

# Proposed Revisions to Appendices 2 and 5B of the NERC Rules of Procedure to Register non-BES Inverter-Based Resources

## Organization Registration Program

### Introduction

On November 17, 2022, the Federal Energy Regulatory Commission (FERC) directed NERC to submit a work plan describing how it plans to identify and register owners and operators of inverter-based resources (IBR) that are connected to and have a material impact in the aggregate to the Bulk-Power System (BPS), but are not currently required to register with NERC under the bulk electric system (BES) definition. On February 15, 2023, as amended in March 2023, NERC filed a Work Plan outlining concepts and milestones to achieve that directive. On May 18, 2023, FERC accepted the Work Plan.

NERC proposes revisions to Appendices 2, 5A, and 5B of the NERC Rules of Procedure (ROP) to accurately reflect and address non-BES, BPS connected IBRs (unregistered IBRs).<sup>1</sup>

- **Appendix 2 – Definitions Used in the ROP:** i) Adding “Generator Owner – Inverter-Based Resources” and “Generator Operator – Inverter-Based Resources” to mirror the revisions proposed in Appendix 5B; and ii) revising the Reserve Sharing Group (RSG) definition for consistency with Reliability Standard Project 2022-01 Reporting ACE Definition and Associated Terms (Project 2022-01).
- **Appendix 5A – Organization Registration and Certification Manual:** Making changes that conform with those in Appendix 5B and reducing legislative history.
- **Appendix 5B – Statement of Compliance Registry Criteria:** i) Adding “Generator Owner – Inverter-Based Resource” (GO-IBR) and “Generator Operator – Inverter-Based Resource” (GOP-IBR) as new functions to the Registry Criteria to address the unregistered IBRs; ii) clarifying the scope of registration in Section I of the Registry Criteria; iii) reducing legislative history; and iv) revising the RSG definition for consistency with Reliability Standard Project 2022-01.

### Overview of Revisions

#### Appendix 2 – Definitions Used in the ROP

##### *Revision #1:*

NERC proposes to add the definitions of GO-IBR and GOP-IBR as the entity that owns and maintains or operates non-BES inverter-based generating resources in a manner consistent with the proposal in Appendix 5B.

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<sup>1</sup> This proposal does not include distributed energy resources. Rather it only includes IBRs that are interconnected to the BPS. Nonetheless, NERC is reviewing potential impacts associated with DERs on the BPS.

**Business Case:** The proposed changes will conform and be consistent with the proposed definitions of GO-IBR and GOP-IBR in the Registry Criteria.

***Revision #2:***

NERC proposes to revise the RSG definition to be consistent with the revised definition being proposed in Project 2022-01.

**Business case:** The proposed revision will conform and be consistent with the revised RSG definition being proposed in Project 2022-01.

**Appendix 5A – Organization Registration and Certification Manual:**

***Revision #1:***

Changing “Facilities” to “facilities” in order to reflect NERC’s scope of authority to register entities that own, operate, or use BPS assets consistent with the revisions in Appendix 5B.

**Business Case:** The ROP should reflect that owners, operators, and users of the BPS are candidates for registration. This change will be consistent with the fact that unregistered IBRs are connected to the BPS.

***Revision #2:***

Adding the GO-IBR, GOP-IBR, and UFLS-DP functions to the registration functions lists.

**Business Case:** The proposed changes will conform and be consistent with the proposed functions in Appendix 5B.

***Revision #3:***

Clarifying language that *de novo* review applies to the Board of Trustees Compliance Committee (BOTCC) review of Registration appeals.

**Business Case:** Clarify that per existing practice *de novo* review is applied to Registration appeals.

**Appendix 5B – Statement of Compliance Registry Criteria**

***Revision #1:***

NERC proposes to add GO-IBR and GOP-IBR as new functions to the Registry Criteria. These functions would address registration of the entity that i) owns and maintains or ii) operates non-BES inverter-based generating resources that have an aggregate nameplate capacity of greater than or equal to 20 MVA delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV.

**Business Case:** As described in Docket No. RD22-4, through several assessments, event reports, and studies NERC has determined that organizations which own or operate unregistered IBRs that (i)

aggregate to nameplate capacity equal or greater than 20 MVA; at (ii) a common point of connection at a voltage greater than or equal to 60 kV, are material to the Reliable Operation of the interconnected BPS.<sup>2</sup>

***Revision #2:***

NERC proposes to revise the Registry Criteria to remove duplicative information and clarify Section I of the Criteria to make clear that owners, operators, or users of the BPS are candidates for Registration.

**Business Case:** The ROP should reflect that users, owners, and operators of the BPS are candidates for registration. This change will be consistent with the fact that unregistered IBRs are connected to the BPS.

***Revision #3:***

Remove portions of the legislative history from the Background portion of Appendix 5B.

**Business case:** Remove legacy information that is not necessary for understanding the Registry Criteria.

***Revision #4:***

NERC proposes to revise the RSG function definition to be consistent with the revised definition being proposed in Project 2022-01.

**Business case:** The proposed revision will conform and be consistent with the revised RSG definition being proposed in Project 2022-01.

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<sup>2</sup> ERO Enterprise BPS Resource Trends Task Force, *Analysis of the Changing Mix of Generating Resources on the BPS* (Feb. 2023), available as Attach. 2 of NERC's work plan filing. *N. Am. Elec. Reliability Corp.*, (Feb. 15, 2023) Docket No. RD22-4-000, [https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/IBR%20Registration%20Work%20Plan\\_final.pdf](https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/IBR%20Registration%20Work%20Plan_final.pdf).