERC. If settlement cannot be reached, the enforcement processes for each RRI Company shall continue to conclusion. If NERC approves the settlements, NERC will (i) report the approved settlement agreement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violations and the terms provided for in the settlement agreement.
69. This Agreement shall become effective on the date on which the Commission issues an order approving the Agreement or the penalties set forth herein or on the date on which the penalties become effective by operation of law as provided for in Section 39.7(e)(1) of the Commission's regulations, 18 C.F.R. § 39.7(e)(1).
70. ReliabilityFirst and each RRI Company agree that this Agreement, when approved by NERC and the Commission by order or by operation of law, shall represent a final settlement of all matters set forth herein as they relate to such RRI Company. Each RRI Company waives its rights to further hearings and appeal regarding the matters applicable to it, unless and only to the extent that such RRI Company contends that any NERC or Commission action on the Agreement results in material modification of the Agreement as it relates to RRI Company.
71. ReliabilityFirst reserves all rights to initiate enforcement, penalty or sanction actions against an RRI Company in accordance with the NERC Rules of Procedure in the event that such RRI Company fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event an RRI Company fails to so comply, ReliabilityFirst may initiate enforcement, penalty, or sanction actions against such RRI Company to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Such RRI Company shall retain all rights to defend

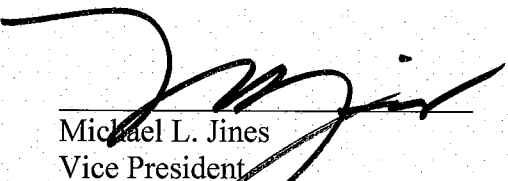
against such enforcement actions, also according to the NERC Rules of Procedure.

72. Each RRI Company consents to the use of ReliabilityFirst'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, set forth in the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding under taken by NERC and/or any Regional Entity; provided however that Wholesale, Orion, and Mid-Atlantic do 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 any Regional Entity, nor do Wholesale, Orion, or Mid-Atlantic consent to the use of this Agreement by any other entity in any other action or proceeding.
73. Each of the undersigned warrants that he or she is an authorized representative of the party designated, is authorized to bind such entity and accepts the Agreement on such party's behalf.
74. 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 with respect to such party 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, provided, however, that such affirmation by each party's representative shall not apply to any other party's statements of position set forth in Section III of this Agreement and it is expressly understood and agreed to by the parties that the representations, obligations, and commitments of Wholesale, Mid-Atlantic, and Orion under this Agreement are made severally, and not jointly, by each and that, in no event, shall one RRI Company be liable for any violation, default, or breach of either of the other RRI Companies.
75. The Agreement may be signed in counterparts.
76. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:

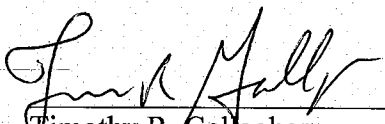
  
Raymond J. Palmieri  
Vice President and Director of Compliance  
ReliabilityFirst Corporation

11/9/09  
Date

  
Michael L. Jines  
Vice President  
RRI Energy Mid-Atlantic Power Holdings, LLC  
RRI Energy Wholesale Generation, LLC  
Orion Power Midwest, L.P., by its general partner,  
Orion Power Midwest GP, Inc.

11-6-09  
Date

Approved by:

  
Timothy R. Gallagher  
President and Chief Executive Officer  
ReliabilityFirst Corporation

11-9-2009  
Date



## **Attachment f**

**Wholesale's Mitigation Plan for Violation ID #  
RFC200800085 designated as MIT-08-1244  
dated November 14, 2008 and submitted  
November 18, 2008 and Certification of  
Completion herein**

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: November 14, 2008

### 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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by Reliability*First* and approval by NERC.
- A.3 ☒ 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:	Reliant Energy Wholesale Generation, LLC
Company Address:	1000 Main Street, Houston, Texas
NERC Compliance Registry ID:	NCR00396

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

Name:	Chris Hajovsky
Title:	Director, Regulatory Affairs And NERC Reliability Standards
Email:	CJHajovsky@reliant.com
Phone:	713-497-7908

# RELIABILITY *FIRST*

## **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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200800085	PRC-005-1	2.1	HIGH <sup>1</sup>	10/10/2008	Self-report

(\*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment.

Reliant Energy Wholesale Generation, LLC owns two generating facilities in the ReliabilityFirst region consisting of 14 generating units.

<sup>1</sup> The NERC Violation Risk Factor Matrix dictates listing potential violations of Reliability Standard PRC-005-1 as a "High" Violation Risk Factor. A designation of "high" might be appropriate for a battery system associated with a Critical Asset such as a blackstart-capable generating facility that is identified in a blackstart restoration plan. Such is not the case for every generating facility, in our opinion, irrespective of the degree of impact on reliability of the Bulk Electric System. Having to list potential violations, associated with battery systems of non-critical assets, as "high" and as if they were actually Critical Assets seems arbitrary and possibly misleading with respect to the potential impact on Bulk Electric System reliability. In our view, the degree of the violation should align with the degree of potential reliability impact to the Bulk Electric System. The Violation Risk Factor Matrix does not appear to allow for such an assessment.

# RELIABILITY FIRST

During a routine review of records, it was discovered that the Hunterstown Combined Cycle Generating Station (Units 201, 301, and 401 only) missed quarterly battery maintenance PMs in one of the last four quarters. As a percentage of all protection system devices contemplated by Reliability Standard PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 3% of the total testing requirements for the Registered Entity over the past year, which amounts to a very low Violation Severity Level.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

Battery attention was not ignored, the battery systems continued to function normally, and the reliability of the BES was not placed at risk. All of the necessary Q3 2008 battery maintenance PMs have been completed for all the Reliant Energy Wholesale Generation, LLC generating units.

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

The following actions have been completed:

(1) The Reliant Energy NERC Compliance Program is administered by the corporate Regulatory Department. In August 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests.

# RELIABILITY FIRST

(2) Central support personnel have been directed to monitor performance of the battery maintenance PMs. This direction has been by telephone conference, e-mail and face-to-face meetings.

(3) All the necessary battery maintenance and testing PMs for the Reliant Energy Wholesale Generation, LLC generating units have been performed for the third Quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-01.

The above actions represent efforts sufficient to conclude this mitigation plan. However, one other significant event was undertaken by the Registered Entity long before the recognition of the events contained in this self-report, and deserves recognition by ReliabilityFirst and NERC. These efforts are independent of the actions listed above that conclude the mitigation plan, and thus, should not require a series of milestones to add administrative burden to ReliabilityFirst Staff:

(1) In February 2008, a NERC Compliance software package was purchased at a substantial cost to Reliant Energy.

(2) In addition, a time and materials consulting agreement has been entered at a substantial cost with a large consulting firm to assist the Registered Entity configure the software. Once configured and rolled out to the Generating Facilities, this software will allow management and program oversight personnel to check the status of compliance at any point in time, receive periodic reports on the status of compliance efforts, and also receive warning messages if generating facility personnel are approaching a deadline for a compliance task. These software-related tasks are above and beyond those efforts needed to complete this mitigation plan, and thus, no milestones are provided. Nevertheless, the current consultant estimate for completion is February 2009.

## **Mitigation Plan Timeline and Milestones**

- 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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Date of completion: 10/09/2008. The Mitigation Plan has been fully implemented. Reliant Energy Wholesale Generation, LLC is in full compliance with PRC-005-1.

# RELIABILITY **FIRST**

D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

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

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

# RELIABILITY FIRST

## **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 Mitigation Plan is complete, there is no risk to the BPS.

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

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

Increased central oversight and greater local emphasis on the battery PM program will minimize the likelihood of missing a battery maintenance task.



## 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 this Mitigation Plan for acceptance by ReliabilityFirst and approval by NERC, and
- b) 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
- c) Acknowledges:
  - 1. I am Senior Vice President of Generation Operations.
  - 2. I am qualified to sign this Mitigation Plan on behalf of Reliant Energy Wholesale Generation, LLC.
  - 3. I have read and am familiar with the contents of this Mitigation Plan.
  - 4. Reliant Energy Wholesale Generation, LLC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "David Freysinger", written over a horizontal line.

Name (Print):

David Freysinger

Title:

Senior Vice President of Generation Operations

Date:

10/14/2009

## Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.





## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP<sup>2</sup> 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.
  - (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) Key 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

---

<sup>2</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

# RELIABILITY *FIRST*

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by Reliability*First* and approved by 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.
- VI. Reliability*First* or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

## **Attachment g**

**Wholesale/Seward's Mitigation Plan for  
Violation ID # RFC200800087 designated as  
MIT-08-1246 dated November 14, 2008 and  
submitted November 18, 2008 and Certification  
of Completion herein**

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: November 14, 2008

### 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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by Reliability*First* and approval by NERC.
- A.3 ☒ 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: Reliant Energy Seward, LLC

Company Address: 1000 Main Street, Houston, Texas

NERC Compliance Registry ID: NCR00907

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

Name: Chris Hajovsky

Title: Director, Regulatory Affairs And  
Nerc Reliability Standards

Email: CJHajovsky@reliant.com

Phone: 713-497-7908

# RELIABILITY *FIRST*

## **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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200800087	PRC-005-1	2.1	HIGH <sup>1</sup>	10/10/2008	Self-report

(\*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment.

During a routine review of records, it was discovered that the Seward Generating Station missed one monthly battery maintenance PM in the last 12 months while the Generating Station was preparing for a month-long planned outage. Monthly testing was conducting in each other month through the past

<sup>1</sup> The NERC Violation Risk Factor Matrix dictates listing potential violations of Reliability Standard PRC-005-1 as a "High" Violation Risk Factor. A designation of "high" might be appropriate for a battery system associated with a Critical Asset such as a blackstart-capable generating facility that is identified in a blackstart restoration plan. Such is not the case for every generating facility, in our opinion, irrespective of the degree of impact on reliability of the Bulk Electric System. Having to list potential violations, associated with battery systems of non-critical assets, as "high" and as if they were actually Critical Assets seems arbitrary and possibly misleading with respect to the potential impact on Bulk Electric System reliability. In our view, the degree of the violation should align with the degree of potential reliability impact to the Bulk Electric System. The Violation Risk Factor Matrix does not appear to allow for such an assessment

# RELIABILITY FIRST

year. As a percentage of all protection system devices contemplated by Reliability Standard PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 5% of the total testing requirements for the Registered Entity over the past year, which amounts to a very low Violation Severity Level.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

Reliant Energy Seward, LLC owns a single generating station: the Seward Generating Station. The Seward Generating Station is a single unit coal-fired generating station. The station has a battery maintenance plan calling for dedicated PMs on a monthly basis. The monthly PMs include activities that are performed more frequently than recommended by IEEE, such as specific gravity checks on all cells. The Seward maintenance plan is a very detailed plan that exceeds industry best practices. The single unfulfilled monthly battery maintenance PM occurred at a time when the generating station was preparing to enter into a one month station outage period. Due to the comprehensive nature of the plan which is more relevant to extending the long-term life of the battery, skipping a single monthly PM while on extended outage, had little to no impact upon the reliability and functionality of the battery system. At Seward, the battery maintenance was not ignored, the battery system continued to function normally, and the BPS was not placed at risk, especially during the time of a unit outage. All of the necessary Q3 2008 Seward battery PMs have been completed.

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

The following actions have been completed:

# RELIABILITY FIRST

(1) The Reliant Energy NERC Compliance Program is administered by the corporate Regulatory Department. In August 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests.

(2) Central support personnel have been directed to monitor performance of the battery maintenance PMs. This direction has been by telephone conference, e-mail and face-to-face meetings.

(3) All the necessary battery maintenance and testing PMs for the Seward Generating Facility have been performed for the third Quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1.

The above actions represent efforts sufficient to conclude this mitigation plan. However, one other significant event was undertaken by the Registered Entity long before the recognition of the events contained in this self-report, and deserves recognition by ReliabilityFirst and NERC. These efforts are independent of the actions listed above that conclude the mitigation plan, and thus, should not require a series of milestones to add administrative burden to ReliabilityFirst Staff:

(1) In February 2008, a NERC Compliance software package was purchased at a substantial cost to Reliant Energy.

(2) In addition, a time and materials consulting agreement has been entered at a substantial cost with a large consulting firm to assist the Registered Entity configure the software. Once configured and rolled out to the Generating Facilities, this software will allow management and program oversight personnel to check the status of compliance at any point in time, receive periodic reports on the status of compliance efforts, and also receive warning messages if generating facility personnel are approaching a deadline for a compliance task. These software-related tasks are above and beyond those efforts needed to complete this mitigation plan, and thus, no milestones are provided. Nevertheless, the current consultant estimate for completion is February 2009.

## **Mitigation Plan Timeline and Milestones**



# RELIABILITY FIRST

- 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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Date of completion: 10/09/2008. The Mitigation Plan has been fully implemented. Reliant Energy Seward, LLC is in full compliance with PRC-005-1.

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

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

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

# RELIABILITY **FIRST**

## **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 Mitigation Plan is complete, there is no risk to the BPS.

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

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

Increased central oversight and greater local emphasis on the battery PM program will minimize the likelihood of missing a battery maintenance task.

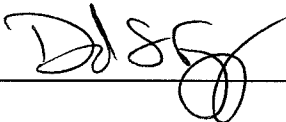
# RELIABILITY *FIRST*

## 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 this Mitigation Plan for acceptance by ReliabilityFirst and approval by NERC, and
- b) 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
- c) Acknowledges:
  - 1. I am Senior Vice President of Generation Operations.
  - 2. I am qualified to sign this Mitigation Plan on behalf of Reliant Energy Seward, LLC.
  - 3. I have read and am familiar with the contents of this Mitigation Plan.
  - 4. Reliant Energy Seward, LLC agrees to comply with this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature



Name (Print):

David Freysinger

Title:

Senior Vice President of Generation Operations

Date:

10/14/2008

## Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP<sup>2</sup> 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.
  - (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) Key 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

---

<sup>2</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

# RELIABILITY *FIRST*

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by Reliability*First* and approved by 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.
- VI. Reliability*First* or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

# RELIABILITY FIRST

## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

## **Attachment h**

**Orion's Mitigation Plan for Violation ID #  
RFC200800086 designated as MIT-08-1245  
dated November 14, 2008 and submitted  
November 18, 2008 and Certification of  
Completion herein**



## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: November 14, 2008

### 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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Orion Power Midwest, LP

Company Address: 1000 Main Street, Houston, Texas

NERC Compliance Registry ID: NCR00864

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

Name: Chris Hajovsky

Title: Director, Regulatory Affairs And  
Nerc Reliability Standards

Email: CJHajovsky@reliant.com

Phone: 713-497-7908



# RELIABILITY *FIRST*

## 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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200800086	PRC-005-1	2.1	HIGH <sup>1</sup>	10/10/2008	Self-report

(\*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment.

During a routine review of records, it was discovered that a small percentage of battery maintenance and testing checks were not performed as specified by PRC-005-1, Requirement 2, based on the schedule for each plant created pursuant to PRC-005-1, Requirement 1. As a percentage of all protection

<sup>1</sup> The NERC Violation Risk Factor Matrix dictates listing potential violations of Reliability Standard PRC-005-1 as a "High" Violation Risk Factor. A designation of "high" might be appropriate for a battery system associated with a Critical Asset such as a blackstart-capable generating facility that is identified in a blackstart restoration plan. Such is not the case for every generating facility, in our opinion, irrespective of the degree of impact on reliability of the Bulk Electric System. Having to list potential violations, associated with battery systems of non-critical assets, as "high" and as if they were actually Critical Assets seems arbitrary and possibly misleading with respect to the potential impact on Bulk Electric System reliability. In our view, the degree of the violation should align with the degree of potential reliability impact to the Bulk Electric System. The Violation Risk Factor Matrix does not appear to allow for such an assessment.

# RELIABILITY FIRST

system devices contemplated by Reliability Standard PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 4% of the total testing requirements for the Registered Entity over the past year, which amounts to a very low Violation Severity Level.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

Orion Power Midwest, LP has six generating facilities in the RFC region. Two of those generating facilities, Brunot Island and New Castle, are the subject of this report.

The Brunot Island Generating Facility has a small staff since its generation operates at a very low capacity factor. This generating facility has a battery maintenance plan calling for monthly and quarterly tests on station batteries. At Brunot Island, the quarterly PM includes a specific gravity check of pilot cells. The single technician at Brunot Island that is qualified to perform this specific gravity check of pilot cells was away from the station for an entire quarter for personal health reasons, and the quarterly PM was not performed for a single quarterly test. The designated monthly PM checks on the battery systems continued during this time. The pilot cell check of specific gravity is a long-term trending indicator of the battery condition rather than its immediate functionality. Battery maintenance was not ignored, the battery systems continued to function normally, and the reliability of the BPS was not placed at risk. All of the necessary Q3 2008 PMs for Brunot Island batteries have been completed.

The New Castle Generating Station is a coal fired generating station, and the voltage and current on the DC battery systems are monitored daily. The station has a battery maintenance plan calling for dedicated PMs on a monthly basis. The monthly PMs include activities that are performed more frequently than recommended by IEEE, such as specific gravity checks on pilot cells. The time between executed PMs never exceeded an interval of 2 months. Routine monitoring of the battery systems, independent of the PM maintenance, provide reliable feedback of immediate battery conditions. The PM activities are related more to long term trending indication of the battery condition rather than immediate functionality of the system. At New Castle, battery maintenance was not ignored, the battery systems continued to function normally, and the reliability of the BPS was not placed at risk. All of the necessary Q3 2008 PMs for the New Castle batteries have been completed.

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

The following actions have been completed:

- (1) The Reliant Energy NERC Compliance Program is administered by the corporate Regulatory Department. In August 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests.
- (2) Central support personnel have been directed to monitor performance of the battery maintenance PMs. This direction has been by telephone conference, e-mail and face-to-face meetings.
- (3) For the next six months, additional tracking of the battery maintenance PMs for the Brunot Island Generation Facility will take place by central support personnel to ensure compliance. Central support personnel have created calendar entries to document the additional tracking efforts. This will also help avoid the circumstance where a scheduled test is overlooked due to extended medical leave of an employee.
- (4) The New Castle Generation Facility has changed its internal practices for the timing, execution, and verification of its battery maintenance PMs to align with NERC's "Example of Excellence" for battery testing.
- (5) All the necessary battery maintenance and testing PMs for the Brunot Island and New Castle Generating Facilities, as well as the other four generating facilities owned by Orion Power Midwest, LP, have been performed for the third Quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1.

# RELIABILITY FIRST

The above actions represent efforts sufficient to conclude this mitigation plan. However, one other significant event was undertaken by the Registered Entity long before the recognition of the events contained in this self-report, and deserves recognition by ReliabilityFirst and NERC. These efforts are independent of the actions listed above that conclude the mitigation plan, and thus, should not require a series of milestones to add administrative burden to ReliabilityFirst Staff:

(1) In February 2008, a NERC Compliance software package was purchased at a substantial cost to Reliant Energy.

(2) In addition, a time and materials consulting agreement has been entered at a substantial cost with a large consulting firm to assist the Registered Entity configure the software. Once configured and rolled out to the Generating Facilities, this software will allow management and program oversight personnel to check the status of compliance at any point in time, receive periodic reports on the status of compliance efforts, and also receive warning messages if generating facility personnel are approaching a deadline for a compliance task. These software-related tasks are above and beyond those efforts needed to complete this mitigation plan, and thus, no milestones are provided. Nevertheless, the current consultant estimate for completion is February 2009.

## **Mitigation Plan Timeline and Milestones**

- 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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Date of completion: 10/09/2008. The Mitigation Plan has been fully implemented. Orion Power Midwest, LP is in full compliance with PRC-005-1.

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

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

# RELIABILITY *FIRST*

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

# RELIABILITY **FIRST**

## **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 Mitigation Plan is complete, there is no risk to the BPS.

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

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

Increased central oversight and greater local emphasis on the battery PM program will minimize the likelihood of missing a battery maintenance task.

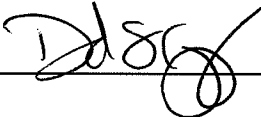
# RELIABILITY *FIRST*

## 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 this Mitigation Plan for acceptance by ReliabilityFirst and approval by NERC, and
- b) 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
- c) Acknowledges:
  - 1. I am Senior Vice President of Generation Operations.
  - 2. I am qualified to sign this Mitigation Plan on behalf of Orion Power Midwest, LP.
  - 3. I have read and am familiar with the contents of this Mitigation Plan.
  - 4. Orion Power Midwest, LP agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature



Name (Print):

David Freysinger

Title:

Senior Vice President of Generation Operations

Date:

10/14/2008

## Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP<sup>2</sup> 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.
  - (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) Key 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

---

<sup>2</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.



# RELIABILITY *FIRST*

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by Reliability*First* and approved by 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.
- VI. Reliability*First* or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

# RELIABILITY *FIRST*

## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

## **Attachment i**

**Mid-Atlantic's Mitigation Plan for Violation ID  
# RFC200800088 designated as MIT-08-1247  
dated November 14, 2008 and submitted  
November 18, 2008 and Certification of  
Completion herein**



## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: November 14, 2008

### 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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Reliant Energy Mid Atlantic Power Holdings, LLC

Company Address: 1000 Main Street, Houston, Texas

NERC Compliance Registry ID: NCR08070

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

Name: Chris Hajovsky

Title: Director, Regulatory Affairs And  
Nerc Reliability Standards

Email: CJHajovsky@reliant.com

Phone: 713-497-7908



**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200800088	PRC-005-1	2.1	HIGH <sup>1</sup>	10/10/2008	Self-report

(\*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment.

Reliant Energy Mid Atlantic Power Holdings, LLC owns 15 generating facilities in the ReliabilityFirst region comprised of 55 generating units. During a routine review of records, it was discovered that a small percentage of the

<sup>1</sup> The NERC Violation Risk Factor Matrix dictates listing potential violations of Reliability Standard PRC-005-1 as a "High" Violation Risk Factor. A designation of "high" might be appropriate for a battery system associated with a Critical Asset such as a blackstart-capable generating facility that is identified in a blackstart restoration plan. Such is not the case for every generating facility, in our opinion, irrespective of the degree of impact on reliability of the Bulk Electric System. Having to list potential violations, associated with battery systems of non-critical assets, as "high" and as if they were actually Critical Assets seems arbitrary and possibly misleading with respect to the potential impact on Bulk Electric System reliability. In our view, the degree of the violation should align with the degree of potential reliability impact to the Bulk Electric System. The Violation Risk Factor Matrix does not appear to allow for such an assessment.

# RELIABILITY FIRST

scheduled battery maintenance and testing tasks were not performed as scheduled. As a percentage of all protection system devices contemplated by Reliability Standard PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 3% of the total testing requirements for the Registered Entity over the past year, which amounts to a very low Violation Severity Level.

Gilbert Generating Station did not complete scheduled quarterly battery maintenance PMs on two of its nine generating units in two of the last four quarters. Four units missed quarterly battery maintenance PMs in one of the last four quarters.

Titus Generating Station (Units 4 and 5 only) missed quarterly battery maintenance PMs in one of the last four quarters. Annual battery maintenance PM missed for entire station (Station battery, Unit 4 and Unit 5).

Shawville Generating Station (Unit 3&4 station battery) missed monthly battery maintenance PM in one of the last 12 months. Unit 3&4 station battery missed one bi-annual battery maintenance PM in the last year.

Sayreville Generating Station (4 units) missing quarterly battery maintenance PMs in three of the last four quarters.

Werner Generating Station (4 units) missing quarterly battery maintenance PMs in 3 of the last 4 quarters.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

Gilbert Generating Station is a peaking station with a small staff. Manpower issues were the leading cause of uncompleted or missed quarterly battery maintenance PMs. Scheduling issues stemming from an outage caused a quarterly battery maintenance PM to be missed for Unit 1 in the first quarter of 2008. All of the battery maintenance PMs scheduled for Q3 2008 have been completed for Gilbert.

All of the scheduled battery maintenance PMs for Q3 2008 have been completed for Titus Generating Station.

Shawville Generating Station PM system shows that the missing monthly PM was issued but there is no documentation of work completion. The bi-annual PM was missed due to

# RELIABILITY FIRST

the work order being put on hold in SAP for an unknown reason. All of the scheduled battery maintenance PMs for Q3 2008 have been completed for Shawville Generating Station.

All of the scheduled battery maintenance PMs for Q3 2008 have been completed for Sayreville Generating Station.

All of the scheduled battery maintenance PMs for Q3 2008 have been completed for Werner Generating Station.

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

The following actions have been completed:

- (1) The Reliant Energy NERC Compliance Program is administered by the corporate Regulatory Department. In August 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests.
- (2) Central support personnel have been directed to monitor performance of the battery maintenance PMs. This direction has been by telephone conference, e-mail, and face-to-face meetings.
- (3) All the necessary battery maintenance and testing PMs for the Reliant Energy Mid Atlantic Power Holdings, LLC Generating Facilities have been performed for the third Quarter of 2008 in accordance with the Maintenance and Testing Program established pursuant to Reliability Standard PRC-005-1.

# RELIABILITY FIRST

The above actions represent efforts sufficient to conclude this mitigation plan. However, one other significant event was undertaken by the Registered Entity long before the recognition of the events contained in this self-report, and deserves recognition by ReliabilityFirst and NERC. These efforts are independent of the actions listed above that conclude the mitigation plan, and thus, should not require a series of milestones to add administrative burden to ReliabilityFirst Staff:

- (1) In February 2008, a NERC Compliance software package was purchased at a substantial cost to Reliant Energy.
- (2) In addition, a time and materials consulting agreement has been entered at a substantial cost with a large consulting firm to assist the Registered Entity configure the software. Once configured and rolled out to the Generating Facilities, this software will allow management and program oversight personnel to check the status of compliance at any point in time, receive periodic reports on the status of compliance efforts, and also receive warning messages if generating facility personnel are approaching a deadline for a compliance task. These software-related tasks are above and beyond those efforts needed to complete this mitigation plan, and thus, no milestones are provided. Nevertheless, the current consultant estimate for completion is February 2009.

## Mitigation Plan Timeline and Milestones

- 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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Date of completion: 10/09/2008. The Mitigation Plan has been fully implemented. Reliant Energy Mid Atlantic Power Holdings is in full compliance with PRC-005-1

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

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



# RELIABILITY *FIRST*

--	--

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

# RELIABILITY FIRST

## **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 Mitigation Plan is complete, there is no risk to the BPS.

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

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

Increased central oversight and greater local emphasis on the battery PM program will minimize the likelihood of missing a battery maintenance task.

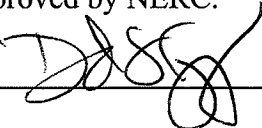
# RELIABILITY *FIRST*

## 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 this Mitigation Plan for acceptance by Reliability*First* and approval by NERC, and
- b) 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
- c) Acknowledges:
  - 1. I am Senior Vice President of Generation Operations.
  - 2. I am qualified to sign this Mitigation Plan on behalf of Reliant Energy Mid Atlantic Power Holdings, LLC.
  - 3. I have read and am familiar with the contents of this Mitigation Plan.
  - 4. Reliant Energy Mid Atlantic Power Holdings, LLC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by Reliability*First* and approved by NERC.

Authorized Individual Signature



Name (Print):

David Freysinger

Title:

Senior Vice President of Generation Operations

Date:

10/14/2008

## Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the Reliability*First* Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any Reliability*First* Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the Reliability*First* Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP<sup>2</sup> 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.
  - (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) Key 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>2</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

# RELIABILITY *FIRST*

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by Reliability*First* and approved by 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.
- VI. Reliability*First* or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

# RELIABILITY FIRST

## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

## **Attachment j**

**ReliabilityFirst's Verification of Completion of  
the Mitigation Plan for Wholesale Violation ID  
# RFC200800085 dated September 20, 2009**

September 20, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200800085</b>
<b>NERC Plan ID:</b>	<b>MIT-08-1244</b>
<b>Registered Entity;</b>	<b>RRI Energy Wholesale Generation, LLC</b>
<b>NERC Registry ID:</b>	<b>NCR00396</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirements:</b>	<b>R2.1</b>
<b>Status:</b>	<b>Compliant</b>

RRI Energy Wholesale Generation, LLC (“Wholesale”) owns two (2) generating facilities, in the Reliability*First* region consisting of fourteen (14) generation units. During a routine review of records, it was discovered that Hunterstown Combined Cycle Generating Station (Units 201, 301, and 401) missed quarterly battery maintenance PMs in one of the last four (4) quarters.

RRI Energy Wholesale Generation, LLC submitted a Self-Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2.1 on October 10, 2008. Wholesale submitted a Proposed Mitigation Plan to Reliability*First* on November 18, 2008, whereby stating Wholesale had completed all mitigating actions on or about October 9, 2008. This Mitigation Plan, dated November 14, 2008 and designated MIT-08-1244, was accepted by Reliability*First* on December 5, 2008 and approved by NERC on January 9, 2009.

**Review Process:**

Wholesale Generation certified that the Mitigation Plan for PRC-005-1, Requirements R2.1 has been completed. Reliability*First* received evidence of completion for actions taken by Wholesale Generation as specified in the Mitigation Plan. Reliability*First* performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed.

**PRC-005-1 Requirement 2 states:**

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

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

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



Summary and Review of Mitigation Plan Completion  
RRI Energy Wholesale Generation, LLC  
September 20, 2009  
Page 2 of 5

Evidence Submitted:

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Questions 1 and 2

Wholesale's Responses to ReliabilityFirst's RFI identified the specific batteries affected by self-reported alleged violation.

Wholesale's Responses to ReliabilityFirst's RFI provided a chart listing the batteries at each station. The affected batteries were highlighted in yellow.

Wholesale's Responses to ReliabilityFirst's RFI provided a chart showing the specific details of testing events at each station. The missed testing events at each station were highlighted in yellow.

Wholesale Generation owns two (2) generating stations (Aurora and new Hunterstown) with a total of seven (7) batteries subject to NERC Standard PRC-005 at the time of this possible violation. Five (5) batteries at the Hunterstown station are affected by the self-reported alleged violation.

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Question 3

Wholesale's Responses to ReliabilityFirst's Request for Information described in detail how the documentation of the monthly and quarterly testing was incomplete at the time of the Self-Report. The tests missed were at the Hunterstown station. During a routine review of records, it was discovered that the Hunterstown Combined Cycle Generating Station missed quarterly battery maintenance PMs in the second quarter of 2008 for five (5) of the six (6) batteries at the facility (batteries for Unit 201, Unit 301, Unit 401 Battery Bank A, Unit 401 Battery Bank B, and Unit 401 Substation Battery for Powell Building). Wholesale's Responses to ReliabilityFirst's Request For Information provided the Work Orders pertaining to the missed tests.

Results of ReliabilityFirst Contractor's Telephone Conference Query with RRI Energy Wholesale Generation, LLC, September 1, 2009 – Percentage of Battery misses

Pursuant to the telephone conference between ReliabilityFirst Contractor and Wholesale, Wholesale provided statistical data relating to the number of test intervals missed at each of the two (2) stations and the associated percentages. Based on the data presented by Wholesale Generation, *the percentages of battery intervals missed at each station operating in the ReliabilityFirst Region from June 18, 2007 to the November 18, 2008 filing of the Mitigation Plan are as follows:*

- Aurora 0.00%
- Hunterstown 13.51%

Summary and Review of Mitigation Plan Completion  
RRI Energy Wholesale Generation, LLC  
September 20, 2009  
Page 3 of 5

The data also shows that no battery test intervals have been missed since the November 18, 2008 filing of the Mitigation Plan.

Wholesale states in its Mitigation Plan, that when viewed as a percentage of all protection system devices contemplated by PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 3% of the total testing requirements for Wholesale Generation. The 3% was derived by taking the total number of protection systems device PM's performed during the compliance period in Wholesale Generation and dividing by the total number of PM's scheduled. The 97% result is the percentage of PM's performed and, by deduction, the percentage of PM's not performed is 3%

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Question 4

Wholesale's Responses to ReliabilityFirst's RFI provided details of battery condition during the test before and after the missed interval. Wholesale's Responses also provided completed work orders for the battery tests before and after the missed interval. In all instances, the battery condition was acceptable, the battery was working and in good condition, and all readings were within tolerance.

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Question 6

Wholesale's Responses to ReliabilityFirst's RFI provided reports from the two (2) generating stations (Aurora and new Hunterstown) subject to NERC Standard PRC-005 indicating completion in performing the required battery maintenance thereby demonstrating all preventative maintenance work orders are up to date at this time.

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Questions 7 and 8

Wholesale's Responses to ReliabilityFirst's RFI provided reports from each of the two (2) generating stations subject to NERC Standard PRC-005, indicating the test dates (and/or schedule of next test date that each protection system device was tested or maintained), along with evidence that the devices were tested. The records show that the testing and maintenance of batteries, relays, associated communications systems, voltage and current sensing devices, and, DC control circuitry is up to date and within the intervals specified in the Testing and Maintenance program.

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 26, 2009

In August of 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing are both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices. These responsibilities also include the verification of sufficient documentation of these tests. Wholesale's Responses to ReliabilityFirst's RFI provided the Job description pertaining to the position of Manager of Regulatory Affairs and NERC Reliability Standards. Included in the job description are the duties and responsibilities of the position, which demonstrate that the position has the responsibility of performing a periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing are both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, in addition to verifying sufficient documentation of those tests

Wholesale's Responses to ReliabilityFirst's Request For Information ("RFI"), March 26, 2009

Central support personnel have been directed to monitor performance of the battery maintenance PM's. This directive was initially issued as a verbal statement from Reliant Energy Senior Vice President of Generation Operations, following a presentation of a draft of the Mitigation Plan where the Engineering and Technical Services group was seeking approval for an updated maintenance plan for PRC-005 compliance.

Following the verbal statement, the Reliant Energy Vice President of Engineering and Technical Services issued a corporate statement via email describing the specific actions to be taken. Wholesale's Responses to ReliabilityFirst's RFI provided an email sent on behalf of the Reliant Energy Vice President of Engineering and Technical Services dated October 23, 2008. This correspondence emphasized that the strict compliance to the station maintenance plan is mandatory and inspection/test results must be traceable and retrievable. This correspondence also discussed the revised "Engineering & Technical Services Directive: Maintenance Program for Generator Protection Systems", and more specifically discussed the fact that the revised document includes a station battery maintenance plan that will apply to all stations for NERC compliance.

In addition to the evidence/documentation discussed above, Wholesale Generation has taken additional steps as discussed in Wholesale's Responses to ReliabilityFirst's dated March 26, 2009.

Wholesale Generation/Reliant Energy set up a Computerized Maintenance Management System (CMMS) to automatically alert the NERC Compliance stakeholders, via email, when a battery was nearing its due-date for

Summary and Review of Mitigation Plan Completion  
RRI Energy Wholesale Generation, LLC  
September 20, 2009  
Page 5 of 5

maintenance. Six (6) months of manual monitoring was established to verify that the CMMS notification functioned properly.

Wholesale Generation/Reliant Energy has also purchased a software package developed by AssurX, Inc. to help manage NERC Compliance in the five regions in which Wholesale Generation Operates. Wholesale Generation/Reliant Energy engaged consultants to help establish work streams for NERC Compliance activities and configure the software to support the Company's NERC Compliance Program. The software will be accessible to all business units and Generating Stations that support NERC Compliance and will serve as a repository for evidentiary documentation. The software has a tracking mechanism that will help manage the completion of NERC Compliance tasks and has reporting capabilities that will facilitate the review process for self-certifications and audit preparation.

**Status: Compliant**

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence that Wholesale submitted in support of its Certification of Completion. ReliabilityFirst Corporation verified that the Mitigation Plan was completed in accordance with its terms and therefore deemed RRI Energy Wholesale Generation, LLC compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

## **Attachment k**

**ReliabilityFirst's Verification of Completion of  
the Mitigation Plan for Wholesale (Seward)  
Violation ID # RFC200800087 dated September  
18, 2009**

September 18, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200800087</b>
<b>NERC Plan ID:</b>	<b>MIT-08-1246</b>
<b>Registered Entity;</b>	<b>RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility)</b>
<b>NERC Registry ID:</b>	<b>NCR00907</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirements:</b>	<b>R2.1</b>
<b>Status:</b>	<b>Compliant</b>

RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility (“Wholesale for Seward”)) owns a single generating station; the Seward Generating Station, in the ReliabilityFirst region. During a routine review of records, it was discovered that the Seward Generating Station missed one (1) monthly battery maintenance PM in the previous twelve (12) months.

The single unfulfilled monthly battery maintenance PM occurred at a time when the generating station was preparing to enter into a one (1) month station outage period.

Wholesale for Seward submitted a Self-Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2.1 on October 10, 2008. Wholesale submitted a Proposed Mitigation Plan to ReliabilityFirst on November 18, 2008, whereby stating Wholesale had completed all mitigating actions on or about October 9, 2008. This Mitigation Plan, designated MIT-08-1244, was accepted by ReliabilityFirst on December 5, 2008 and approved by NERC on January 9, 2009.

**Review Process:**

Wholesale for Seward certified that the Mitigation Plan for PRC-005-1, Requirements R2.1 has been completed. ReliabilityFirst received evidence of completion for actions taken by Wholesale for Seward as specified in the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed.

**PRC-005-1 Requirement 2 states:**

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

Summary and Review of Mitigation Plan Completion  
RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility)  
September 18, 2009  
Page 2 of 5

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

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

Evidence Submitted:

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI"), March 16, 2009 – Response to Questions 1 and 2

Wholesale for Seward's Response to ReliabilityFirst's RFI provided documentation of the specific batteries and testing events affected by the self-reported alleged violation of PRC-005-1, R2.1. The affected battery is the Seward Unit 1 Station battery which was scheduled for monthly maintenance testing from the time PRC-005 was implemented until the 4<sup>th</sup> quarter of 2008, when the maintenance interval was changed to quarterly. The testing event affected is the monthly test due for February 2008.

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI") March 16, 2009 – Response to Question 3

Wholesale for Seward's Response to ReliabilityFirst's RFI described in detail how the documentation of the monthly testing was incomplete at the time of the Self-Report. The test missed was the monthly test due for February 2008.

The single unfulfilled monthly battery maintenance PM occurred at a time when the generating station was preparing for a station outage period. The documentation was incomplete in that the Work Order was issued but not completed.

Wholesale for Seward's Response to ReliabilityFirst's RFI provided a copy of the work order requesting the work to be performed.

Results of ReliabilityFirst Contractor's Telephone Conference Query with Wholesale for Seward September 1, 2009 – Percentage of Battery misses

Pursuant to the telephone conference between ReliabilityFirst Contractor and Wholesale for Seward, Wholesale for Seward provided statistical data relating to the number of test intervals missed at the Seward station and the associated percentage. Based on the data provided by Wholesale for Seward, the percentage of battery intervals missed at each station operating in the ReliabilityFirst Region from June 18, 2007 to the November 18, 2008 filing of the Mitigation Plan is 5.88%.

The data also shows that no battery test intervals have been missed since the November 18, 2008 filing of the Mitigation Plan.

Summary and Review of Mitigation Plan Completion  
RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility)  
September 18, 2009  
Page 3 of 5

Wholesale for Seward's Mitigation Plan stated that when viewed as a percentage of all protection system devices contemplated by PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 5% of the total testing requirements for Seward. The 5% was derived by taking the total number of protection systems device PM's performed during the compliance period in Seward and dividing by the total number of PM's scheduled. The 95% result is the percentage of PM's performed and, by deduction, the percentage of PMs not performed is 5%

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI") March 16, 2009 – Response to Question 4

Wholesale for Seward's Response to ReliabilityFirst's RFI provided details of battery condition during the test before and after the missed interval. Wholesale for Seward's Response to ReliabilityFirst's RFI provided the completed work orders for the battery tests before and after the missed interval. In both instances, the battery condition was acceptable, the battery was working and in good condition, and all readings were within tolerance.

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI") March 16, 2009 – Response to Question 6

Wholesale for Seward's Response to ReliabilityFirst's RFI provided a table indicating completion in performing the required battery maintenance thereby demonstrating all preventative maintenance work orders are up to date at this time.

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI") March 16, 2009 – Response to Questions 7 and 8

Wholesale for Seward's Response to ReliabilityFirst's RFI provided reports indicating that the test dates (and/or schedule of next test date that each protection system device was tested or maintained), along with evidence that the devices were tested. The records show that the testing and maintenance of batteries, relays, associated communications systems, voltage and current sensing devices, and, DC control circuitry is up to date and within the intervals specified in the Testing and Maintenance program.

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI"), March 26, 2009

In August of 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for



## Summary and Review of Mitigation Plan Completion

RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility)

September 18, 2009

Page 4 of 5

Protection System Devices, as well as verify sufficient documentation of those tests. Attachment A of the March 26, 2009 response from Wholesale for Seward is the Job description for the position of Manager of Regulatory Affairs and NERC Reliability Standards. Included in the job description are the duties and responsibilities of the position which demonstrate the position has the responsibility performing a periodic review of documentation for each standard to ensure among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verifying sufficient documentation of those tests

Wholesale for Seward's Response to ReliabilityFirst's Request For Information ("RFI"), March 26, 2009.

Central support personnel have been directed to monitor performance of the battery maintenance PMs. This directive was initially issued as a verbal statement from Reliant Energy Senior Vice President of Generation Operations, following a presentation of a draft of the Mitigation Plan where the Engineering and Technical Services group was seeking approval for an updated maintenance plan for PRC-005 compliance.

Following the verbal statement, the Reliant Energy Vice President of Engineering and Technical Services issued a corporate statement via email describing the specific actions to be taken. Wholesale for Seward's Responses to ReliabilityFirst's RFI provided an email sent on behalf of the Reliant Energy Vice President of Engineering and Technical Services dated October 23, 2008. This correspondence emphasized that the strict compliance to the station maintenance plan is mandatory and inspection/test results must be traceable and retrievable. This correspondence also discussed the revised "Engineering & Technical Services Directive: Maintenance Program for Generator Protection Systems", and more specifically discussed the fact that the revised document includes a station battery maintenance plan that will apply to all stations for NERC compliance.

In addition to the evidence/documentation discussed above Wholesale for Seward has taken additional steps as discussed in the Response to ReliabilityFirst's RFI dated March 26, 2009.

Reliant Energy/Seward has purchased a software package developed by AssurX, Inc. to help manage NERC Compliance in the five regions in which Reliant Energy Operates. Reliant Energy engaged consultants to help establish work streams for NERC Compliance activities and configure the software to support the Company's NERC Compliance Program. The software will be accessible to all business units and Generating Stations that support NERC Compliance and will serve as a repository for evidentiary documentation. The software has a tracking

Summary and Review of Mitigation Plan Completion

RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility)

September 18, 2009

Page 5 of 5

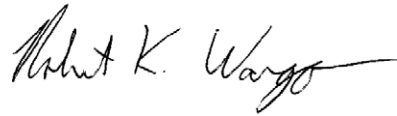
mechanism that will help manage the completion of NERC Compliance tasks and has reporting capabilities that will facilitate the review process for self-certifications and audit preparation.

**Status: Compliant**

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence that Wholesale for Seward submitted in support of its Certification of Completion. ReliabilityFirst Corporation verified that the Mitigation Plan was completed in accordance with its terms and therefore deemed RRI Energy Wholesale Generation, LLC (Wholesale for Seward Generating Facility) compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

## **Attachment I**

### **ReliabilityFirst's Verification of Completion of the Mitigation Plan for Orion Violation ID # RFC200800086 dated September 18, 2009**

September 18, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200800086</b>
<b>NERC Plan ID:</b>	<b>MIT-2008-1245</b>
<b>Registered Entity;</b>	<b>Orion Power Midwest, LP</b>
<b>NERC Registry ID:</b>	<b>NCR00864</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirements:</b>	<b>R2.1</b>
<b>Status:</b>	<b>Compliant</b>

Orion Power Midwest, LP (Orion) owns six (6) generating facilities, in the ReliabilityFirst region comprised of fifty-five (55) generation units. During a routine review of records, it was discovered that a small percentage of the scheduled battery maintenance and testing tasks were not performed as scheduled at the Avon Lake, Brunot Island, New Castle, and Niles stations.

Avon Lake station missed a single quarterly PM due the 1<sup>st</sup> quarter of 2008.

Brunot Island station missed a single quarterly PM due the 2<sup>nd</sup> quarter of 2008. However, during the second quarter of 2008, Brunot Island performed three monthly PMs on April 30, 2008, May 30, 2008, and June 30, 2008.

New Castle station missed monthly tests due in October 2007, December 2007, March 2008, and May 2008.

Niles station missed a single bi-monthly PM due in August/September 2008.

Orion Power Midwest, LP ("Orion") submitted a Self-Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2.1 on October 10, 2008. Orion submitted a Proposed Mitigation Plan to ReliabilityFirst on November 18, 2008, whereby stating Orion had completed all mitigating actions on or about October 9, 2008. This Mitigation Plan, dated November 14, 2008 and designated MIT-08-1245, was accepted by ReliabilityFirst on December 5, 2008 and approved by NERC on January 9, 2009.

**Review Process:**

Orion certified that the Mitigation Plan for PRC-005-1, R2.1 has been completed. ReliabilityFirst requested and received evidence of completion for actions taken by Orion as specified in the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify all actions specified in the Mitigation Plan were successfully completed.

**PRC-005-1 Requirement 2 states:**

***R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System***

Summary and Review of Evidence of Mitigation Plan Completion  
Orion Power Midwest, LP  
September 18, 2009  
Page 2 of 6

*shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:*

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

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

**Evidence Submitted:**

Response to ReliabilityFirst Request for Information (“RFI”) from Orion Power Midwest, LP, March 16, 2009 – Response to Questions 1 and 2

Orion Power Midwest’s responses to Questions 1 and 2 of ReliabilityFirst’s RFI identify the specific batteries affected by self-reported alleged violation.

Orion Power Midwest’s responses to Questions 1 and 2 of ReliabilityFirst’s RFI provided a table which lists the batteries at each station. The affected batteries were highlighted in yellow.

Orion Power Midwest’s responses to Questions 1 and 2 of ReliabilityFirst’s RFI provided a spreadsheet showing the specific details of testing events at each station. The missed testing events at each station were highlighted in yellow.

Orion Power Midwest’s responses to Questions 1 and 2 of ReliabilityFirst’s RFI stated that Orion consists of units at six (6) generating stations. The six (6) stations have a total of seventeen (17) batteries. Five (5) of the batteries are affected by the self-reported alleged violation.

Response to ReliabilityFirst’s RFI from Orion Power Midwest, LP, March 16, 2009 – Response to Question 3

Orion Power Midwest’s response to Question 3 of ReliabilityFirst’s RFI describes in detail how the documentation of the monthly and quarterly testing was incomplete at the time of the Self-Report. Tests were missed at the Avon Lake, Brunot Island, New Castle, and Niles stations. Orion indicates that 99 of the 116 tests scheduled at Orion generating facilities during the applicable period were completed. As such, the battery testing completion rate is 85.3%

A summary of the missed tests are as follows:

- Avon Lake station missed a single quarterly PM which was due the first quarter of 2008.

Summary and Review of Evidence of Mitigation Plan Completion  
 Orion Power Midwest, LP  
 September 18, 2009  
 Page 3 of 6

- Brunot Island station missed a single quarterly PM due the second quarter of 2008. However, during the second quarter of 2008, Brunot Island performed three (3) monthly PMs on April 30, 2008, May 30, 2008, and June 30, 2008.
- New Castle station missed monthly tests due in October 2007, December 2007, March 2008, and May 2008.
- Niles station missed a single bi-monthly PM due in August/September 2008.

Orion Power Midwest's response to Question 3 of ReliabilityFirst's RFI present the details related to the specific test intervals that were missed. Work orders from Avon Lake and Brunot Island were provided and document the requests for work to be performed. Although the work orders were issued, the work was not performed. Work orders were not issued for the intervals missed at New Castle and Niles.

Results of ReliabilityFirst Contractor's Telephone Conference Query with Orion Power Midwest, LP, September 3, 2009 – Percentage of Battery misses

Pursuant to the telephone conference between ReliabilityFirst Contractor and Orion Power Midwest, LP, statistical data relating to the number of test intervals missed at each station and the associated percentages was provided. The percentages of battery intervals missed at each station operating in the ReliabilityFirst Region from June 18, 2007 to the November 18, 2008 filing of the Mitigation Plan are as follows:

- Avon Lake 2.70%
- Brunot Island 4.76%
- Shawville 4.88%
- Cheswick 0.00%
- Elrama 0.00%
- New Castle 26.67%
- Niles 11.11%

The data also shows that no battery test intervals have been missed since the November 18, 2008 filing of the Mitigation Plan.

Orion states in its Mitigation Plan that when viewed as a percentage of all protection system devices contemplated by PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 4% of the total testing requirements for Orion. The 4% was derived by taking the total number of protection systems device PMs performed during the compliance period in Orion and dividing by the total number of PMs scheduled. The 96% result is the percentage of PMs performed and, by deduction, the percentage of PMs not performed is 4%

Response to ReliabilityFirst's RFI from Orion Power Midwest, LP, March 16, 2009 – Response to Question 4

The response to Question 4 of Orion Midwest Power, LP's Response to ReliabilityFirst's RFI from Orion Midwest Power, LP provides details of battery condition during the test before and after the missed interval. Completed work orders for the battery tests before and after the missed interval were provided. In all instances the battery condition was acceptable, the battery was working and in good condition and all readings were within tolerance.

Response to ReliabilityFirst's RFI from Orion Power Midwest, LP, March 16, 2009 – Response to Question 6

The Response to Question 6 of ReliabilityFirst's RFI from Orion Power Midwest, LP consists of reports from each of the six (6) stations. These reports indicate completion in performing the required battery maintenance and, thereby, demonstrate all preventative maintenance work orders are up to date at this time.

Response to ReliabilityFirst's RFI from Orion Power Midwest, LP, March 16, 2009 – Response to Questions 7 and 8

The response to Questions 7 and 8, of the Response to ReliabilityFirst's RFI consists of reports from each of the six (6) stations indicating the test dates and or schedule of next test date that each protection system device was tested or maintained along with evidence that the devices were tested. The records show that the testing and maintenance of batteries, relays, associated communications systems, voltage and current sensing devices, and, DC control circuitry is up to date and within the intervals specified in the Testing and Maintenance program.

Response to ReliabilityFirst's RFI from Orion Power Midwest, LP, March 26, 2009

In August of 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure among other things, that battery maintenance and testing is both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verify sufficient documentation of those tests. Responses from Orion Midwest Power, LP included the Job description for the position of Manager of Regulatory Affairs and NERC Reliability Standards. Included in the job description are the duties and responsibilities of the position which demonstrate that the position has the responsibility of performing a periodic review of documentation for each

Summary and Review of Evidence of Mitigation Plan Completion  
Orion Power Midwest, LP  
September 18, 2009  
Page 5 of 6

responsibility of performing a periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing are both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, as well as verifying sufficient documentation of those tests.

Response to ReliabilityFirst RFI from Orion Power Midwest, LP, March 26, 2009

Central support personnel have been directed to monitor performance of the battery maintenance PMs. This directive was initially issued as a verbal statement from Reliant Energy Senior Vice President of Generation Operations, following a presentation of a draft of the Mitigation Plan where the Engineering and Technical Services group was seeking approval for an updated maintenance plan for PRC-005 compliance.

Following the verbal statement, Vice President of Engineering and Technical Services, issued a corporate statement via email describing the specific actions to be taken. Orion Power Midwest, LP's March 26, 2009 response contained correspondence sent on behalf of Vice President of Engineering and Technical Services dated October 23, 2008 emphasizing that strict compliance to the station maintenance plan is mandatory and inspection/test results must be traceable and retrievable. The correspondence also discusses the revised "Engineering & Technical Services Directive: Maintenance Program for Generator Protection Systems", specifically the fact that the revised document includes a station battery maintenance plan that will apply to all stations for NERC compliance.

In addition to the evidence/documentation discussed above, Orion has taken additional steps as discussed in the Response to ReliabilityFirst RFI from Orion Midwest Power, LP dated March 26, 2009.

Orion/Reliant Energy set up a Computerized Maintenance Management System (CMMS) to automatically alert the NERC Compliance stakeholders, via email, when a battery was nearing its due-date for maintenance. Six (6) months of manual monitoring was established to verify that the CMMS notification functioned properly.

Orion/Reliant Energy has also purchased a software package developed by AssurX, Inc. to help manage NERC Compliance in the five regions in which Orion Operates. Orion/Reliant Energy engaged consultants to help establish work streams for NERC Compliance activities and also to configure the software to support the Company's NERC Compliance Program. The software will be accessible to all business units and Generating Stations that support NERC Compliance and will serve as a repository for evidentiary documentation. The software has a tracking



Summary and Review of Evidence of Mitigation Plan Completion  
Orion Power Midwest, LP  
September 18, 2009  
Page 6 of 6

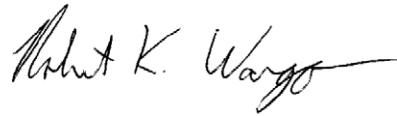
mechanism that will help manage the completion of NERC Compliance tasks and has reporting capabilities that will facilitate the review process for self-certifications and audit preparation.

**Status: Compliant**

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence that Orion submitted in support of its Certification of Completion. ReliabilityFirst Corporation verified that the Mitigation Plan was completed in accordance with its terms and therefore deemed Orion Power Midwest, LP compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

## **Attachment m**

### **ReliabilityFirst's Verification of Completion of the Mitigation Plan for Mid-Atlantic Violation ID # RFC200800088 dated September 18, 2009**

September 18, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200800088</b>
<b>NERC Plan ID:</b>	<b>MIT-2008-1247</b>
<b>Registered Entity;</b>	<b>RRI Energy Mid-Atlantic Power Holdings, LLC</b>
<b>NERC Registry ID:</b>	<b>NCR08070</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirements:</b>	<b>R2.1</b>
<b>Status:</b>	<b>Compliant</b>

RRI Energy Mid-Atlantic Power Holdings, LLC (“Mid-Atlantic”) owns fifteen (15) generating facilities, one of which has been mothballed, in the Reliability*First* region comprised of fifty-five (55) generation units. During a routine review of records, it was discovered that a small percentage of the scheduled battery maintenance and testing tasks were not performed as scheduled.

Gilbert Generating Station did not complete scheduled quarterly battery maintenance on two (2) of its nine (9) generating units in two (2) of the last four (4) quarters. Four (4) units missed quarterly battery maintenance in one (1) of the last four (4) quarters.

Titus Generating Station (Units 4 and 5 only) missed quarterly battery maintenance PMs in one (1) of the last four (4) quarters. Annual battery maintenance PM missed for the entire station (Station battery, units 4 and 5).

Shawville Generating Station (Units 3 and 4) station battery) missed one (1) bi-annual battery maintenance PM in the last year.

Sayreville Generating Station (4 Units) missed battery maintenance PMs in three (3) of the last four (4) quarters.

Werner Generating Station (4 Units) missed battery maintenance PMs in three (3) of the last four (4) quarters.

RRI Energy Mid-Atlantic Power Holdings, LLC, submitted a Self-Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2.1 on October 10, 2008. Mid-Atlantic submitted a Proposed Mitigation Plan to Reliability*First* on November 18, 2008, whereby stating Mid-Atlantic had completed all mitigating actions on or about October 9, 2008. This Mitigation Plan, dated November 14, 2008 and designated MIT-08-1247, was accepted by Reliability*First* on December 5, 2008 and approved by NERC on January 9, 2009.

Summary and Review of Evidence of Mitigation Plan Completion  
RRI Energy Mid-Atlantic Power Holdings, LLC  
September 18, 2009  
Page 2 of 7

**Review Process:**

Mid-Atlantic certified that the Mitigation Plan for PRC-005-1, Requirements R2.1 has been completed. ReliabilityFirst received evidence of completion for actions taken by Mid-Atlantic as specified in the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed.

**PRC-005-1 Requirement 2 states:**

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

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

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

**Evidence Submitted:**

**Response to ReliabilityFirst's Request for Information ("RFI") from Mid-Atlantic Power Holdings, LLC, March 16, 2009**

Responses to ReliabilityFirst's RFI identified the specific batteries affected by the self-reported, alleged violation.

Responses to ReliabilityFirst's RFI provided a table which listed the batteries at each station. The affected batteries were highlighted in yellow.

Responses to ReliabilityFirst's RFI provided a spreadsheet which showed the specific testing events at each station highlighted in yellow.

Based on the information provided within Mid-Atlantic's Responses to ReliabilityFirst's RFI, Mid-Atlantic consists of units at fourteen (14) active generating stations. The fourteen (14) stations have a total of forty (40) batteries. Sixteen (16) of the batteries were affected by the self-reported alleged violation.

**Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC, March 16, 2009 – Response to Question 3**

The response to Question 3 of ReliabilityFirst's RFI from Mid-Atlantic described in detail how the documentation of the monthly and quarterly testing was incomplete at the time of the Self-Report. The tests missed

were at the Gilbert, Sayreville, Shawville, Titus, and Werner stations. A summary of the missed tests is as follows:

- Of the 133 battery tests scheduled at REMA generating facilities during the period, 111 of the 133 battery tests scheduled were completed, for a battery testing completion rate of 83.5% complete.
- Gilbert – missed a single quarterly PM due for Unit 1 (1Q of 2008).
- Gilbert – missed three (3) quarterly PM's for Unit 3 due (3Q of 2007, 4Q of 2007, and 1Q of 2008).
- Gilbert – missed quarterly PM's due for Unit 8 (3Q of 2007 and 2Q of 2008).
- Gilbert – missed date for performance of quarterly PM's due for Unit 9 (3Q of 2007 (performed late) and 2Q of 2008 (performed late)).
- Gilbert – missed quarterly PM's due for Unit 4 (4Q of 2007, 1Q of 2008), and missed scheduled date of 2Q of 2008 (scheduled June of 2008, but performed September 2008).
- Sayreville – missed quarterly PM's due 3Q of 2007, 4Q of 2007, 1Q of 2008, and 2Q of 2008.
- Shawville – missed a single monthly test due in November 2007.
- Titus – missed a single quarterly PM due for Unit 4 (4Q of 2007).
- Titus – missed a single quarterly PM due for Unit 5 (4Q of 2007).
- Werner – missed quarterly PM's due 3Q of 2007, 4Q of 2007, 1Q of 2008, and 2Q of 2008.

Mid-Atlantic's Responses to ReliabilityFirst's RFI provided details related to the specific test intervals that were missed. Work orders requesting the work to be performed were provided. In the instances where a work order was not issued, an explanation was included. There are no work orders for the missed tests at the Sayreville, Titus, and Werner stations.

Results of ReliabilityFirst Contractor's Telephone Conference Query with Mid-Atlantic Power Holdings, September 3, 2009 – Percentage of Battery misses

Pursuant to the telephone conference between ReliabilityFirst Contractor and Mid-Atlantic statistical data relating to the number of test intervals missed at each station and the associated percentages were provided. Based on data presented by Mid-Atlantic, *the percentage of battery intervals missed at each station operating in the ReliabilityFirst Region from June 18, 2007 to the November 18, 2008 filing of the Mitigation Plan are as follows:*

- Gilbert                      29.41%

Summary and Review of Evidence of Mitigation Plan Completion  
 RRI Energy Mid-Atlantic Power Holdings, LLC  
 September 18, 2009  
 Page 4 of 7

• Sayreville	66.67%
• Shawville	4.88%
• Titus	11.11%
• Werner	66.67%
• Blossburg	0.00%
• Glen Gardner	0.00%
• Hamilton	0.00%
• Hunterstown	0.00%
• Mountain	0.00%
• Ortanna	0.00%
• Portland	0.00%
• Shawnee	0.00%
• Tolna	0.00%

The data also shows that no battery test intervals have been missed since the November 18, 2008 filing of the Mitigation Plan.

Mid-Atlantic states in its Mitigation Plan that when viewed as a percentage of all protection system devices contemplated by PRC-005-1 as applied to the Registered Entity, the battery testing that was not performed amounted to 3% of the total testing requirements for Mid-Atlantic. The 3% was derived by taking the total number of protection systems device PMs performed during the compliance period in Mid-Atlantic and dividing by the total number of PMs scheduled. The 97% result is the percentage of PMs performed and, by deduction, 3% is the percentage of PMs that were not performed.

Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC,  
 March 16, 2009 – Response to Question 4

Mid-Atlantic's Responses to ReliabilityFirst's RFI provided details of battery condition during the tests run before and after the missed interval. Mid-Atlantic's Responses provided completed work orders for the battery tests performed before and after the missed interval. In all instances the battery condition was acceptable, the battery was working and in good condition, and all readings were within tolerance.

Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC  
 March 16, 2009 – Response to Question 6

Mid-Atlantic's Responses to ReliabilityFirst's RFI provided reports from each of the fourteen (14) active stations indicating completion in performing the required battery maintenance, thereby demonstrating all preventative maintenance work orders are up to date at this time.

Summary and Review of Evidence of Mitigation Plan Completion  
RRI Energy Mid-Atlantic Power Holdings, LLC  
September 18, 2009  
Page 5 of 7

Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC  
March 16, 2009 – Response to Questions 7 and 8

Mid-Atlantic's Responses to ReliabilityFirst's RFI provided reports from each of the fourteen (14) active stations indicating the test dates (and/or schedule of next test date that each protection system device was tested or maintained), along with evidence that the devices were tested. The records provided by Mid-Atlantic show that the testing and maintenance of batteries, relays, associated communications systems, voltage and current sensing devices, and, DC control circuitry is up to date and within the intervals specified in the Testing and Maintenance program.

Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC,  
March 26, 2009

In August of 2008, the Regulatory Department hired a Manager of Regulatory Affairs and NERC Reliability Standards with responsibilities that include periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing are both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices. These responsibilities also include the verification of sufficient documentation of these tests. Mid-Atlantic's Responses to ReliabilityFirst's RFI provided the Job description pertaining to the position of Manager of Regulatory Affairs and NERC Reliability Standards. Included in the job description are the duties and responsibilities of the position, which demonstrate that the position has the responsibility of performing a periodic review of documentation for each standard to ensure, among other things, that battery maintenance and testing are both taking place according to the corporate Maintenance and Testing Plan for Protection System Devices, in addition to verifying sufficient documentation of those tests

Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC,  
March 26, 2009

Central support personnel have been directed to monitor performance of the battery maintenance PMs. This directive was initially issued as a verbal statement from Reliant Energy Senior Vice President of Generation Operations, following a presentation of a draft of the Mitigation Plan where the Engineering and Technical Services group was seeking approval for an updated maintenance plan for PRC-005 compliance.

Following the verbal statement, the Reliant Energy Vice President of Engineering and Technical Services issued a corporate statement via email describing the specific actions to be taken. Mid-Atlantic's Responses to ReliabilityFirst's RFI provided an email sent on behalf of the Reliant Energy Vice President of Engineering and Technical Services dated

Summary and Review of Evidence of Mitigation Plan Completion  
RRI Energy Mid-Atlantic Power Holdings, LLC  
September 18, 2009  
Page 6 of 7

October 23, 2008. This correspondence emphasized that strict compliance to the station maintenance plan is mandatory and inspection/test results must be traceable and retrievable. This correspondence also discussed the revised "Engineering & Technical Services Directive: Maintenance Program for Generator Protection Systems", and more specifically discussed the fact that the revised document includes a station battery maintenance plan that will apply to all stations for NERC compliance.

In addition to the evidence/documentation discussed above, Mid-Atlantic has taken additional steps as discussed in the Response to ReliabilityFirst's RFI from Mid-Atlantic Power Holdings, LLC, dated March 26, 2009.

Reliant Energy has purchased a software package developed by AssurX, Inc. to help manage NERC Compliance in the five (5) regions in which Reliant Energy Operates. Reliant Energy engaged consultants to help establish work streams for NERC Compliance activities and configure the software to support the Company's NERC Compliance Program. The software will be accessible to all business units and Generating Stations that support NERC Compliance and will serve as a repository for evidentiary documentation. The software has a tracking mechanism that will help manage the completion of NERC Compliance tasks and has reporting capabilities that will facilitate the review process for self-certifications and audit preparation.

**Status: Compliant**

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence that Mid-Atlantic submitted in support of its Certification of Completion. ReliabilityFirst Corporation verified that the Mitigation Plan was completed in accordance with its terms and therefore deemed RRI Energy Mid-Atlantic Power Holdings, LLC compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,



Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation



**Attachment n**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

RRI Energy Mid Atlantic Power Holdings, LLC     )  
RRI Energy Wholesale Generation, LLC and  
Orion Power Midwest, LP                     Docket No. NP10-\_\_\_\_-000

NOTICE OF FILING  
March 31, 2010

Take notice that on March 31, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding RRI Energy Mid Atlantic Power Holdings, LLC, RRI Energy Wholesale Generation, LLC and Orion Power Midwest, LP in the Reliability *First* Corporation 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