

Agenda

Compliance and Certification Committee (CCC) Special Meeting

July 28, 2020 | 2:00 p.m. – 3:00 p.m. Eastern

[Meeting Registration](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. **New Functional Model Task Force Scope and Membership* - (Approval)**
2. **Revisions to the NERC Rules of Procedure (ROP) 5A* - (Approval)**
3. **Revisions to the NERC Rules of Procedure (ROP) Section 500 and Appendices 2, 5A, 5B, and 5C* - (Inform)**

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

I. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

I. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition.

Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Public Announcement

Conference Call meeting version:

Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

August 10, 2010

Functional Model Task Force (FMTF)

July 21, 2020

Purpose

The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) has a role to provide stakeholder feedback to the Electric Reliability Organization (ERO) related to Enterprise Programs, Standards adherence, and Enterprise Tools. The NERC CCC Functional Model Task Force (FMTF) will execute the CCC's role to identify and address potential gaps with the archival of the Functional Model (FM), and consider of the robustness of the Registry Criteria related to functional registration tasks and obligations. This task force will be directed by the Organization Registration and Certification Subcommittee (ORCS) of the CCC in conjunction with the NERC Standards Committee. The FMTF will collaborate with the ERO on these activities to ensure an open and transparent discussion is available around these topics for consideration. The FMTF will perform any necessary analysis through March 2021. If the FMTF extends beyond this date, the Compliance and Certification Committee Executive Committee (CCCEC) will evaluate the scope and work with the ORCS or FMTF to determine appropriate actions.

Roles and Activities

In 2019, an ad hoc group was formed consisting of the leadership of the Standards Committee (SC), the Compliance and Certification Committee (CCC), Technical Standing Committees, Functional Model Advisory Group (FMAG), and NERC management to consider next steps related to the Functional Model, the group determined the most prudent course of action was to retire the FM. The Standards Committee voted to archive the FM and Functional Model Technical Documents (FMTD) in September 2019. At that time the CCC and SC leadership committed to:

- Consider concepts of the registered entity functions that are captured exclusively in the Function Model that may need to be incorporated and maintained in the Organization Registration and Certification Manual and the Compliance Registry Criteria by the Organization Registration and Certification Subcommittee (ORCS).
- Consider any gaps in Registry Criteria from reliability functions and tasks performed by functional entities not currently considered in the Registry Criteria.

The FMTF will provide suggestions on issues for discussion and recommendations to the CCC for consideration as follows:

1. Gather information on the Functional Model retirement issues.
 - a. Identify support needs and use CCC subcommittees or individual members that have the expertise to review the issues.
 - b. Initiate or request FMTF discussions as issues are identified.

- c. Identify issues representing specific concerns quickly and facilitate swift resolution or communications.
2. Develop suggested recommendations related to the issues.
3. Present work outcomes to the CCC for awareness.

Membership

The FMTF membership will be comprised of those CCC or ORCS members and observers appointed by the CCC Chair. It is desired and highly encouraged that NERC and Regional Entity management participate.

1. Composition
 - a. ORCS Members
 - b. ORCS Active Participants (Observers)
 - c. ORCS Chair
 - d. ORCS Vice Chair
 - e. Standards Committee Participants
 - f. CCC Chair (optional)
 - g. CCC Vice Chair (optional)
2. Leadership
 - a. A Chair will be appointed from the FMTF membership. A Vice-Chair may be appointed if helpful to facilitate the task force deliverables.
3. Observers
 - a. The FMTF Chair may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as other CCC or ORCS members (e.g., CCC subcommittee representatives). Observers may actively participate in the discussion and FMTF deliverables.

Meetings

The FMTF meetings will be scheduled based on workload, as determined by the Chair or members. Due to the short duration of the FMTF, it is likely meetings will be monthly and will be conducted by conference call. Meetings may also occur in conjunction with the regular CCC meetings. The FMTF meetings will be open to other participants. The FMTF or ORCS Chair will approve this participation and work with the CCC Chair for any necessary appointments.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Appendix 5A

Organization Registration and Certification Manual

Effective Date: ~~October 31, 2016~~ 2020

RELIABILITY | ACCOUNTABILITY



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Section I — Executive Summary

Overview

The purpose of this document is twofold: (1) to define the process utilized in the North American Electric Reliability Corporation (NERC) Organization Registration Program for identifying which functional entities must register as owners, operators, and users of the Bulk Power System (BPS) for compliance with Reliability Standards; and (2) to define the process utilized in the Organization Certification Program for certifying the following entities: Reliability Coordinator (RC), Balancing Authority (BA), and Transmission Operator (TOP). ~~The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) is responsible for approving and forwarding these processes to the NERC Board of Trustees (Board) for its approval. Where a proposal for revisions to these processes comes to the Board from sources other than the CCC, the Board will seek the concurrence of the CCC before taking action on the proposal.~~

To Whom Does This Document Apply?

All industry participants responsible for or intending to be responsible for, the following functions must register with NERC through the Organization Registration process. The entities are defined in the NERC *Statement of Compliance Registry Criteria*, set forth in **Appendix 5B** to the NERC Rules of Procedure (ROP), with responsibilities designated by the individual Reliability Standards or by a sub-set list of the otherwise applicable Reliability Standards. ~~Such sub set list will specify the Reliability Standards and may specify Requirements/sub-Requirements by NERC, in which case the entity will be responsible for compliance with only such sub set list, in accordance with **Appendix 5B** determined in accordance with this **Appendix 5A, Section III(D)** to the NERC ROP.~~

	Entities that Must Register	Entities that Need to be Certified
Reliability Coordinator (RC)	√	√
Transmission Operator (TOP)	√	√
Balancing Authority (BA)	√	√
Planning Authority/ <u>Planning Coordinator (PA/PC)</u>	√	
Transmission Planner (TP)	√	
Transmission Service Provider (TSP)	√	
Transmission Owner (TO)	√	
Resource Planner (RP)	√	
Distribution Provider (DP)	√	
Generator Owner (GO)	√	
Generator Operator (GOP)	√	
Reserve Sharing Group (RSG)	√	
Frequency Response Sharing Group (FRSG)	√	
Regulation Reserve Sharing Group	√	

When did These Processes Begin?

The initial Registration process began in January of 2006. Registration of new entities is an ongoing process. If a Registered Entity's information changes, these changes must be submitted to the applicable Regional Entity(ies).

Certification is ongoing for ~~new~~ entities in accordance with Sections IV and V of this manual.

Where to Access and Submit Form(s)?

~~Registration and~~ Certification forms are provided on each Regional Entity’s website. Completed forms are to be sent electronically to the Compliance and Certification Manager of the applicable Regional Entity(ies). ~~It is desirable that entities operate within a single Regional Entity Region; however, Registration information is submitted electronically via an online application that is hosted on the NERC website.~~ If an entity operates in more than one Region, separate Registration applications must be completed and submitted to each of the Regional Entities. NERC will coordinate process execution when an entity is registering or certifying with multiple Regional Entities.

Service

~~Unless otherwise provided, service may be made by personal delivery, email, deposit in the United States mail properly addressed with first class postage prepaid, registered mail properly addressed with postage prepaid or deposit with a private express courier service properly addressed with charges prepaid or payment arrangements made.~~

Roles and Responsibilities

The following is a high-level overview of the roles and responsibilities in the Registration and Certification processes:

NERC

1. Oversight of entity processes performed by the Regional Entities, including:
 - a. Governance per the Regional Entity’s delegation agreement with NERC.
 - b. Coordination of process execution when an entity is registering and/or certifying with multiple Regional Entities.
2. Manage each entity’s NERC Compliance Registry identification number (NERC ID) including:
 - a. Sending a Registration or Certification letter that contains the NERC ID to the applicable Regional Entity(ies) for review and approval. If the Regional Entity(ies) agrees with all the information provided, it will notify NERC to issue the NERC ID to the Registered Entity and will send a copy of the notification being provided to the Regional Entity(ies).
 - b. Ensuring each Registered Entity has only one NERC ID for all Regional Entities in which registered.
3. Make modeling changes based on Registration information.
4. Maintain accurate Registration and Certification records including granting Certification certificates for the Registered Entity(ies) responsible for compliance (including Joint Registration Organization (JRO)/Coordinated Functional Registration (CFR)).
5. Maintain published up-to-date list of Registered Entities (i.e. the NERC Compliance Registry (NCR)) on the NERC website. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.
6. Lead panel reviews in accordance with **Appendix 5A, Organization Registration and Organization Certification Manual**, Section III-(D), ~~and Appendix 5B, Statement of Compliance Registry Criteria.~~

Regional Entity

1. Performs data collection and ~~M~~mapping of BPS Facilities and those Facilities that have a material impact on the BPS within its Regional Entity defined reliability Region boundaries.

2. Approves or disapproves entity Registration applications.
3. Reviews entity Certification applications for completeness.
4. Notifies NERC of entities registered with the Regional Entity.
5. Approves or denies Certification Team (CT) recommendations and notifies the entity and NERC of the decision.
6. Provides leadership to the CT throughout the Certification process.

Entity Submitting the Application

1. Completes and submits Registration and/or Certification application.
2. Submits updates to Registration and/or Certification information as necessary and/or requested.
3. Responds to Regional Entity and/or NERC questions pertaining to Registration and/or Certification.
4. Provides documentation or other evidence requested or required to verify compliance with Certification requirements.

Section II – Introduction to Organization Registration and Organization Certification Processes

The processes utilized to implement the Organization Registration and Organization Certification Programs are administered by each Regional Entity. Pursuant to its delegation agreement with NERC, each Regional Entity is responsible for registering and certifying industry participants within its Regional Entity reliability Region boundaries. Each Regional Entity must use the following NERC processes.

Organization Registration – Entities Required to Register

All industry participants responsible for one or more of the functions below must register for each function through the Organization Registration Program. These entities are defined in the NERC *Statement of Compliance Registry Criteria*.

- RC
- TOP
- BA
- PA/PC
- TP
- TSP
- TO
- RP
- DP
- GO
- GOP
- RSG
- FRSG
- Regulation Reserve Sharing Group

The Registration procedure is in Section III of this manual.

Organization Certification

All Prospective and existing Registered Entities registered in the NCR for intending to perform or performing the RC, TOP, and/or BA functions shall achieve and/or maintain certification to operate one or more RC, TOP, and/or BA Areas. Every RC, TOP, and BA Area shall have a certified RC, TOP, and BA responsible for performing the duties and tasks identified in and required by the Reliability Standards.

Certification requires is required prior to the start of, and during the operation of a RC, TOP, or BA Area, subject to exception in NERC's sole discretion (conditional Certification). In such exceptions, the Registered Entity must satisfy conditions imposed according to an implementation plan agreed to by NERC to continue or discontinue operating its Area(s) to start operation within 12 months of being NERC certified.

The activities of the program are designed to identify issues that, if not closed, could lead to unacceptable performance of the duties and responsibilities applicable to the certified function. The absence of a certified RC,

TOP, and/or BA for any Area jeopardizes the functional relationships within and between Areas specified by the Reliability Standards, and may lead to the inability of Registered Entities to maintain compliance with standards requiring performance with respect to those relationships.

The Certification/Review Team (CRT) works to establish one of the two findings below, utilizing Open Issues and Areas of Concern derived from an in-depth review and well-documented assessment of an entity's capability to perform the tasks of the certifiable function. Open Issues are items that must be closed before (continued) Certification is recommended.

- Certification/Review Team (CRT) recommends (initial or continued) certification contingent upon resolution of specified Open Issues (if any)
- Certification/Review Team (CRT) cannot recommend (initial or continued) certification. (Usually where the applicant contests Open Issues. The applicant has remedy in the appeal process of Section VII.)

This Certification process is described in Section IV of this manual. Certification reviews are conducted according to Section V. The Registered Entity is required to start operation of its Area within 12 months of being NERC certified.

Section III – Organization Registration Process

Purpose and Scope

The purpose and scope of this process is to provide guidance on how a user, owner, and/or operator of the BPS should be registered in the NCR.

Overview

Section 39.2 of the Commission's regulations, ~~and Title 18 of the C.F.R. § 39.2,~~ requires each owner, operator, and user of the BPS to be registered with NERC and to comply with approved Reliability Standards.

Owners, operators, and users of the BPS will be registered by function(s) and are:

1. Responsible for compliance with all applicable Requirements/sub-Requirements within Reliability Standards approved by Applicable Governmental Authorities, for the applicable functions for which the Registered Entity is registered, except to the extent that an entity is granted a sub-set list of applicable Reliability Standards, which specifies the Reliability Standards and may specify Requirements/sub-Requirements by NERC, in which case the entity will be responsible for compliance with only such sub-set list; and,
2. Subject to the compliance monitoring and enforcement requirements of Section 400 of the ROP.

If an entity does not agree with a Registration determination, it may request a NERC-led Registration Review Panel evaluation in accordance with Section III(D) of Appendix 5A. Entities should seek a determination from the NERC-led Registration Review Panel prior to making an appeal to the BOTCC in accordance with NERC ROP Section 500 and Section VI of Appendix 5A.

For Registration determinations dependent on application of the BES Definition, NERC has established a procedure to determine Inclusion and Exclusion Exceptions to the BES Definition (Appendix 5C). Appendix 5A relates to Registered Entity status whereas Appendix 5C relates to an Element's BES status. In cases where a BES Exception determination pursuant to Appendix 5C directly impacts an entity's functional registration requirements, the entity must initiate the BES Exceptions process prior to requesting a Registration change in status, and should be aware that the determination in that proceeding may be necessary prior to reaching a final decision by the NERC-led Registration Review Panel. This situation is dependent on facts and circumstances.

See Figure 1A Organization Registration Process Overview.

A. Organization Registration Application Process

1. This procedure applies to the following applicable entities: 1) those entities to be registered for the first time and 2) currently registered or previously registered entities for which registration changes are sought. Deactivation, Reactivation, and registration for a sub-set list of Reliability Standards are subject to the procedures in this subsection III(A). Additional procedures applicable to Deactivation and Reactivation are contained in subsections III(B) and III(C), respectively. Applicable entities shall begin the Registration process by submitting a completed Registration application to the Regional Entity(ies) of the reliability Region(s) where the entity performs or intends to perform its function(s). ~~(Registration forms are provided on each Regional Entity's website).~~
 - a. At any time, an entity may recommend in writing, with supporting documentation, to the Regional Entity(ies) that an entity be added to or removed from the Compliance Registry.
 - b. If an entity does not have a NERC ID, NERC shall assign one.
 - c. An entity responsible for more than one function will use a single NERC ID.

~~b-d.~~ The Registration process for an entity may also be initiated by a Regional Entity, NERC, or Applicable Governmental Authority.

~~c-e.~~ At any time, an entity whose registration is at issue may request expedited treatment and waiver of applicable timelines. NERC, in its sole discretion, shall determine if such a request will be granted and alternative timelines. NERC's decision is not a final decision that is subject to appeal.

f. The following issues require determination by a NERC-led Registration Review Panel:

i. ~~If, based on the entity's materiality to BES reliability, the Regional Entity proposes to register an entity that does not meet the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, the Regional Entity will submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).~~

ii. ~~If, based on the entity's lack of materiality to BES reliability, an entity that meets the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, believes that it should not be registered, the entity may submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).~~

iii. ~~If an entity disputes a Regional Entity determination that the entity meets the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, the entity may submit a request for determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).~~

~~iv.~~ An entity seeking to be registered for a sub-set list of Reliability Standards may submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).¹

2. NERC shall coordinate Registration of entities that are required to register with multiple Regional Entities in order to ensure consistency of the Registration process.

3. ~~For entities that are required to applying for the RC, TOP, and BA functions, Certification and Registration processes should be certified, initiated concurrently using the applicable Regional Entity(ies) shall ensure that the Registration information provided is accurate for updating the NCR per items 4 through 12 below and notifies the processes set forth in this manual. The entity should to initiate the Certification process per Section IV of this manual.~~

~~4. Entities that have a NERC ID shall use it on the form.~~

~~— If an entity does not have a NERC ID, NERC shall assign one.~~

~~a. An entity responsible for more than one function will use a single NERC ID.~~

~~7.4.~~ Regional Entities shall evaluate the submitted information and determine if the information is complete/correct. —If the information is not complete/correct, the entity will be notified to complete/correct or clarify the Registration information.

~~8.5.~~ A single entity must register for all function type(s) that it performs itself. ~~In addition, Provided that, an~~ entity may execute an agreement to register as a Lead Entity of a JRO on behalf of one or more of its ~~members or related entities parties to the JRO agreement~~ for one or more function type(s) for which ~~such members or related entities~~ the parties would have otherwise been required to register. ~~and, The Lead~~

¹ If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC-led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue. (See, e.g., UFLS-Only DPs.)

~~Entity~~ thereby, accepts on ~~the parties'~~ behalf ~~of such members or related entities all~~ compliance responsibility for all Requirements/sub-Requirements of Reliability Standards applicable to that function or those functions including reporting requirements.(ROP Section 507)

~~9.6.~~ Multiple entities may each register ~~for a function and delineate compliance responsibility for that function~~ using a CFR for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function ~~type~~.(ROP Section 508)

~~10.7.~~ In completing the Regional Entity responsibilities for the Registration process, the following are key items the Regional Entity must verify:

- a. That ~~function~~Regional Entity registrations ~~meet~~are consistent with the ~~geographical and electrical~~ Registration boundaries requirements ~~of the~~contained in ROP Section 501(1.4).
- b. The Registration submission includes all data requested by NERC that is necessary for accurately identifying and contacting the Registered Entity.

~~11.8.~~ The Regional Entity shall forward all Registration information to NERC for inclusion of an entity on the NCR:

~~a. If the Registration determination involves (i) the materiality test set forth in the notes in Appendix 5B, Statement of Compliance Registry Criteria; (ii) a sub-set list of Reliability Standards (which specifies Requirements and may specify sub-Requirements);² or (iii) a dispute by an entity whose registration status is at issue regarding the Regional Entity's application of Appendix 5B, Statement of Compliance Registry Criteria, a NERC-led review panel will be convened in accordance with Appendix 5A, Organization Registration and Organization Certification Manual, Section III.D.~~

~~b.a.~~ Within five business Days of a Registration determination by NERC or the NERC-led ~~Review~~ ~~Panel~~, as applicable, NERC will forward the proposed additions or changes to the NCR to the Regional Entity for review and comment.

~~b.b.~~ The Regional Entity has five business Days to respond to the proposed changes.

~~b.c.~~ If NERC does not receive any comments, the NCR will be revised. If NERC does receive comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.

~~12.9.~~ NERC updates the NCR and notifies the applicable Registered Entity(ies) within five business Days of the update.

~~13.10.~~ The Registered Entity may appeal the final registration determination by NERC in accordance with the ROP Section 500 and Section VI of **Appendix 5A**.

~~14.11.~~ The NCR shall be dynamic and will be revised as necessary to take account of changing circumstances ~~such as corrections, revisions, and or deletions~~. Per the Regional Entity's delegation agreement, the Regional Entity will take any recommendation received under Section 1.a, and other applicable information, under advisement as it determines whether an entity should be on the NCR.

- a. Each Registered Entity identified in the NCR shall notify its corresponding Regional Entity and/or NERC of any corrections, revisions, deletions, changes in ownership, ~~changes in~~ corporate structure, or similar matters that affect the Registered Entity's responsibilities with respect to the Reliability

² ~~If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC-led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue. (See, e.g., UFLS-Only DPs.)~~

Standards.³ Failure to notify will not relieve the Registered Entity from any responsibility to comply with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards. (ROP Section 400).

- b. Each Regional Entity has an independent obligation, even in the absence of a notification by a ~~Registered Entity~~ an entity, to review and submit updates to the NCR to NERC, consistent with the procedures in this Section III, with appropriate notification to the affected entities, to the extent the Regional Entity is aware of, or possesses information that the NCR should be updated. These updates include, but are not limited to: 1) conditions on which the sub-set list are no longer applicable, or; 2) where a new and emerging risk to reliability is identified that changes the basis: a) upon which the entity was deactivated, or deregistered; or b) upon which a sub-set list of requirements was made applicable, in addition to; or 3) deactivation⁴ of entities that no longer meet the applicable registration thresholds. This does not excuse the Registered Entity from its obligation to provide such required notifications.

~~15. Entities registered or subject to registration as a DP that qualify as Underfrequency Load Shedding (UFLS) Only DPs shall submit Registration information to the Regional Entity. The UFLS Only DP shall be subject only to the sub set list of Reliability Standards identified in Appendix 5B. Within 50 Days of the entity's submission of the Registration information to the Regional Entity, the Regional Entity shall issue a decision as to whether UFLS Only DP treatment is appropriate. If the Regional Entity concludes that it is, then the Regional Entity shall forward the information to NERC and NERC will forward the proposed additions or changes to the NCR to the Regional Entity for review and comment. The Regional Entity has five business Days to respond to the proposed changes. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly. NERC updates the NCR and notifies the applicable Registered Entity(ies) within five business Days of the update. If the entity whose registration is at issue does not agree with the Regional Entity's decision regarding UFLS-Only DP treatment, the entity may, within 30 Days of issuance of the decision, seek review by the NERC led review panel in Appendix 5A, Organization Registration and Organization Certification Manual, Section III.D. If the entity whose registration is at issue does not agree with the determination of the NERC led review panel, the entity may file an appeal with the NERC Board Compliance Committee (BOTCC) in accordance with the provisions set forth in Section V of this Appendix 5A.~~

~~The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of Appendix 5A if it does not agree with the determination of the NERC led review panel.~~

~~16.12.~~ NERC may extend the timelines for processing Registration matters for good cause shown. Requests should be sent to the Director of Compliance.⁵Registration email address, found on the Registration and Certification page of the NERC website. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.

B. Deactivation Process

1. The term Deactivation refers to removal of an entity from the NCR for a specific functional category.
2. As a result of Deactivation, the entity is no longer subject to any prospective compliance obligations with respect to Reliability Standards applicable to that functional category.

³ This includes changes in ownership of BES Facilities, changes in the applicability of the BES Definition to a Facility, and newly installed BES Facilities.

⁴ See Figure 1B: Deactivation Process Overview

⁵ References to the term Director of Compliance in the NERC ROP should be read to include an equivalent position.

3. If all functional categories have been deactivated for a given entity, such entity would be deregistered and removed from the NCR. However, the entity’s compliance history will be retained. In its letter notifying the entity of its Deactivation or deregistration, as applicable, NERC will notify the entity of the required retention period, in accordance with the NERC ROP.
4. An entity seeking Deactivation of RC, TOP, or BA registrations shall demonstrate to the satisfaction of its Regional Entity and NERC through the Certification review process, described in Appendix 5A Section V, that the duties and tasks identified in and required by the Reliability Standards either have properly been transferred to another Certified and Registered Entity or the Area has ceased to operate.
- 4.5. A Registered Entity may submit a request for Deactivation and supporting information to the Regional Entity at any time. Such information shall include:
 - a. Entity name and NCR ID number;
 - b. Functions for which Deactivation is requested; and
 - c. The basis on which Deactivation is requested, including supporting documentation, which may be limited to an attestation, if appropriate.
- 5.6. The Regional Entity shall request any additional information from the Registered Entity within 10 Days of receipt of the request for Deactivation.
- 6.7. The Registered Entity shall provide the additional information within 20 Days of its request for Deactivation.
- 7.8. The Regional Entity will issue a decision within 50 Days of the date of receipt of all requested information from the Registered Entity.
- 8.9. If the Regional Entity agrees with/approves the request for Deactivation, it shall forward its Deactivation determination to NERC within five business Days of issuance of the decision.
- 9.10. _____ If NERC accepts/approves the Deactivation determination and the Registered Entity agrees with the determination, NERC will forward within five business Days of receipt of the Deactivation determination from the Regional Entity, the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - a. The Regional Entity has five business Days to respond to the proposed changes.
 - b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.

~~If the Regional Entity or NERC does not agree with the request for Deactivation, the Registered Entity may seek review by the NERC led review panel in Appendix 5A, Organization Registration and Organization Certification Manual, Section III.D.~~

~~If the Deactivation determination involves (i) the materiality test set forth in the notes in Appendix 5B, Statement of Compliance Registry Criteria; (ii) a determination that a sub-set list of Reliability Standards (which will specify Reliability Standards and may specify Requirements/sub Requirements) should apply as an alternative to Deactivation;⁶ or (iii) the Registered Entity disagrees with the Regional Entity determination, the determination will be submitted to the NERC led review panel process in Appendix~~

⁶ ~~If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue. (See, e.g., UFLS-Only DPs.)~~

~~5A, Organization Registration and Organization Certification Manual, Section III.D within 30 Days after issuance of the determination.~~

~~If the NERC led review panel approves the request for Deactivation, NERC will forward within five business Days of the panel decision, the proposed additions or changes to the NCR to the Regional Entity for review and comment.~~

~~a. The Regional Entity has five business Days to respond to the proposed changes.~~

~~b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.~~

~~10. The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of Appendix 5A if it does not agree with the determination of the NERC-led review panel.~~

~~10. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.~~

C. Reactivation Process

1. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.

2. The term Reactivation refers to re-registration pursuant to the NERC ROP Section 500 and ~~Appendices 5A and 5B~~ of an entity to the NCR for a specific functional category or the revocation of, or additions to, a sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements) that has been granted to an entity. Reactivation may be initiated by NERC, a Regional Entity or an entity with respect to such entity's own functional categories or sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements).

~~3. Reactivation shall be governed by the procedures in the NERC ROP Section 500 and Section III.A and, as applicable, Section III.D of this Appendix 5A.~~

4.3. As a result of Reactivation, and consistent with the implementation plan to be developed pursuant to this paragraph, the entity shall prospectively comply with all Reliability Standards applicable to that functional category, or with the sub-set list specified in the Reactivation determination, unless otherwise notified. Within 30 days of a final Reactivation determination, the entity shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the Reactivation. The Regional Entity and Registered Entity shall confer to agree upon such schedule. If the Regional Entity and Registered Entity are unable to agree on the implementation plan, the Regional Entity shall notify ~~the NERC Director of Compliance~~ NERC via the Registration email address, found on the Registration and Certification page of the NERC website, of the disagreement, and shall provide statements of the Regional Entity's and the Registered Entity's positions, and NERC shall specify a reasonable implementation schedule.

5.4. The entity's prior compliance history will be retained and shall apply with respect to the Reactivation. In its letter notifying the entity of its Reactivation, NERC will notify the entity of its registration in accordance with the NERC ROP.

~~6. The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of Appendix 5A if it does not agree with the determination of the NERC-led review panel.~~

~~7. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.~~

D. NERC-led Registration Review Panel

1. NERC shall establish a NERC-led, ~~centralized review panel,~~ Registration Review Panel (Panel) comprised of a NERC lead with Regional Entity participants, to ~~evaluate:~~ 1) Registered Entity requests for Deactivation of, or decisions not to register, an entity that meets Sections I through IV of the Registry Criteria, or, 2) requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria, as well as 3) disputes regarding the application of Sections I through IV of the Registration Criteria, and/or requests for a sub-set list of applicable Reliability Standards (which may specify the Requirements/sub-Requirements).

- a. The ~~NERC led review p~~Panel will be comprised of a standing pool of individuals with relevant expertise from NERC and each of the Regional Entities. Individuals with relevant expertise shall be appointed by the Regional Entity senior executive (CEO, President, General Manager, etc.) and individuals with relevant expertise shall be appointed by the NERC senior executive (CEO, President, General Manager, etc.). NERC shall select the ~~p~~Panel members for a given matter from the standing pool.
- b. Panel members for a given matter shall comply with Subsection 7 of Section 403 of the NERC ROP, shall not be employed by the Regional Entity whose determination is being reviewed or have otherwise participated in the review of the registration matter, and shall have the required technical background to evaluate registration matters.

2. ~~With respect to~~An applicant requests a Panel review of the by completing an application using the NERC-led Review Request Form (Request Form) available on the NERC website (www.nerc.com)

- a. The Request Form provides instruction for submittal of documentation and data associated with the request.
- b. The applicant⁷ should include an evaluation of the criteria contained in the Statement of Materiality,⁸ a description of the applicability of Compliance Registry Criteria Sections I through IV, of the Registration Criteria, and/or an assessment of the impact of a sub-set of reliability standards, as appropriate.
- c. ~~†~~The burden of proof is on the applicant that makes the request for a Panel review, except in two instances where the burden of proof is on the applicable NERC and the Regional Entity, to demonstrate that an entity meets the These two instances include: 1) disputes regarding application of Sections I through IV of Registry Criteria for registration, and 2) disputes where NERC has (i) established clearly defined criteria for eligibility for a sub-set of applicable Reliability Standards (which may specify Requirements/sub-Requirements) and (ii) identified similarly situated entities that the sub-set list may apply to.
- d. For the purpose of this Panel process, the parties are the applicable Regional Entity(ies), RC, BA, TOP, and PC and the entity whose registration status is at issue.
- ~~a.e.~~ Parties are to upload any documents, data, and/or information related to the Panel request to the secure location established by NERC for the Panel review.⁹ When materials are uploaded to this location by a party, that party will provide notice to all other parties via email.

⁷ Applicants can either be a Regional Entity or an entity whose registration or sub-set list status is at issue.

⁸ The evaluation of materiality should include the relevant “materiality test” factors listed in the “Determination of Material Impact” section of Appendix 5B, and/or any other factors that may be considered relevant to the request for Panel review.

⁹ NERC will provide instructions to each party regarding how to request access to the secure location.

- ~~2. The burden of proof with respect to the materiality test, set forth in **Appendix 5B, Statement of Compliance Registry Criteria**, is on the entity making the request, i.e., the entity asking to be excluded from the NCR (despite satisfying the threshold criteria)¹⁰ and the Regional Entity seeking to include an entity in the NCR (that does not satisfy the threshold criteria).~~

~~The burden of proof with respect to a determination as to whether an entity's compliance obligations should be limited to only a specified sub-set of otherwise applicable Reliability Standards is on the entity requesting such treatment, provided, however, that where NERC has established clearly defined criteria for eligibility for a sub-set of applicable Reliability Standards (which may specify Requirements/sub-Requirements) and has identified the sub-set list that may apply to similarly situated entities (e.g., UFLS-Only DPs), the burden of proof to demonstrate that an entity does not meet the criteria for such a sub-set list is on the Regional Entity and NERC.~~

~~The entity who bears the burden of proof with respect to application of the materiality test, or a sub-set list of applicable Reliability Standards (which may specify Requirements/sub-Requirements) must submit to NERC, in writing, details of the issues and identification of the Responding Entity,¹¹ and the applicable Regional Entity(ies), RC, BA, PA and TOP that have (or will have upon registration of the entity) the entity whose registration status is at issue within their respective Scope of Responsibility.~~

- ~~3. NERC will review the submitted documentation and determine if the application is valid within 30 days of receipt.~~
- ~~4. If the application is deemed not valid, NERC will send a written notification to the applicant via email with a reason the application was rejected.~~
- ~~5. If the application is deemed valid, NERC will send a written notice of NERC's acceptance of a valid Panel request to the applicant and the parties via email.~~
- ~~a. Regional Entity(ies), Unless informed other in NERC's notice of a valid request, the entity whose registration status or sub-set list treatment is at issue will have their current responsibilities for compliance with approved Reliability Standards in effect until the issue at hand has a final determination, and the referenced~~
- ~~6. The Regional Entity(ies) or the entity whose registration status is as issue, as appropriate, will provide a written assessment of the Panel request to NERC, as described in step 2(e), within 20 days of NERC's acceptance of a valid Panel request.~~
- ~~a. The RC, BA, PA and TOP, and PC are also requested to provide a written assessment to NERC, as described in step 2(e), within 30 days of NERC's acceptance of a valid Panel request. acknowledging receipt of the notification of panel review.~~
- ~~a.b. The Regional Entity, or entity whose registration status is at issue, as appropriate, can provide a written response to NERC, as described in step 2(e), of any party's assessment within 40 days of NERC's acceptance of a valid Panel request.~~

¹⁰By way of example, the Registered Entity whose Deactivation request was denied by the Regional Entity bears the burden of proof (i.e., on materiality) and both requests panel review and makes the submissions required, under 6(a) and (c), unless the issue involves the Regional Entity's application of the threshold criteria. If the issue involves the Regional Entity's application of the threshold criteria, then the Regional Entity bears the burden of proof and makes the submissions required by sections 6(a) and (c), although it is the Registered Entity who makes the request for panel review.

¹¹By way of example, if a Registered Entity is seeking to be deactivated based on the materiality test and therefore bears the burden of proof, then the Responding Entity is the Regional Entity. If a Regional Entity bears the burden of proof in a materiality test case, then the entity whose registration status is at issue is the Responding Entity.

To ensure there is no confusion with respect to the rights and responsibilities of a Registered Entity during the panel review process, the notification will confirm whether the Registered Entity will remain on the NCR and will be responsible for compliance with approved Reliability Standards applicable to the function under review.

The panel review process timelines with respect to application of the materiality test, or sub-set list treatment of applicable Reliability Standards (which may specify Requirements/sub-Requirements) are as follows:

Within 10 Days of the date of the NERC-led review panel notification, the entity with the burden of proof will provide any additional data supporting its request to NERC (who will forward to the NERC led review panel), the Responding Entity, the applicable Regional Entity(ies), and the RC, BA, PA and TOP that has (or will have upon registration of the entity) the entity whose registration status at issue within their respective Scope of Responsibility.

The Responding Entity will provide a copy of its assessment directly to all parties, as well as to NERC, within 20 Days of the date of the NERC panel review notification. If the RC, BA, PA and TOP provide an assessment, they must provide a copy to all parties, as well as NERC, within 20 Days of the date of the NERC panel review notification.

The entity with the burden of proof may submit a response to the Responding Entity assessment, and any assessment submitted by the RC, BA, PA and TOP, with copies to all parties and NERC, within 30 Days of the date of the NERC panel review notification.

The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence.

—The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence.

7. The Panel will evaluate all documentation, assessments, and responses submitted to determine whether the weight of the evidence supports the registration action under review more than it does not support the action. The Panel may issue a request for information to the applicant or any of the parties and will copy all parties on any such correspondence. The NERC led review pPanel will render its decision within 60 Days of the final submission to the panel or relevant correspondence is received related to the request from any party.

3. ~~With respect to threshold disputes regarding application of Sections I through IV of **Appendix 5B, Statement of Compliance Registry Criteria**, the entity whose registration status is at issue must submit to NERC, in writing, details of the issues and identification of the applicable Regional Entity(ies), RC, BA, PA and TOP that have (or will have upon registration of the entity) the entity whose registration status is at issue within their respective Scope of Responsibility, NERC will send a notification to the Regional Entity(ies), the entity whose registration status is at issue, and the referenced RC, BA, PA and TOP acknowledging receipt of the notification of panel review.~~

~~To ensure there is no confusion with respect to the rights and responsibilities of a Registered Entity during the panel review process, the notification will confirm whether the Registered Entity will remain on the NCR and will be responsible for compliance with approved Reliability Standards applicable to the function under review.~~

3. ~~The panel review process timelines for threshold disputes regarding application off Sections I through IV of **Appendix 5B, Statement of Compliance Registry Criteria** are as follows:~~

~~The entity whose registration status is at issue will provide NERC (who will forward to the NERC led review panel), the applicable Regional Entity(ies), and the RC, BA, PA and TOP that has (or will have upon registration of the entity) the entity whose registration status at issue within their respective Scope of Responsibility, any additional data supporting its request within 10 Days of the date of the NERC panel review notification. In such a case, the Regional Entity has the burden of proof on application of the threshold criteria.~~

The Regional Entity will provide a copy of its assessment directly to all parties, as well as to NERC, within 20 Days of the date of the NERC panel review notification. If the RC, BA, PA and TOP provide an assessment, they must provide a copy to all parties, as well as NERC, within 20 Days of the date of the NERC panel review notification.

- a. The entity whose registration status is at issue may submit a response to the Regional Entity assessment, and any assessment submitted by the RC, BA, PA and TOP, with copies to all parties and NERC, within 30 Days of the date of the NERC panel review notification.

~~The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence.~~

The NERC led review panel will render its decision within 60 Days of the final submission to the panel.

~~4.8.~~ In reaching a decision, the ~~NERC led review p~~Panel will apply the materiality test and other criteria ~~and notes~~, as applicable, set forth in the “Determination of Material Impact” section of Appendix 5B, Statement of Compliance Registry Criteria, and any applicable guidance. The ~~NERC led review p~~Panel shall also include a review of individual and aggregate system-wide risks to, and considerations of, reliability of the BPS, as well as the BES Definition, as applicable.

~~5.9.~~ NERC may use its discretion to extend the timelines of the Panel process for good cause shown. ~~Requests should be sent to the Director of Compliance. Any party may also request to extend the timelines by sending an email to the Registration email address, found on the Registration and Certification page of the NERC website.~~ NERC shall notify all parties ~~the entity whose registration status or sub-set list treatment is at issue and the Regional Entity~~ of such time extensions, as well as the RC, BA, PA and TOP, of such time extensions.

~~6.10.~~ Once aThe Panel decision is made, it will be issued to the applicant with a copy to all parties via email to the entity whose registration status or sub-set list treatment is at issue, the Regional Entity and the referenced RC, BA, PA and TOP. The decision (including its basis) will also be posted on the NERC website,¹² with confidential information redacted in accordance with Section 1500 of the NERC ROP.

~~7.~~ NERC will forward within five business Days the proposed additions ~~or~~Any required changes to the NCR resulting from the Panel decision will be initiated by the Regional Entity in accordance with the Organization Registration Process of this manual. An entity may file an appeal with the ~~to the Regional Entity for review and comment.~~

~~8.~~ The Regional Entity has 5 business Days to respond to the proposed changes.

~~9.~~ If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.

~~10.11.~~ The BOTCC will resolve appeals of registration disputes, in accordance with NERC ROP Section 500 and **Appendix 5A, Organization Registration and Organization Certification Manual, Section VI, if it wishes to dispute the Registration determination of the Panel.**

¹² A Panel decision subject to appeal will not be posted prior to the 21 day appeal window closing (in accordance with **Appendix 5A, Section VI**), which begins when the decision is issued to the parties. If no appeal is received, the decision will be posted and the Federal Energy Regulatory Commission will be notified.

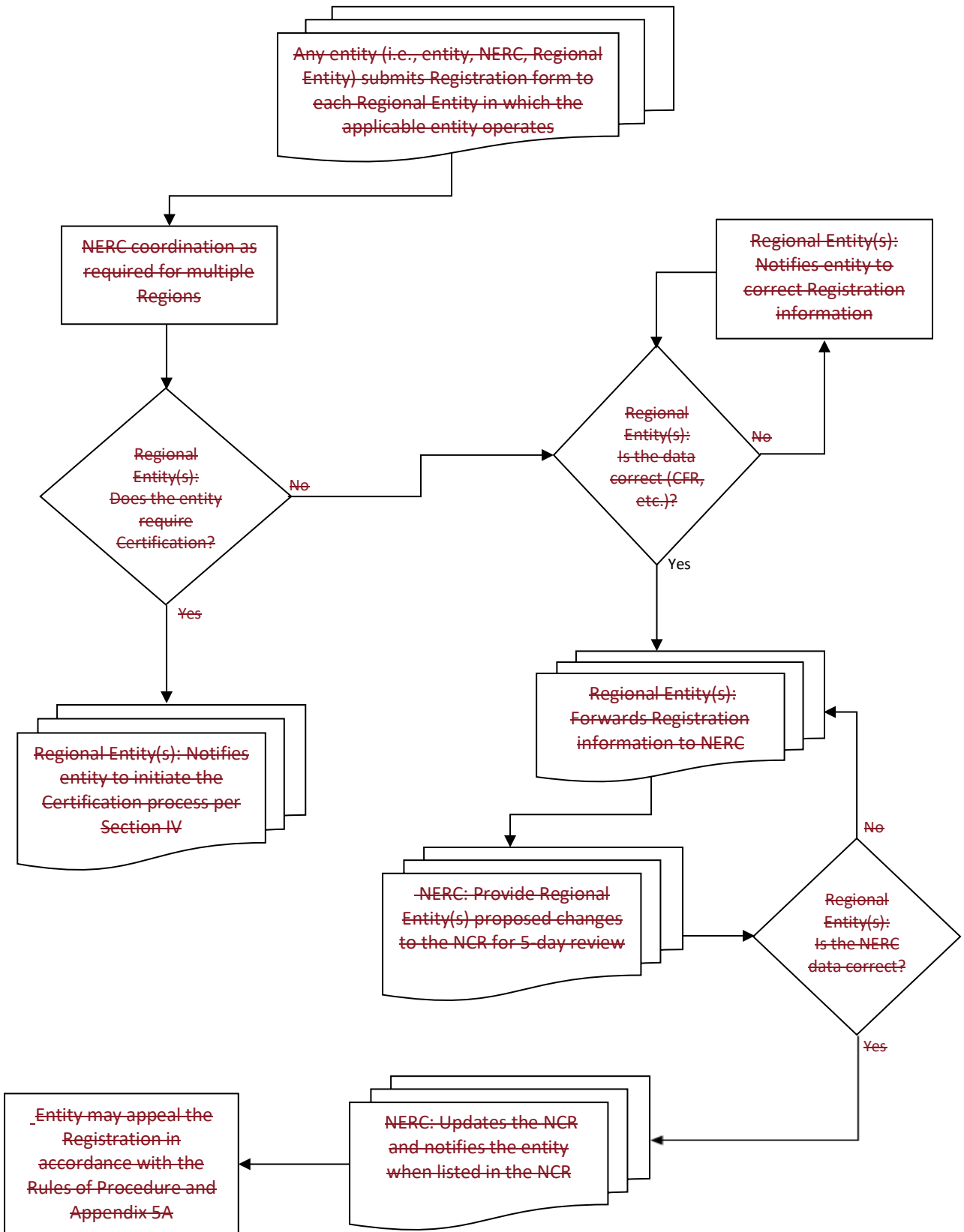


Figure 1A: Organization Registration Process Overview

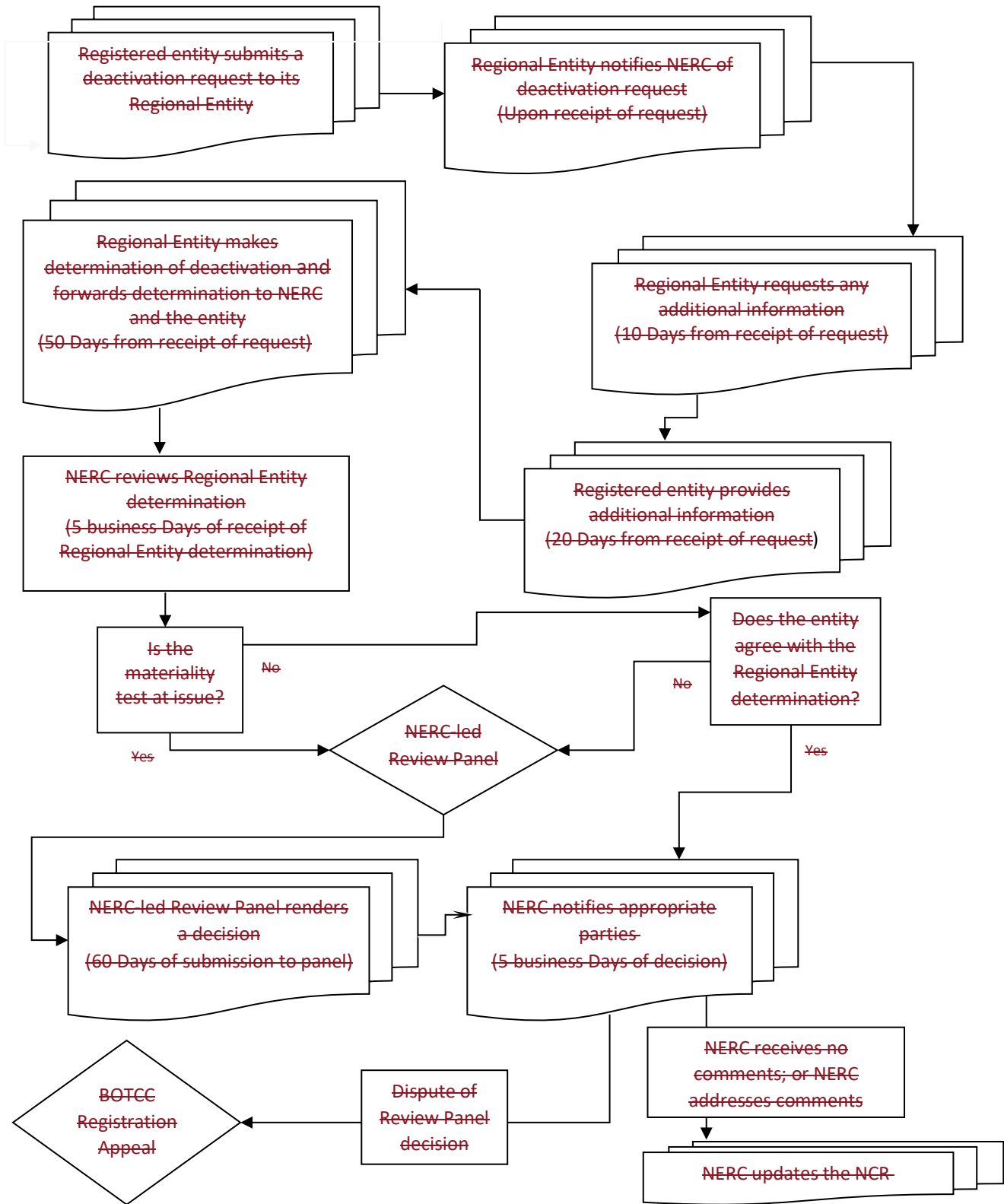


Figure 1B: Deactivation Process Overview

Section IV – Organization Certification Process

Purpose and Scope

~~The purpose and scope of this process is to provide guidance for completing the Certification of a new entity that will become NERC certified and registered as an RC, TOP, or BA. Reliability Coordinators, Transmission Operators, and Balancing Authorities take actions in Real-time that impact the reliable operation of the Bulk Power System. Certification activities assess the processes, procedures, tools, and training these organizations use in performing these functions and provide a prospective level of assurance that the organization has the capacity to meet the reliability obligations of its registration. The Certification will adhere to the following process to the extent allowed by the circumstances.~~

Overview

~~See Figure 2 *Organization Certification Process Overview* for an overview of the Certification process.~~

Organization Certification Process

Initiation

~~2.1. Certification processes shall begin upon the Regional Entity's receipt of a certification application for a Registered Entity or prospective Registered Entity; or when an entity has been registered by NERC for the functions of RC, TOP, and BA.:~~

~~a. An entity in a single Regional Entity reliability Region shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity's website) and sending it to that Regional Entity which will manage the Certification process.~~

~~a.b. An entity in multiple Regional Entity reliability regions shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity's website) and sending it to the each Regional Entity. Each Regional will inform NERC of request with a recommendation for which will Regional Entity will provide the leadership to manage the Certification process. NERC will determine which Regional Entity shall lead review of the application.~~

~~b. An entity in multiple Regional Entity reliability Regions shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity's website) and sending it to the Regional Entities in those reliability Regions. Each Regional Entity will inform NERC of the request. The Regional Entities will determine which Regional Entity will provide the leadership to manage the Certification process.~~

~~c. Provisional Certification Process—All RCs, BAs, and/or TOPs that were already registered and operating on June 18, 2007 become "NERC Certified" upon completion of (1) a NERC readiness evaluation (on site activities completed by the evaluation team); and (2) a CMEP Compliance Audit (on site activities completed by the Compliance Audit team) after June 18, 2007. Recertification on a periodic basis of these Registered Entities will not be required. Demonstration of ongoing satisfactory performance of applicable RC, BA, and TOP functional Requirements shall be accomplished by completion of a CMEP Compliance Audit every three years per the requirements of the NERC ROP. The Regional Entity leading the review of the application shall review the application, and respond and acknowledge receipt or submit requests for more information within 30 days of its receipt of the application.~~

~~i. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed.~~

ii. As part of such review, the Regional Entity may propose to issue a determination rejecting an application on a procedural basis. The applicant will be given 15 days to resolve the reason for rejection. If the Regional Entity and NERC determine that the applicant would fail to meet Registry Criteria or would otherwise not be able to competently perform the duties and responsibilities required under relevant Reliability Standards for the applicable Area, then a rejection notice will be sent to the applicant. Thereafter, the applicant may file an appeal of the rejection in accordance with Appendix 5A, Section VII.

~~e.d.~~ With the agreement of the Registered Entity, the Regional Entity or NERC may initiate certification processes based on documented conversations or other communications with a Registered Entity that contain information equivalent to that of the application.

2. The Regional Entity shall identify a team lead (CTL) for the certification activity.

3. The CTL shall notify NERC of the request for certification, and the following will take place:

~~2. For an entity that is not required to be certified, the Regional Entity(ies) shall reject the application and notify the entity that Certification is not required.~~

~~a. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed. The CTL and NERC will review the request for Certification and concur on acceptance. When the application is deemed complete and accurate, it will be accepted.~~

~~b. If accepted, the CTL will inform the Registered Entity of the decision to initiate certification activities.~~

~~i. The entity and the Regional Entity shall agree to a timeline including specific milestones for the Certification process. The proposed schedule for the Certification Process shall be submitted to NERC for approval. NERC shall review the draft final schedule and will (i) approve; (ii) modify; or (iii) reject the final schedule within 45 days of receipt from the CTL.~~

~~2. The decision to certify changes to an already operating and certified Registered Entity is a collaborative decision between the affected Regional Entity(s) and NERC. NERC has the final authority regarding this decision. Items to consider for this decision include one or more of the following:~~

~~— Changes to a Registered Entity's Footprint or operational challenges (i.e., TLRs) due to the changes~~

~~— Organizational restructuring that could impact the BPS reliability~~

~~— Relocation of the control center~~

~~— Changes to Registered Entity ownership requiring major operating procedure changes~~

~~— Significant changes to JRO/CFR assignments or agreements changes~~

~~— Addition or removal of member JRO/CFR utilities or entities~~

~~— Complete replacement of a Supervisory, Control and Data Acquisition (SCADA)/Energy Management System (EMS) system~~

~~ii. The Certification activities process shall be expected to be completed, allowing sufficient time to correct any Open Issues noted in the entity's preparedness, within nine months of prior to the effective date of an entity's Registration acceptance of the application unless agreed to by all parties involved in the process and approved by NERC.~~

~~b.c.~~ In the case when an entity has been registered by NERC on behalf of the entity for the functions of RC, TOP, or BA, Certification activities will be concurrent with the entity's Registration implementation plan.

4. The following subsections detail which entities are required to be certified if they are a party to a JRO, CFR, or other delegation agreement.

a. Each entity that has taken responsibility for Reliability Standards and/or Requirements/sub-Requirements applicable to the certifiable functions by virtue of being a member of a JRO, CFR, or other agreement shall be the entity NERC certifies to operate their portion of the RC, TOP, or BA Area(s).

e.b. For all other entities that perform tasks related to the RC, TOP, or BA functions within a JRO or other agreement, ~~the~~ Regional Entity(ies) shall, based on a review of the JRO or other agreement, identify and notify such entities of the need for an evaluation and determination of the applicability of a “capability verification” or “readiness evaluation”¹³ for those tasks. NERC that the Certification process has begun to enable NERC to carry out its roles and responsibilities.

~~The Regional Entity will send a questionnaire with a submission deadline and a statement of expectations to all entities participating in the Certification process. These questionnaires and other related documents are located on the NERC website. The Regional Entity shall distribute questionnaires and other related documents to the following entities, as required:~~

Planning

~~Entity seeking Certification.~~

~~Participating BAs, RCs, and TOPs in Footprints in which the entity intends to operate or with which the entity intends to interconnect transmission Facilities.~~

~~Participating TOs, TSPs, PAs, GOs, GOPs, TPs, DPs, and/or other applicable entities.~~

1. The Regional Entity shall assemble a CT~~The CTL shall form the team~~ that will be responsible for performing the activities included in the Certification process.

a. ~~The CT members~~Participants shall adhere to NERC’s confidentiality ~~requirements~~agreements for any data or information made available ~~to the CT member~~ through the Certification process. ~~Team members~~Participants shall not be employees of or have a direct financial interest in the entity or any of its affiliates.

b. Certification teams (CT) shall consist of the following:

i. For BA certifications, the CT shall have representation from an existing BA, the entity’s proposed RC, TOP, each affected~~The Regional Entity, and NERC.~~with concurrence of NERC, may increase or decrease the distribution of the questionnaires and other related documents based upon the complexity of the Certification.

ii. For RC certifications, the CT shall have representation from an existing RC, a BA and a TOP in the proposed Reliability Coordinator Area, each affected Regional Entity, and NERC.

iii. For TOP certifications, the CT shall have representation from an existing TOP, the entity’s proposed BA(s) and RC, each affected Regional Entity, and NERC.

iv. Additional CT members with expertise in any of the NERC registry functional areas may be added as necessary (i.e., NERC, Regional Entity staff).

¹³ A “capability verification” or “readiness evaluation” is a review of the duties and tasks of the Registered Entity that it has delegated to another entity through an agreement.

~~b.c.~~ If the entity objects to any member of the CT, the entity must make that known, in writing, to the Regional Entity listing the reasons for the objection. ~~The Regional Entity will either replace the team member or respond with written justification for keeping the member on the team.~~

~~— CT composition~~

~~— The BA CT shall consist of representatives from an existing BA, the entity's proposed RC, TOP, each affected Regional Entity, and NERC.~~

~~— The RC CT shall consist of representatives from an existing RC, a BA and a TOP in the proposed RC Area, each affected Regional Entity, and NERC.~~

~~— The TOP CT shall consist of representatives from an existing TOP, the entity's proposed RC, each affected Regional Entity, and NERC.~~

~~— Additional CT members with expertise in the any of the NERC Compliance Registry functional areas can be added as necessary.~~

~~— Additional CT members from NERC or Regional Entity staff may be added as necessary.~~

~~j.d.~~ Entities such as government representatives or other stakeholders may be observers in the Certification process. Any Confidential Information will be handled in accordance with Section 1500 of the NERC ROP.

~~2. Each CT member must complete the NERC auditor training prior to participation.~~

~~3. The CT will review the entity's submitted documentation and address any issues prior to the site visit.~~

~~4. The CT shall inform the entity before the on site visit of any documentation or clarification that is necessary to support the questionnaires.~~

~~2. The entity shall identify to CT members shall have the necessary diversity in their technical training and experience to collectively represent the subject matter competencies needed to perform the evaluation of the specific function being certified. Previous experience as a System Operator, Operations Support Personnel, or management of a Control Center is desired for CT members performing the on-site visit.~~

~~3. The CTL shall ensure all CT members have completed the following:~~

~~a. Certification team member training requirements as established by NERC~~

~~b. Non-ERO employees shall also complete the following:~~

~~i. Certification team member training record form~~

~~ii. Certification team conflict of interest form~~

~~iii. An ERO confidentiality agreement form~~

~~4. The CTL shall review the certification application (and Entity information available through other ERO programs) with NERC to determine the scope of the assessment. The CTL shall identify the competency areas to be evaluated based on the function(s) for which the entity is to be certified and the method(s) for their evaluation.~~

~~5. The CTL shall utilize a secured server to distribute and house all relevant certification activity documents, including but not limited to the following:~~

~~a. The application or other documented correspondence with the Registered Entity initiating the certification activity~~

~~b. All relevant correspondence between the CTL and the applicant, including the certification packet (as described in step 6 below)~~

~~c. All relevant correspondence between the CTL and the CT members~~

- d. The work papers used to evaluate the entity during the process
 - e. The overall process schedule
 - f. The agenda for the on-site visit
 - g. The final certification report
 - h. The Regional Entity certification process check sheet indicating the completion of certain process check-points
- 6. A Certification packet shall be developed and sent to the entity at least ninety (90) days prior to an on-site visit. It shall contain the following:
 - a. Notification of the certification process
 - b. Logistic information request
 - c. The tentative overall process schedule and on-site agenda
 - d. The CT roster and member biographies
 - e. Request of confirmation of no objections to CT members
 - f. Pre-certification survey that must be returned to the CTL within fifteen (15) days of receipt
 - g. Any initial requests for information
- 7. CTL shall contact the entity within one week of submitting the packet to confirm receipt of the package and discuss any concerns the entity may have.
- 8. The entity shall complete and return the requested information and supporting documentation no later than four (4) weeks prior to the on-site visit.
- 9. The CTL and CT shall review the logistic information request response, in order to do the following:
 - a. Understand the entity's expectations of the CT when on site
 - b. Make all travel arrangements
- 10. If the CT is to be broken into smaller groups, the CTL shall identify sub-teams and assign a scribe(s) to document the assessment:
 - a. For complex Certifications, the CTL may assign members of the CT to different focus areas. For example:
 - i. Facilities: Examples may include the physical cyber assets against the CIP standards, the cyber training, the maintenance contracts and records for the facilities, the electrical system and uninterruptible power supply (UPS), the cybersecurity of servers, passwords, etc., per the CIP standards, and the physical installation of data and voice equipment.
 - ii. EMS/SCADA: Interview the EMS/SCADA SMEs to ensure that the tools will provide adequate situational awareness against the NERC standards. Ensure adequate change control of the EMS/SCADA. Review the data transfer, server, applications, and redundancy configuration of the core tools including EMS, OSI-PI, ICCP, outage scheduling, scheduling, map-board displays, communication systems, etc.
 - iii. Operator Preparedness: Interview the operators at their workstations and ask them to present the tools, procedures, and job aids in use for normal day-to-day and emergency operations. This could include cyber intrusion detection and real-time assessment. Interview the training staff regarding initial training needed to support the transition to the new responsibilities and continuing training to the NERC standards.
 - iv. Critical Infrastructure Preparedness: Interview the CIP staff to understand how critical infrastructure protections are being utilized.
 - b. The CTL shall ensure documentation used to substantiate the conclusions of the Certification (Review) is collected from each sub-team.

Fieldwork

1. Areas of capability to be evaluated by the certification activity shall be tailored to the situation and matched with appropriate assessment methods (e.g., validation of legacy information, review of entity responses, document review, direct observation, or personnel interview, etc.)
- 5.2. The CTL shall schedule a document review(s) with the CT prior to the on-site visit. Document reviews could take place face-to-face or via teleconference. ~~all Reliability Standards or Requirements/sub Requirements which have been delegated to another entity.~~
 - ~~The CT will review the entity(ies) ability to perform those delegated Requirements/sub Requirements or Reliability Standards.~~
3. The CT shall conduct at least one on-site visit to the entity's Facilities. During document reviews, the CT shall note all the following:
 - a. Follow-up or corroborating questions for the entity's management, SMEs, and system operators based upon the review of supporting documentation
 - b. Additional requests for information (to be submitted to the entity prior to the on-site visit.)
 - c. Comments during the document review that support the entity's abilities to perform the function for which the entity applied and indicate items which do not need further review
 - d. Issues that need to be addressed prior to certification being granted
4. The CTL shall provide the entity a final schedule and agenda for the on-site visit based upon the results of the document review.
5. The CT on-site visit to the entity's location where operational functionality is performed shall include the following:
 - a. Opening presentation
 - a.b. At a minimum, the team will:
 - i. Review with the entity the data ~~collected through the questionnaires, and such data~~ that is available only on-site;
 - ii. Interview the operations ~~and,~~ management, and training personnel;
 - iii. Inspect the Facilities and equipment associated with the function being certified; ~~applicable Reliability Standards referenced in the questionnaire;~~
 - iv. Request demonstration of all tools identified in the scope of the Certification ~~process~~;
 - v. Review documents and data including agreements, processes, and procedures identified in the Certification process ~~document review~~;
 - vi. Verify operating personnel ~~NERC Certification~~ credentials ~~documents~~ and proposed work schedules; and,
 - vii. Review any additional documentation resulting from inquiries arising during the on-site visit.
 - b.c. The CT shall interview other entity, personnel as required to clarify responses covered in the document review. ~~in conjunction with the CT, shall attempt to resolve any deficiencies prior to issuance of the draft report.~~

- d. At the end of each day, the CT will meet for the debriefing. The CTL shall lead a daily debriefing with the entity in order to do the following:~~The draft report is provided to the entity for review for 14 Days and any resulting comments will be assessed by the CT for possible inclusion in the report.~~
 - i. Identify the status of the assessment
 - ii. Identify any items of concern that need to be addressed
 - iii. Provide an update to the schedule
- e. The CTL shall provide an exit briefing at the end of the on-site visit in order to do the following:
 - i. Identify any Open Issues that need to be addressed, and identify a timeline for follow-up to closure
 - ii. Discuss the reporting process
 - iii. Discuss the next steps in the certification process, including any Areas of Concern and the schedule of a post-onsite visit, if required.
 - iv. Convey that entity feedback forms will be sent to allow the entity to resolve any open with a request for candid feedback.

Reporting

1. The CTL will provide the CT and entity with feedback forms, and request that they are returned within five (5) calendar days with a copy to the Certification email address, found on the Registration and Certification page of the NERC website.
- ~~7. The Regional Entity(ies) may grant a time extension, not to exceed 180 Days, to the entity to allow the entity to resolve any open Certification issues.~~
- ~~8. The CT shall provide a Certification recommendation and identification of audit deficiencies in the final written report. All members of the CT shall have an equal voice in the Certification recommendation. This allows for a minority opinion if the review team cannot reach a consensus. The final written Certification report is distributed to NERC, the entity, and the other affected Regional Entities, as applicable.~~
- 9.2. After completion of the on-site visit, the CTL shall develop a draft final report, in coordination with input from the CT, which presupposes all Open Issues are closed. The format for the report shall conform to the template posted on the NERC website, generally containing:~~The following is the format for the final report:~~
 - Title page
 - Table of Contents
 - Introduction – A brief discussion on the Regional Entity(ies) involved, the entity being certified, a description of the function the entity(ies) are being certified for, and a brief timeline of the Certification project.
 - CT – Provide the CT makeup.
 - Objective and Scope – Discussion on entity application (who, what, when, & how).
 - Overall Conclusion – ~~Recommendation being made by~~finding of the CT.
 - ~~CT Findings—Open Issues - Any item(s) needing to~~that must be closed prior to going operational and within 180 days of conclusion of the on-site visit.~~that do not hinder the CT from making a recommendation.~~
 - Positive Observations.

- Company History – Discussion on the applicant’s company history.
- Company Details – Specific details regarding why the Reliability Coordinator, Transmission Operator or Balancing Authority Areas to be operated and the entity’s is being certified and its relationship with other entities (BAs, RCs, and TOPs, and BAs etc.).
- Documentation List – Provide a list of critical documentation reviewed by the CT used to make the CT’s conclusion and the documentation retention requirements.
- Attachments – Describe those attachments that are for public viewing and those that are separated from the report due to confidentiality issues such as Critical Infrastructure documentation.

~~10. Certification recommendation and approval.~~

- ~~— If the entity intends to operate in a single Regional Entity’s reliability Region, the CT shall make a Certification recommendation to that Regional Entity. The Regional Entity shall approve or disapprove the recommendation. The Regional Entity shall notify the entity and NERC of the Certification decision.~~
- ~~— If the entity intends to operate in multiple Regional Entities, the CT shall make a Certification recommendation to all applicable Regional Entities in a single report. Certification recommendation by the Regional Entities must be unanimous. The Regional Entities shall notify the entity and NERC of the Certification decision.~~
- ~~— NERC shall approve or disapprove all final Certification recommendations and notify the entity of the decision.~~

~~14. The entity may appeal the decision in accordance with the NERC ROP and Section VI of this manual.~~

~~15. If the entity is approved for Certification, NERC shall provide the entity a Certification letter and a NERC certificate indicating that that entity is NERC certified as a BA, RC, and/or TOP as applicable.~~

- ~~— For those CFR entities that agree upon a division of compliance responsibilities for one or more Reliability Standards or Requirements/sub Requirements, NERC shall provide all entities responsible for BA, RC and/or TOP Requirements/sub Requirements and approved for Certification as BA, RC and/or TOP a NERC certificate indicating that those entities are NERC certified as a BA, RC, and/or TOP.~~
- ~~— NERC shall update the Compliance Registry prior to the entity(s) going operational.~~

~~3. After the entity has been awarded Certification, the Regional Entity(ies) shall notify all applicable entities as to the date that the entity may begin its operation as a certified entity. The entity must commence operation within 12 months of Certification. Failure to begin operation within the 12-month period shall require the entity to reapply for Certification. The CTL shall transmit the draft final report to the CT requesting final comments within five (5) business days, unless agreed to otherwise.~~

~~4. After the CT has completed their review of the draft report, the CTL shall transmit the draft final report to the entity, requesting return with comments within fourteen (14) calendar days, unless agreed to otherwise.~~

~~5. Entity comments will be given due consideration and incorporated in the final report at the discretion of the CTL and the input of the CT. The CTL and CT will review the completed final report.~~

~~6. When all Open Issues are satisfactorily closed, the CTL will submit the final report to Regional Entity(ies) management for consideration and approval. CT minority opinions and areas where CT consensus was not reached will be communicated to Regional Entity(ies) management prior to approval, but will not be included in the final report nor in the Regional Entity recommendation to NERC.~~

- a. If Regional Entity management contradicts the CT finding, the CTL will work with the CT the entity to resolve any issues.
 - b. The Regional Entity CEO (or a designee) will transmit to NERC and copy the entity the final CT report with a recommendation regarding NERC’s certification of the entity.
7. If NERC approves the entity for certification, NERC shall email confirmation to the entity and post the final report on NERC’s public website. Attached to the email will be the formal certification letter and NERC certificate. Any Confidential Information will be redacted in accordance with Section 1500 of the NERC ROP.
8. The entity may appeal NERC’s decision in accordance with the Rules of Procedure and Section VII of this manual.
9. The certification process shall be completed within nine (9) months unless agreed to by all parties involved in the process
10. Operational responsibility for RC, TOP, or BA Areas shall not begin prior to the entity’s registration effective date. Trial operations, conducted in parallel with an incumbent RC, TOP, or BA who retains responsibility, shall be coordinated to ensure operational authority for an Area is clear at all times.
11. The applicant must commence operations for its RC, TOP, or BA Areas within twelve (12) months of being certified by NERC. If the applicant fails to commence operation within twelve (12) months, the certification process must be repeated.
 - a. During the pendency of the certification process, NERC may use its discretion to issue conditional Certification to ensure that the entity can be Registered, and no areas of the BPS are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical.
 - i. Conditional Certification will include an implementation plan which provides qualifications or criteria that NERC and the Regional Entity have determined necessary to address the risk of an entity failing to be certified or to be certified when needed.
 - ii. The entity subject to conditional Certification shall create an implementation plan that establishes how delayed or failed certification is mitigated so that no gaps in reliability occur. The implementation plan would also detail potential impacts both to the applicant and to any affected entities, and discuss how those impacts would be mitigated, how required functions would be served, and how other affected entities within its prospective footprint would meet their compliance responsibilities if certification is failed or delayed.
 - iii. NERC and the Regional Entity will work with the applicant to develop the implementation plan. If the parties are unable to agree upon an implementation plan, NERC will issue an implementation plan

Data Retention

1. Documentation used to substantiate the conclusions of the Certification (Review) must be retained by the Regional Entity for six (6) years.
2. Documentation used to substantiate program oversight of the Certification processes must be retained by NERC for six (6) years.
3. NERC will maintain and post all Certification Final Reports on its website. Any Confidential Information will be redacted in accordance with Section 1500 of the NERC ROP.

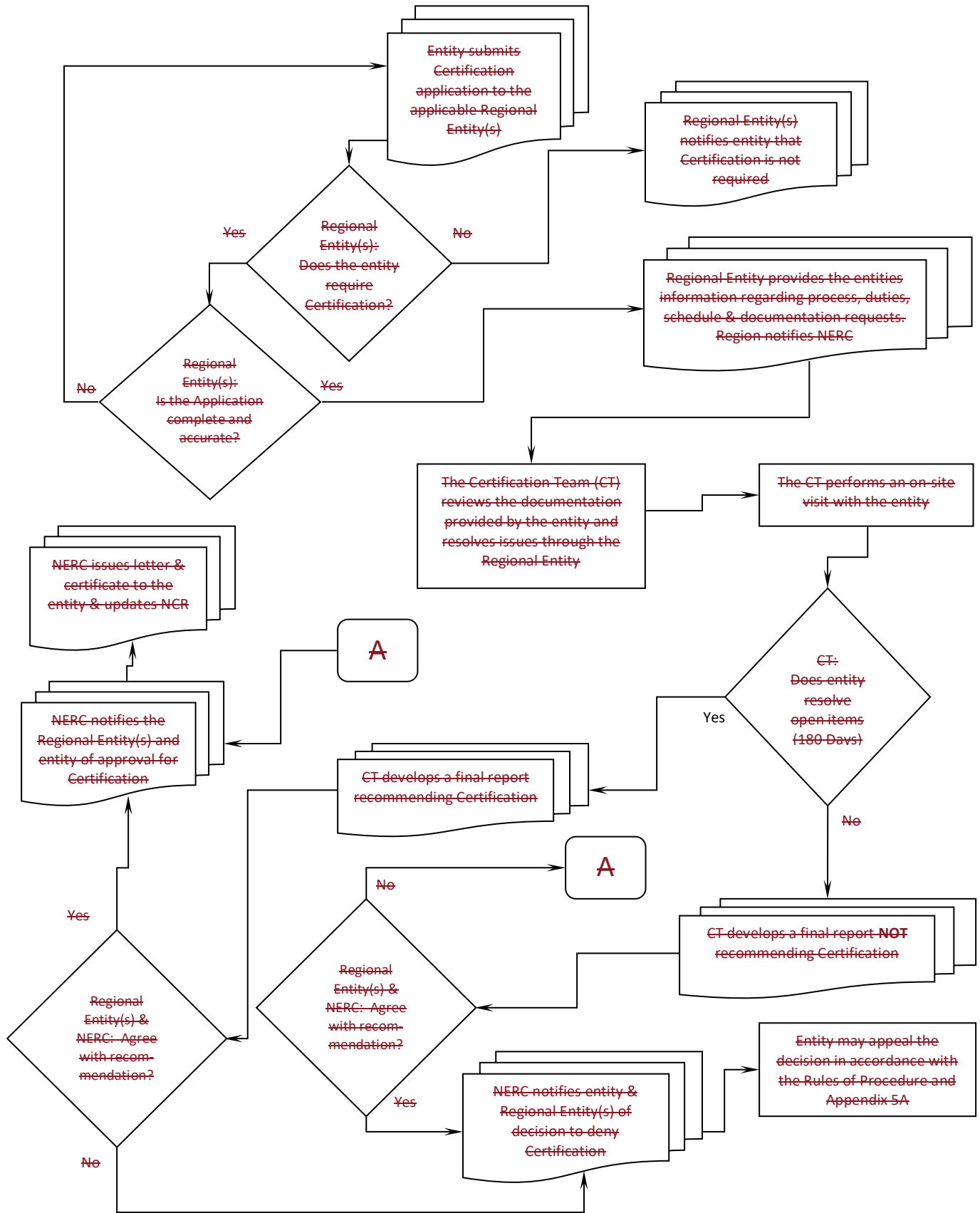


Figure 2: Organization Certification Process Overview

Section V – Organization Certification Review Process

Purpose and Scope

Certification review provides reasonable assurance an already certified and operational Registered Entity will continue to support reliable operations of the BPS after initiating a material change. The review will seek assurance that the entity has addressed personnel training and qualifications, facilities, and equipment needed to perform and maintain the reliability functions in accordance with the applicable Requirements of Reliability Standards, considering among others the following:

- BPS reliability impacts of the change
- Critical Infrastructure Protection implications of the change
- Operator training in support of the change
- Data collection, sharing, and facilities monitoring and control necessary for Real-time Assessments, as well as next-day and longer-term planning
- Coordination of normal and emergency operations

Overview

Certification review activities, including the checks and balances of reporting and documenting those activities, should take place in advance of the change. Functional operations and compliance to the Standards remain the responsibility of the applicable Registered Entity. Certification is of the organization performing the function—not of a facility or system of equipment. Every RC, TOP, and BA Area shall have a certified RC, TOP, and BA registered as responsible for performing the duties and tasks identified in and required by the Reliability Standards. Entities seeking Deactivation of BA, TOP, or RC registrations shall demonstrate to the satisfaction of their Regional Entity and NERC through the Certification review process that the duties and tasks identified in and required by the Reliability Standards either have properly been transferred to another Certified and Registered Entity or the Area has ceased to operate. An entity remains certified during the review activities and subject to all applicable requirements of Reliability Standards, unless conditional Certification is granted by NERC providing qualifications or criteria that NERC and the Regional Entity have determined necessary to address the risk of an entity failing to be certified or to be certified when needed.

Items that are to be considered for a Certification review include one or more of the following non-exhaustive list of changes from an entity’s prior certification assessments.

- a. Changes to Registered Entity’s footprint¹⁴ (including de-certification changes to existing JRO/CFR assignments or sub-set list of requirements):
 - i. The review of changes to an already registered and operational Entity’s footprint is primarily concerned with ensuring the gaining functional entity has the tools, training, and security in place to reliably operate with new responsibilities. Changes to an entity’s footprint can be characterized by new metered boundaries associated with the integration or dis-association of existing electrical areas of the BPS (Reliability Coordinator Area, Transmission Operator Area, or Balancing Authority Area).
- b. Relocation of the Control Center:
 - i. Fundamental to the reliable operation of the interconnected transmission network are the control centers that continuously monitor, assess, and control the generation and transmission power flows on the BES. Of interest are impacts to the functionality provided within these facilities for continued reliable operations of the BES that affect:

¹⁴ This includes changes in ownership of BES Facilities, changes in the applicability of the BES Definition to a Facility, and newly installed BES Facilities.

- Tools and applications that System Operators use for situational awareness of the BES
 - Data exchange capabilities
 - Interpersonal (and alternate) Communications capabilities
 - Power source(s)
 - Physical and cyber security
- ii. The impact of the relocation of the Control Center on the entity's ability to perform the functions for which the entity is registered under normal and emergency conditions should be explored and documented to understand the manner in which the Control Center continues to support the reliable operations of the BES.
- c. Modification of the Energy Management System (EMS) which is expected to materially affect CIP security perimeters or the System Operator's: 1) situational awareness tools, 2) functionality, or 3) machine interfaces.

NERC may revoke an entity's certification and de-certify that entity if NERC determines that the entity is no longer performing the responsibilities that are associated with the function for which it is certified. Revocation shall be posted to the NERC website. The entity will remain registered and subject to compliance for the function, unless it has gone through the deactivation or deregistration process for the applicable function. NERC's revocation may be appealed in accordance with **Appendix 5A**, Section VII.

Organization Certification Review Process

Initiation

1. A Registered Entity that requires a review of the conditions upon which their certification was granted shall complete the appropriate form and submit it to the applicable Regional Entity. Informal dialogue on potential certification activity is encouraged as far in advance as possible.
 - a. An entity in a single Regional Entity reliability region shall initiate the Certification review process by completing an application (Certification review applications are provided on each Regional Entity's website) and sending it to the Regional Entity that will manage the Certification review process.
 - b. An entity in multiple Regional Entity reliability regions shall initiate the certification process by completing a certification application (certification applications are provided on each Regional Entity's website) and sending it to each Regional Entity. Each Regional Entity will inform NERC of the request with a recommendation for which Regional Entity will provide leadership to manage the certification process. NERC will determine which Regional Entity shall lead review of the application.
 - c. The Regional Entity leading the review of the application shall review the application and respond with either acceptance or a request for more information within 30 days of the receipt of the request.
2. Upon receipt of the request for Certification review, the Regional Entity(ies) shall evaluate as follows:
 - a. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed.

- b. For an entity that is not required to be certified but performs tasks associated with a RC, TOP, or BA in accordance with Section IV, the Regional Entity shall consult with the Registered Entity regarding the applicability of a “capability verification” or “readiness evaluation” regarding those tasks.
 - c. The Regional Entity or NERC may initiate the Certification review processes based on documented conversations or other communications with a Registered Entity that contain information equivalent to that of the application.
 - d. The decision to certify changes to an already operating and certified Registered Entity is a collaborative decision between the affected Regional Entity(ies) and NERC. The decision may be to conduct a review under this Certification review process or engage in any lesser activity necessary to understand changes that are material to an entity’s operations or inherent risk.
3. When the decision is made to initiate a Certification review, the Regional Entity shall identify a team lead (CRTL) for the Certification review activity and the following will take place:
 - a. The CRTL will inform the Registered Entity of the decision to initiate Certification review activities.
 - b. The CRTL shall tailor the scope of the Certification review to evaluate those capabilities that are affected as a direct result of the reason for the review.
 - c. The Regional Entity and NERC will determine if an on-site visit is required or if off-site review is sufficient. NERC has the final authority in this decision.
 - d. The entity and the Regional Entity shall agree to a timeline including specific milestones for the Certification review process. The proposed schedule for the Certification review process shall be submitted to NERC for approval. NERC shall review the draft final schedule and will (i) approve; (ii) modify; or (iii) reject the final schedule within 45 days of receipt from the CRTL.
 - Certification review activities are expected to be completed allowing sufficient time to address the risk of an entity failing to be certified or to be certified when needed prior to the effective date of any registration changes

Planning

1. The CRTL shall form the team (CRT) that will be responsible for performing the activities included in the Certification review process.
 - a. The CRTL shall review the request (and entity information available through other ERO programs) with NERC to identify the competency areas to be evaluated and the method(s) for their evaluation (entity/neighbor questionnaire, request documents for review, on-site demonstration, personnel interview, etc.)
 - b. The CRT participants shall adhere to NERC’s confidentiality requirements under Section 1500 for any data or information made available through the Certification review process. Participants shall not be employees of or have a direct financial interest in the entity or any of its affiliates.
 - c. CRT Composition:
 - i. The CRT shall have the necessary diversity in their technical training and experience to collectively represent the subject matter competencies needed to perform the evaluation of the specific function being certified. Previous experience as a System Operator, Operations Support Personnel, or management of a Control Center is desired for CRT members performing the on-site visit.
 - ii. Entities such as government representatives or other stakeholders may be observers in the Certification review process.

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- d. If the entity objects to any member of the CRT, the entity must make that known, in writing, to the Regional Entity, listing the reasons for the objection. The Regional Entity will either replace the team member or respond with written justification for keeping the member on the team.
2. The CRTL shall ensure all CRT members have completed the following:
 - a. Certification team member training requirements as established by NERC
 - b. Team Member profile documenting technical training and experience of team members
 - c. For non-ERO employees they shall also complete the following:
3. The CRTL shall utilize a secured server to distribute and house all relevant Certification review activity documents, including but not limited to the following:
 - a. The application or other documented correspondence with the Registered Entity initiating the certification activity
 - b. All relevant correspondence between the CRTL and the applicant, including the certification packet (as described in step 4 below)
 - c. All relevant correspondence between the CRTL and the CRT members
 - d. The work papers used to evaluate the entity during the process
 - e. The overall process schedule
 - f. The agenda for the on-site visit, if required
 - g. The final Certification review summary report
 - h. The Regional Entity certification process check sheet indicating the completion of certain process check-points
4. A Certification review packet shall be developed and sent to the entity at least ninety (90) days prior to an on-site visit. It shall contain the following:
 - a. Notification of the Certification review process
 - b. Logistic information request
 - c. The tentative overall process schedule and tentative on-site agenda
 - d. The CRT roster and member biographies
 - e. Request of confirmation of no-objections to CRT members
 - f. Pre-certification survey that must be returned to the CRTL within fifteen (15) days of receipt
 - g. Any initial requests for information
5. The CRTL shall contact the entity within one week of submitting the packet to confirm receipt of the package and discuss any concerns the entity may have.
6. The entity shall complete and return the requested information no later than four (4) weeks prior to the on-site visit.
7. The CRTL and CRT shall review the logistic information request, in order to do the following:
 - a. Understand the entity's expectations of the CRT when on site
 - b. Make travel arrangements

Fieldwork

1. Areas of capability to be evaluated by the Certification review activity shall be tailored to the situation and matched with appropriate assessment methods (e.g., validation of legacy

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- information, review of questionnaire responses, document review, direct observation, or personnel interview, etc.)
2. The CRTL shall schedule a document review(s) with the CRT prior to the on-site visit. Document reviews could take place face-to-face or via teleconference.
 3. During document reviews, the CRT shall note all the following:
 - a. Follow-up or corroborating questions for the entity's management, SMEs, and system operators based upon the review of supporting documentation
 - b. Additional requests for information (to be submitted to the entity)
 - c. Comments during the document review that support the entity's abilities to perform the function for which the entity applied and items which do not need further review
 - d. Issues that need to be addressed prior to continued certification being recommended
 4. The CRTL shall provide the entity a final schedule and agenda for the on-site visit (if applicable) based upon the results of the document review.
 5. As appropriate, the CRT shall conduct interviews at the entity's facilities or via teleconference. The team will:
 - a. Review with the entity any data or information requiring clarification
 - b. Interview operations, management, and training personnel
 - c. During on-site visits:
 - i. Inspect the Facilities and equipment associated with the applicable Reliability Standards referenced in the questionnaire;
 - ii. Request demonstration of all tools affected by the change;
 - d. Review documents and data including agreements, processes, and procedures identified by CRT
 - e. Review any additional documentation resulting from inquiries arising during the interview
 6. At the end of each on-site day, the CRT will meet for debriefing. The CRTL shall lead a daily debriefing with the entity in order to do the following:
 - a. Identify the status of the assessment
 - b. Identify any items of concern that need to be addressed
 - c. Provide an update to the schedule
 7. The CRTL shall provide an exit briefing at the end of the on-site visit in order to do the following:
 - a. Identify any Open Issues that need to be addressed, and identify a timeline for follow-up to closure
 - b. Discuss the reporting process
 - c. Discuss the next steps in the Certification review process, including any areas of concern and the schedule of a post-onsite visit, if required
 - d. Convey that entity feedback forms will be sent to the entity

Reporting

1. The CRTL will provide the CRT and entity with feedback forms, and request that they are returned within five (5) calendar days with a copy to the Certification email address, found on the Registration and Certification page of the NERC website.

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2. After completion of the on-site visit, the CRTL shall develop a draft summary report, in coordination with input from the CRT, which presupposes all Open Issues are closed. The format for the report shall conform to the template posted on the NERC website.
3. The entity, in conjunction with the CRT, shall attempt to resolve any Open Issues prior to issuance of the draft summary report.
4. The CRTL shall transmit the draft final report to the CRT requesting final comments within five (5) business days, unless agreed to otherwise.
5. After the CRT has completed their review of the draft report, the CRTL shall transmit the draft final report to the entity, requesting return with comments within fourteen (14) calendar days, unless agreed to otherwise.
6. At the discretion of the CRT and NERC, the entity may be permitted to implement the change at any point in time after the exit briefing. Trial operations, if used, shall be coordinated to ensure operational authority for an Area is clear at all times.
7. Entity comments will be given due consideration and incorporated into the summary report at the discretion of the CRTL and the input of the CRT. The CRTL will review the completed summary report with the CRT.
8. When all Open Issues are satisfactorily closed, the CRTL will submit the summary report to Regional Entity(ies) management for consideration and approval. CRT minority opinions and areas where CRT consensus was not reached will be communicated to Regional Entity(ies) management prior to approval but will not be included in the final report nor in the Regional Entity recommendation to NERC.
 - a. If Regional Entity management contradicts the CRT finding, the CRTL will work with the CRT and the entity to resolve any issues.
 - b. The Regional Entity CEO (or a designee) will transmit to NERC and copy the entity the final CRT report with a recommendation regarding NERC's certification of the entity.
9. If NERC approves continued certification for the entity, NERC shall email confirmation to the entity.
10. If NERC declines continued certification for the entity, NERC shall make available to the entity Hearing Procedures for use in Appeals of Certification Matters, CCCPP-005 contained in Appendix 4E.

Data Retention

1. Documentation used to substantiate the conclusions of the Certification review must be retained by the Regional Entity for six (6) years.
2. Documentation used to substantiate program oversight of the certification processes must be retained by NERC for six (6) years.

Section VI — NERC Organization Registration Appeals Process

Purpose and Scope

This section describes the process that any organization must use to seek review of its listing and functional assignment on the NCR.

Overview

NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 3, *Organization Registration Appeals Process Overview*.

Organization Registration Appeals Procedure

1. Any Registered Entity included on the NCR may challenge final decisions regarding its listing, functional assignments, and determinations regarding the applicability of a sub-set of Reliability Standards (which specifies the specific Reliability Standards and may specify Requirements/sub-Requirements).
2. All registration appeals must be filed in writing to NERC, via registered mail. Appeals are sent to:
Compliance Operations
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
Main: (404) 446-2560
Facsimile: (404) 446-2595
3. Each party in the appeals process shall pay its own expenses for each step in the process.
4. A stipulation of invoking the appeals process is that the Regional Entity or Registered Entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable for, and shall be held harmless against the consequences of or any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This “hold harmless” clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
5. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
6. All appeals must be received within 21 Days of receipt of the NERC determination that is being appealed. The appeal must state why the Registered Entity believes it should not be registered or should be deactivated based on the NERC ROP and the *NERC Statement of Compliance Registry Criteria* or why its compliance obligations should be limited only to a sub-set list of otherwise applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements). A copy of the appeal must be concurrently served on the Regional Entity.

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7. After receipt of the appeal, the Registered Entity has a 30 day period to work with the Regional Entity to resolve the appeal, if possible. NERC may extend such deadline in its sole discretion. If the appeal is resolved, the Regional Entity will notify NERC with the details of the resolution and NERC will close the appeal.
8. At any time through this appeals process, a Registered Entity may agree with the decision and/or agree to close the appeal. NERC shall notify the involved parties and the NERC BOTCC that the appeal is resolved and update the NCR as applicable.
9. NERC will notify the Registered Entity and the applicable Regional Entity(ies) regarding the appeal with the following expectations:
 - a. The Registered Entity will provide NERC and the applicable Regional Entity(ies) any additional data supporting its appeal within 10 Days of the date of the NERC appeal notification.
 - b. The applicable Regional Entity(ies) will provide a copy of its assessment directly to the Registered Entity, as well as to NERC, within 20 Days of the date of the NERC appeal notification.
 - c. The Registered Entity may submit a response to the Regional Entity(ies) assessment, with copies to the Regional Entity(ies) and NERC, within 30 Days of the date of the NERC appeal notification.
 - d. To ensure there is no confusion with respect to the rights and responsibilities of the Registered Entity during the appeal process, the notification will confirm whether the Registered Entity will remain on the NERC Compliance Registry and will be responsible for compliance with approved Reliability Standards applicable to the function under appeal during the appeal.
 - e. NERC may extend the timelines for good cause shown. Requests should be sent to the Registration email address, found on the Registration and Certification page on the NERC website~~Director of Compliance~~. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.
10. Hearing and Ruling by the BOTCC
 - a. The BOTCC will resolve Registration disputes.
 - b. The BOTCC may request additional data from NERC, the relevant Regional Entity(ies) or the Registered Entity, and prescribe the timeframe for the submitting the requested data.
 - c. The BOTCC will provide a written decision regarding any appeals, along with the basis for its decision.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the Registered Entity and Regional Entity(ies) that the appeal was granted.
 - Update the NCR.
 - e. If the BOTCC does not uphold the appeal, NERC will:
 - Notify the Registered Entity and the Regional Entity(ies) that the appeal was denied.
 - The Registered Entity may appeal to Federal Energy Regulatory Commission (FERC) or another Applicable Governmental Authority within 21 Days of the notification of the decision.
 - f. A record of the appeals process shall be maintained by NERC. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

Section VI — NERC Organization Registration Appeals Process

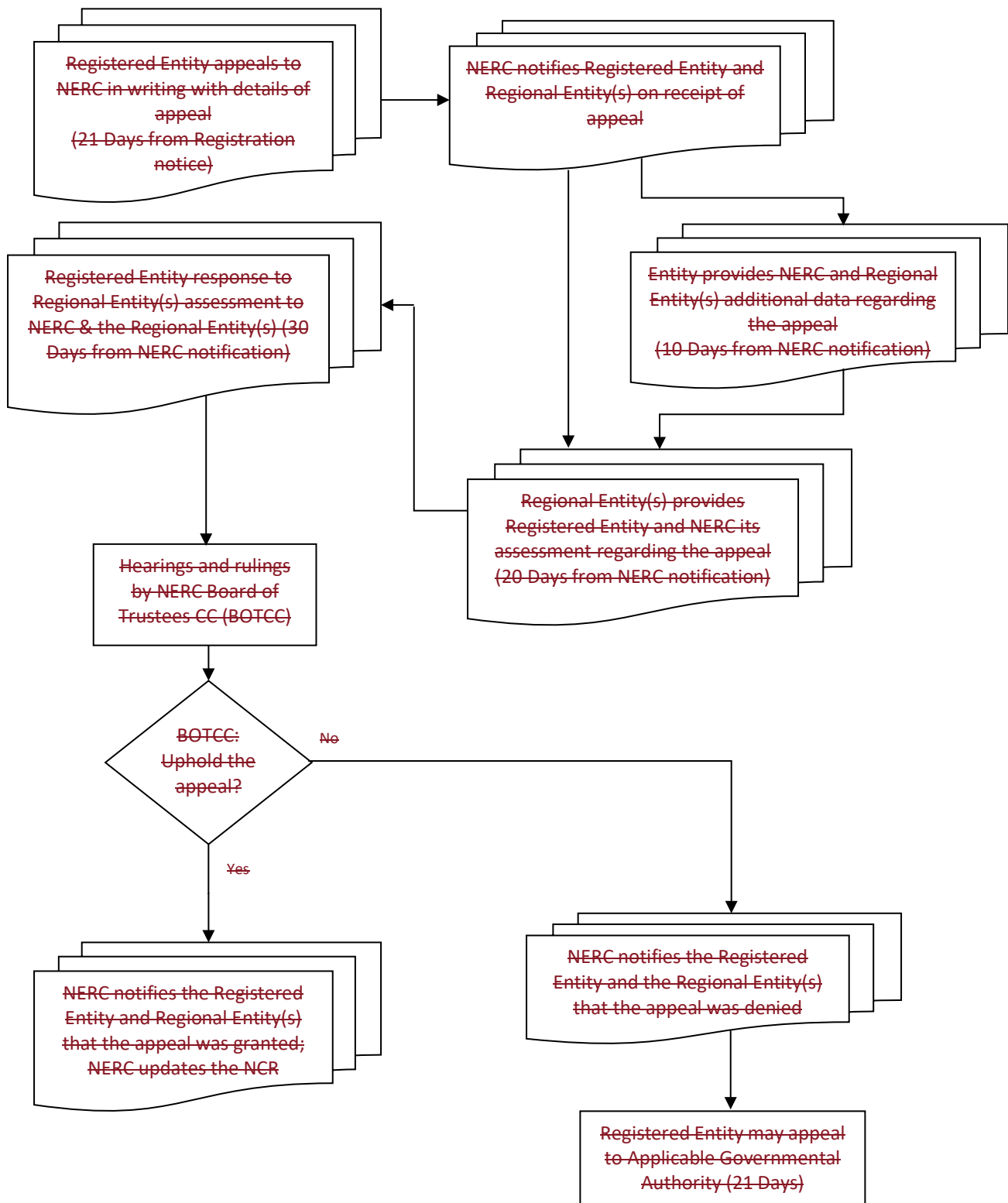


Figure 3: Organization Registration Appeals Process Overview

Section VI — NERC Organization Certification Appeals Process

Purpose and Scope

This section describes the process for an organization to appeal the Certification decision that was determined in the Certification process.

Overview

The NERC Organization Certification Program provides a key means to fulfill NERC's mission. In conducting this program, NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 4 *Organization Certification Appeals Process Overview*.

Organization Certification Appeals Procedure

1. Appeal for an Organization Certification ~~F~~inding.
2. Any entity can appeal an ~~e~~Organization Certification decision issued as a result of the Certification process.
3. Requirements and Conditions for Appeals.
 - a. For all appeals under the NERC Organization Certification Program, the appeals process begins when an entity notifies the NERC via the Certification email address, found on the Registration and Certification page of the NERC website~~Vice President and Director of Compliance, in writing~~, that it wishes to use the NERC appeals process.
 - The Director of Compliance is the main contact for all parties in all steps of the appeals process.
 - If an appeal is not filed within 21 Days of the date that the Certification report or finding is issued, or the final Regional Entity appeals process ruling is made, the finding shall be considered final and un-appealable.
 - b. Each party in the appeals process shall pay its own expenses for each step in the process.
 - c. A stipulation of invoking the appeals process is that the Regional Entity or entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable, and shall be held harmless against the consequences of ~~or~~any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This "hold harmless" clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
 - d. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
4. At any time through this appeals process, an entity may withdraw its appeal.
5. Hearing and Ruling by the Compliance and Certification Committee.
 - a. Within 28 Days of receiving notice from the NERC Director of Compliance, the CCC will conduct a hearing where all the parties or representatives of the disputing parties will present the issue in question, in accordance with CCC procedure CCCPP-005, *Hearing Procedures for Use in Appeals of Certification Matters*, which is incorporated in **Appendix 4E** of the ROP.
 - b. If the appeal is upheld, NERC notifies the entity and Regional Entity(~~ies~~), updates the NCR, and issues any appropriate letter and certificate to the entity.

- c. If the appeal is denied, NERC notifies the entity and Regional Entity(ies).
6. Hearings and Ruling by the BOTCC.
 - a. The BOTCC will be asked to resolve a dispute related to the NERC Organization Certification Program if any party to the appeal contests the CCC final order.
 - b. The BOTCC may request additional data from NERC, Regional Entity(ies) or the entity and prescribe the timeframe for ~~the~~ submitting the requested data.
 - c. At the next regularly scheduled BOTCC meeting, or at a special meeting if the Board determines it is necessary, the Chair~~man~~ of the CCC will present a summary of the dispute and the actions taken to the BOTCC.
 - Each party will have an opportunity to state its case.
 - The BOTCC will then rule on the dispute.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the entity and the Regional Entity(ies) that the appeal was upheld.
 - Update the NCR.
 - Issue a Certification letter and a certificate to the entity as applicable.
 - e. If the BOTCC does not uphold the appeal, NERC will notify the entity and the Regional Entity(ies) that the appeal was denied.
 - The entity may appeal to Applicable Governmental Authorities within 21 Days of the issuance of the decision.
 - f. A record of the appeals process shall be maintained by NERC and available upon request. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

Section VI — NERC Organization Certification Appeals Process

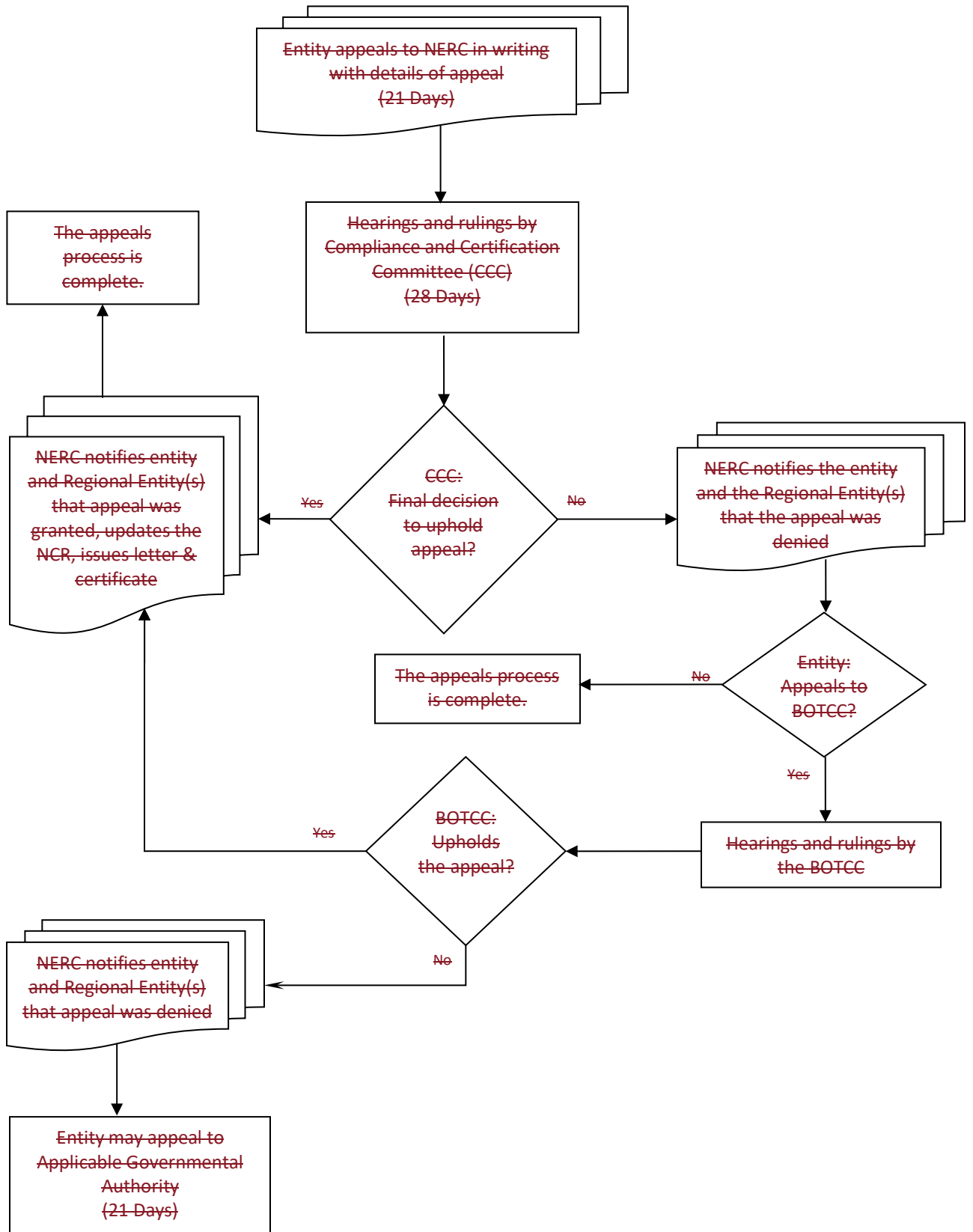


Figure 4: Organization Certification Appeals Process Overview

Definitions

Capitalized terms used in this Appendix shall have the definitions set forth in Appendix 2 of the ROP. For convenience of reference, definitions used in this Appendix are also set forth below:

NERC Organization Certification	The process undertaken by NERC and a Regional Entity to verify that a new entity is capable of responsibilities for tasks associated with a particular function such as a Balancing Authority, Transmission Operator, and/or Reliability Coordinator.
Compliance and Certification Manager	The individual/individuals within the Regional Entity that is/are responsible for monitoring compliance of entities with applicable NERC Reliability Standards.
Days	Days as used in the Registration and Certification processes are defined as calendar days.
Footprint	The geographical or electric area served by an entity.
Functional Entity	An entity responsible for a function that is required to ensure the Reliable Operation of the electric grid as identified in the NERC Reliability Standards.
Mapping	The process of determining whether a Regional Entity's Footprint is being served by Registered Entities.
NERC Identification Number (NERC ID)	A number given to NERC Registered Entities that will be used to identify the entity for certain NERC activities. Corporate entities may have multiple NERC IDs to show different corporate involvement in NERC activities.
Regional Entity	An entity having enforcement authority pursuant to 18 C.F.R. § 39.8.
Registration	Processes undertaken by NERC and Regional Entities to identify which entities are responsible for reliability functions within the Regional Entity's Region.
Coordinated Functional Registration (CFR)	Where two or more entities (parties) agree in writing upon a division of compliance responsibility among the parties for one or more Reliability Standard(s) applicable to a particular function, and/or for one or more Requirement(s)/sub-Requirement(s) within particular Reliability Standard(s).

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Appendix 5A

Organization Registration and Certification Manual

Effective Date: , 2020

RELIABILITY | ACCOUNTABILITY



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Section I — Executive Summary

Overview

The purpose of this document is twofold: (1) to define the process utilized in the North American Electric Reliability Corporation (NERC) Organization Registration Program for identifying which functional entities must register as owners, operators, and users of the Bulk Power System (BPS) for compliance with Reliability Standards; and (2) to define the process utilized in the Organization Certification Program for certifying the following entities: Reliability Coordinator (RC), Balancing Authority (BA), and Transmission Operator (TOP).

To Whom Does This Document Apply?

All industry participants responsible for or intending to be responsible for, the following functions must register with NERC through the Organization Registration process. The entities are defined in the NERC *Statement of Compliance Registry Criteria*, set forth in **Appendix 5B** to the NERC Rules of Procedure (ROP), with responsibilities designated by the individual Reliability Standards or by a sub-set list of the otherwise applicable Reliability Standards determined in accordance with this **Appendix 5A**, Section III(D) to the NERC ROP.

	Entities that Must Register	Entities that Need to be Certified
Reliability Coordinator (RC)	√	√
Transmission Operator (TOP)	√	√
Balancing Authority (BA)	√	√
Planning Authority/Planning Coordinator (PA/PC)	√	
Transmission Planner (TP)	√	
Transmission Service Provider (TSP)	√	
Transmission Owner (TO)	√	
Resource Planner (RP)	√	
Distribution Provider (DP)	√	
Generator Owner (GO)	√	
Generator Operator (GOP)	√	
Reserve Sharing Group (RSG)	√	
Frequency Response Sharing Group (FRSG)	√	
Regulation Reserve Sharing Group	√	

When did These Processes Begin?

The initial Registration process began in January of 2006. Registration of new entities is an ongoing process. If a Registered Entity's information changes, these changes must be submitted to the applicable Regional Entity(ies).

Certification is ongoing for entities in accordance with Sections IV and V of this manual.

Where to Access and Submit Form(s)?

Certification forms are provided on each Regional Entity's website. Completed forms are to be sent electronically to the Compliance and Certification Manager of the applicable Regional Entity(ies). Registration information is submitted electronically via an online application that is hosted on the NERC website. If an entity operates in more than one Region, separate Registration applications must be completed and submitted to each of the Regional

Entities. NERC will coordinate process execution when an entity is registering or certifying with multiple Regional Entities.

Roles and Responsibilities

The following is a high-level overview of the roles and responsibilities in the Registration and Certification processes:

NERC

1. Oversight of entity processes performed by the Regional Entities, including:
 - a. Governance per the Regional Entity's delegation agreement with NERC.
 - b. Coordination of process execution when an entity is registering and/or certifying with multiple Regional Entities.
2. Manage each entity's NERC Compliance Registry identification number (NERC ID) including:
 - a. Sending a Registration or Certification letter that contains the NERC ID to the applicable Regional Entity(ies) for review and approval. If the Regional Entity(ies) agrees with all the information provided, it will notify NERC to issue the NERC ID to the Registered Entity and will send a copy of the notification being provided to the Regional Entity(ies).
 - b. Ensuring each Registered Entity has only one NERC ID for all Regional Entities in which registered.
3. Make modeling changes based on Registration information.
4. Maintain accurate Registration and Certification records including granting Certification certificates for the Registered Entity(ies) responsible for compliance (including Joint Registration Organization (JRO)/Coordinated Functional Registration (CFR)).
5. Maintain published up-to-date list of Registered Entities (i.e. the NERC Compliance Registry (NCR)) on the NERC website. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.
6. Lead panel reviews in accordance with **Appendix 5A, Organization Registration and Organization Certification Manual, Section III(D)**.

Regional Entity

1. Performs data collection and mapping of BPS Facilities and those Facilities that have a material impact on the BPS within its Regional Entity defined reliability Region boundaries.
2. Approves or disapproves entity Registration applications.
3. Reviews entity Certification applications for completeness.
4. Notifies NERC of entities registered with the Regional Entity.
5. Approves or denies Certification Team (CT) recommendations and notifies the entity and NERC of the decision.
6. Provides leadership to the CT throughout the Certification process.

Entity Submitting the Application

1. Completes and submits Registration and/or Certification application.

2. Submits updates to Registration and/or Certification information as necessary and/or requested.
3. Responds to Regional Entity and/or NERC questions pertaining to Registration and/or Certification.
4. Provides documentation or other evidence requested or required to verify compliance with Certification requirements.

Section II – Introduction to Organization Registration and Organization Certification Processes

The processes utilized to implement the Organization Registration and Organization Certification Programs are administered by each Regional Entity. Pursuant to its delegation agreement with NERC, each Regional Entity is responsible for registering and certifying industry participants within its Regional Entity reliability Region boundaries. Each Regional Entity must use the following NERC processes.

Organization Registration – Entities Required to Register

All industry participants responsible for one or more of the functions below must register for each function through the Organization Registration Program. These entities are defined in the NERC *Statement of Compliance Registry Criteria*.

- RC
- TOP
- BA
- PA/PC
- TP
- TSP
- TO
- RP
- DP
- GO
- GOP
- RSG
- FRSG
- Regulation Reserve Sharing Group

The Registration procedure is in Section III of this manual.

Organization Certification

Prospective and existing Registered Entities intending to perform or performing the RC, TOP, and/or BA functions shall achieve and/or maintain certification to operate one or more RC, TOP, and/or BA Areas. Every RC, TOP, and BA Area shall have a certified RC, TOP, and BA responsible for performing the duties and tasks identified in and required by the Reliability Standards.

Certification is required prior to the start of, and during the operation of a RC, TOP, or BA Area, subject to exception in NERC's sole discretion (conditional Certification). In such exceptions, the Registered Entity must satisfy conditions imposed according to an implementation plan agreed to by NERC to continue or discontinue operating its Area(s).

The activities of the program are designed to identify issues that, if not closed, could lead to unacceptable performance of the duties and responsibilities applicable to the certified function. The absence of a certified RC,

TOP, and/or BA for any Area jeopardizes the functional relationships within and between Areas specified by the Reliability Standards, and may lead to the inability of Registered Entities to maintain compliance with standards requiring performance with respect to those relationships.

The Certification/Review Team (CRT) works to establish one of the two findings below, utilizing Open Issues and Areas of Concern derived from an in-depth review and well-documented assessment of an entity's capability to perform the tasks of the certifiable function. Open Issues are items that must be closed before (continued) Certification is recommended.

- Certification/Review Team (CRT) recommends (initial or continued) certification contingent upon resolution of specified Open Issues (if any)
- Certification/Review Team (CRT) cannot recommend (initial or continued) certification. (Usually where the applicant contests Open Issues. The applicant has remedy in the appeal process of Section VII.)

This Certification process is described in Section IV of this manual. Certification reviews are conducted according to Section V. The Registered Entity is required to start operation of its Area within 12 months of being NERC certified.

Section III – Organization Registration Process

Purpose and Scope

The purpose and scope of this process is to provide guidance on how a user, owner, and/or operator of the BPS should be registered in the NCR.

Overview

Section 39.2 of the Commission’s regulations, 18 C.F.R. § 39.2, requires each owner, operator, and user of the BPS to be registered with NERC and to comply with approved Reliability Standards.

Owners, operators, and users of the BPS will be registered by function(s) and are:

1. Responsible for compliance with all applicable Requirements/sub-Requirements within Reliability Standards approved by Applicable Governmental Authorities, for the applicable functions for which the Registered Entity is registered, except to the extent that an entity is granted a sub-set list of applicable Reliability Standards, which specifies the Reliability Standards and may specify Requirements/sub-Requirements by NERC, in which case the entity will be responsible for compliance with only such sub-set list; and
2. Subject to the compliance monitoring and enforcement requirements of Section 400 of the ROP.

If an entity does not agree with a Registration determination, it may request a NERC-led Registration Review Panel evaluation in accordance with Section III(D) of Appendix 5A. Entities should seek a determination from the NERC-led Registration Review Panel prior to making an appeal to the BOTCC in accordance with NERC ROP Section 500 and Section VI of Appendix 5A.

For Registration determinations dependent on application of the BES Definition, NERC has established a procedure to determine Inclusion and Exclusion Exceptions to the BES Definition (Appendix 5C). Appendix 5A relates to Registered Entity status whereas Appendix 5C relates to an Element’s BES status. In cases where a BES Exception determination pursuant to Appendix 5C directly impacts an entity’s functional registration requirements, the entity must initiate the BES Exceptions process prior to requesting a Registration change in status, and should be aware that the determination in that proceeding may be necessary prior to reaching a final decision by the NERC-led Registration Review Panel. This situation is dependent on facts and circumstances.

A. Organization Registration Application Process

1. This procedure applies to the following applicable entities: 1) those entities to be registered for the first time and 2) currently registered or previously registered entities for which registration changes are sought. Deactivation, Reactivation, and registration for a sub-set list of Reliability Standards are subject to the procedures in this subsection III(A). Additional procedures applicable to Deactivation and Reactivation are contained in subsections III(B) and III(C), respectively. Applicable entities shall begin the Registration process by submitting a completed Registration application to the Regional Entity(ies) of the reliability Region(s) where the entity performs or intends to perform its function(s).
 - a. At any time, an entity may recommend in writing, with supporting documentation, to the Regional Entity(ies) that an entity be added to or removed from the Compliance Registry.
 - b. If an entity does not have a NERC ID, NERC shall assign one.
 - c. An entity responsible for more than one function will use a single NERC ID.

- d. The Registration process for an entity may also be initiated by a Regional Entity, NERC, or Applicable Governmental Authority.
- e. At any time, an entity whose registration is at issue may request expedited treatment and waiver of applicable timelines. NERC, in its sole discretion, shall determine if such a request will be granted and alternative timelines. NERC's decision is not a final decision that is subject to appeal.
- f. The following issues require determination by a NERC-led Registration Review Panel:
 - i. If, based on the entity's materiality to BES reliability, the Regional Entity proposes to register an entity that does not meet the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, the Regional Entity will submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).
 - ii. If, based on the entity's lack of materiality to BES reliability, an entity that meets the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, believes that it should not be registered, the entity may submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).
 - iii. If an entity disputes a Regional Entity determination that the entity meets the criteria set forth in Appendix 5B, Statement of Compliance Registry Criteria, the entity may submit a request for determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).
 - iv. An entity seeking to be registered for a sub-set list of Reliability Standards may submit a request for a determination by a NERC-led Registration Review Panel in accordance with Appendix 5A, Section III(D).¹
2. NERC shall coordinate Registration of entities that are required to register with multiple Regional Entities in order to ensure consistency of the Registration process.
3. For entities applying for the RC, TOP, and BA functions, Certification and Registration processes should be initiated concurrently using the applicable processes set forth in this manual. The entity should initiate the Certification process per Section IV of this manual.
4. Regional Entities shall evaluate the submitted information and determine if the information is complete/correct. If the information is not complete/correct, the entity will be notified to complete/correct or clarify the Registration information.
5. A single entity must register for all function type(s) that it performs itself. Provided that, an entity may execute an agreement to register as a Lead Entity of a JRO on behalf of one or more of its parties to the JRO agreement for one or more function type(s) for which the parties would have otherwise been required to register. The Lead Entity thereby, accepts on the parties' behalf compliance responsibility for all Requirements/sub-Requirements of Reliability Standards applicable to that function or those functions including reporting requirements.(ROP Section 507)
6. Multiple entities may each register for a function and delineate compliance responsibility for that function using a CFR for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function type.(ROP Section 508)

¹ If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC-led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue.

7. In completing the Regional Entity responsibilities for the Registration process, the following are key items the Regional Entity must verify:
 - a. That function registrations are consistent with the requirements contained in ROP Section 501(1.4).
 - b. The Registration submission includes all data requested by NERC that is necessary for accurately identifying and contacting the Registered Entity.
8. The Regional Entity shall forward all Registration information to NERC for inclusion of an entity on the NCR:
 - a. Within five business Days of a Registration determination by NERC or the NERC-led Registration Review Panel, as applicable, NERC will forward the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - b. The Regional Entity has five business Days to respond to the proposed changes.
 - c. If NERC does not receive any comments, the NCR will be revised. If NERC does receive comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.
9. NERC updates the NCR and notifies the applicable Registered Entity(ies) within five business Days of the update.
10. The Registered Entity may appeal the final registration determination by NERC in accordance with the ROP Section 500 and Section VI of **Appendix 5A**.
11. The NCR shall be dynamic and will be revised as necessary to take account of changing circumstances. Per the Regional Entity's delegation agreement, the Regional Entity will take any recommendation received under Section 1.a, and other applicable information, under advisement as it determines whether an entity should be on the NCR.
 - a. Each Registered Entity identified in the NCR shall notify its corresponding Regional Entity and/or NERC of any corrections, revisions, deletions, changes in ownership, changes in corporate structure, or similar matters that affect the Registered Entity's responsibilities with respect to the Reliability Standards.² Failure to notify will not relieve the Registered Entity from any responsibility to comply with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards. (ROP Section 400).
 - b. Each Regional Entity has an independent obligation, even in the absence of a notification by an entity, to review and submit updates to the NCR to NERC, consistent with the procedures in this Section III, with appropriate notification to the affected entities, to the extent the Regional Entity is aware of, or possesses information that the NCR should be updated. These updates include, but are not limited to: 1) conditions on which the sub-set list are no longer applicable; 2) where a new and emerging risk to reliability is identified that changes the basis: a) upon which the entity was deactivated or deregistered; or b) upon which a sub-set list of requirements was made applicable; or 3) deactivation of entities that no longer meet the applicable registration thresholds. This does not excuse the Registered Entity from its obligation to provide such required notifications.
12. NERC may extend the timelines for processing Registration matters for good cause shown. Requests should be sent to the Registration email address, found on the Registration and Certification page of the NERC website. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.

² This includes changes in ownership of BES Facilities, changes in the applicability of the BES Definition to a Facility, and newly installed BES Facilities.

B. Deactivation Process

1. The term Deactivation refers to removal of an entity from the NCR for a specific functional category.
2. As a result of Deactivation, the entity is no longer subject to any prospective compliance obligations with respect to Reliability Standards applicable to that functional category.
3. If all functional categories have been deactivated for a given entity, such entity would be deregistered and removed from the NCR. However, the entity's compliance history will be retained. In its letter notifying the entity of its Deactivation or deregistration, as applicable, NERC will notify the entity of the required retention period, in accordance with the NERC ROP.
4. An entity seeking Deactivation of RC, TOP, or BA registrations shall demonstrate to the satisfaction of its Regional Entity and NERC through the Certification review process, described in **Appendix 5A** Section V, that the duties and tasks identified in and required by the Reliability Standards either have properly been transferred to another Certified and Registered Entity or the Area has ceased to operate.
5. A Registered Entity may submit a request for Deactivation and supporting information to the Regional Entity at any time. Such information shall include:
 - a. Entity name and NCR ID number;
 - b. Functions for which Deactivation is requested; and
 - c. The basis on which Deactivation is requested, including supporting documentation, which may be limited to an attestation, if appropriate.
6. The Regional Entity shall request any additional information from the Registered Entity within 10 Days of receipt of the request for Deactivation.
7. The Registered Entity shall provide the additional information within 20 Days of its request for Deactivation.
8. The Regional Entity will issue a decision within 50 Days of the date of receipt of all requested information from the Registered Entity.
9. If the Regional Entity approves the request for Deactivation, it shall forward its Deactivation determination to NERC within five business Days of issuance of the decision.
10. If NERC approves the Deactivation determination and the Registered Entity agrees with the determination, NERC will forward within five business Days of receipt of the Deactivation determination from the Regional Entity, the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - a. The Regional Entity has five business Days to respond to the proposed changes.
 - b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.

C. Reactivation Process

1. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.
2. The term Reactivation refers to re-registration of an entity to the NCR for a specific functional category or the revocation of, or additions to, a sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements) that has been granted to an entity. Reactivation may be initiated by NERC, a Regional Entity or an entity with respect to such entity's own

functional categories or sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements).

3. As a result of Reactivation, and consistent with the implementation plan to be developed pursuant to this paragraph, the entity shall prospectively comply with all Reliability Standards applicable to that functional category, or with the sub-set list specified in the Reactivation determination, unless otherwise notified. Within 30 days of a final Reactivation determination, the entity shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the Reactivation. The Regional Entity and Registered Entity shall confer to agree upon such schedule. If the Regional Entity and Registered Entity are unable to agree on the implementation plan, the Regional Entity shall notify NERC via the Registration email address, found on the Registration and Certification page of the NERC website, of the disagreement, and shall provide statements of the Regional Entity's and the Registered Entity's positions, and NERC shall specify a reasonable implementation schedule.
4. The entity's prior compliance history will be retained and shall apply with respect to the Reactivation. In its letter notifying the entity of its Reactivation, NERC will notify the entity of its registration in accordance with the NERC ROP.

D. NERC-led Registration Review Panel

1. NERC shall establish a NERC-led Registration Review Panel (Panel) comprised of a NERC lead with Regional Entity participants, to evaluate: 1) Registered Entity requests for Deactivation of, or decisions not to register, an entity that meets Sections I through IV of the Registry Criteria, 2) requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria, 3) disputes regarding the application of Sections I through IV of the Registration Criteria, and/or requests for a sub-set list of applicable Reliability Standards (which may specify the Requirements/sub-Requirements).
 - a. The Panel will be comprised of a standing pool of individuals with relevant expertise from NERC and each of the Regional Entities. Individuals with relevant expertise shall be appointed by the Regional Entity senior executive (CEO, President, General Manager, etc.) and individuals with relevant expertise shall be appointed by the NERC senior executive (CEO, President, General Manager, etc.). NERC shall select the Panel members for a given matter from the standing pool.
 - b. Panel members for a given matter shall comply with Subsection 7 of Section 403 of the NERC ROP, shall not be employed by the Regional Entity whose determination is being reviewed or have otherwise participated in the review of the registration matter, and shall have the required technical background to evaluate registration matters.
2. An applicant requests a Panel review by completing an application using the **NERC-led Review Request Form** (Request Form) available on the NERC website (www.nerc.com)
 - a. The Request Form provides instruction for submittal of documentation and data associated with the request.
 - b. The applicant³ should include an evaluation of materiality,⁴ a description of the applicability of Sections I through IV, of the Registration Criteria, and/or an assessment of the impact of a sub-set of reliability standards, as appropriate.
 - c. The burden of proof is on the applicant that makes the request for a Panel review, except in two instances where the burden of proof is on the applicable Regional Entity. These two instances include: 1) disputes regarding application of Sections I through IV of Registry Criteria for registration,

³ Applicants can either be a Regional Entity or an entity whose registration or sub-set list status is at issue.

⁴ The evaluation of materiality should include the relevant "materiality test" factors listed in the "Determination of Material Impact" section of Appendix 5B, and/or any other factors that may be considered relevant to the request for Panel review.

- and 2) disputes where NERC has (i) established clearly defined criteria for eligibility for a sub-set of applicable Reliability Standards (which may specify Requirements/sub-Requirements) and (ii) identified similarly situated entities that the sub-set list may apply to.
- d. For the purpose of this Panel process, the parties are the applicable Regional Entity(ies), RC, BA, TOP, and PC and the entity whose registration status is at issue.
 - e. Parties are to upload any documents, data, and/or information related to the Panel request to the secure location established by NERC for the Panel review.⁵ When materials are uploaded to this location by a party, that party will provide notice to all other parties via email.
3. NERC will review the submitted documentation and determine if the application is valid within 30 days of receipt.
 4. If the application is deemed not valid, NERC will send a written notification to the applicant via email with a reason the application was rejected.
 5. If the application is deemed valid, NERC will send a written notice of NERC's acceptance of a valid Panel request to the applicant and the parties via email.
 - a. Unless informed other in NERC's notice of a valid request, the entity whose status at issue will have their current responsibilities for compliance with approved Reliability Standards in effect until the issue at hand has a final determination.
 6. The Regional Entity(ies) or the entity whose registration status is as issue, as appropriate, will provide a written assessment of the Panel request to NERC, as described in step 2(e), within 20 days of NERC's acceptance of a valid Panel request.
 - a. The RC, BA, TOP, and PC are also requested to provide a written assessment to NERC, as described in step 2(e), within 30 days of NERC's acceptance of a valid Panel request.
 - b. The Regional Entity, or entity whose registration status is at issue, as appropriate, can provide a written response to NERC, as described in step 2(e), of any party's assessment within 40 days of NERC's acceptance of a valid Panel request.
 7. The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence. The Panel will evaluate all documentation, assessments, and responses submitted to determine whether the weight of the evidence supports the Registration action under review more than it does not support the action. The Panel may issue a request for information to the applicant or any of the parties and will copy all parties on any such correspondence. The Panel will render its decision within 60 Days of the final submission to the panel or relevant correspondence is received related to the request from any party.
 8. In reaching a decision, the Panel will apply the materiality test and other criteria, as applicable, set forth in the "Determination of Material Impact" section of **Appendix 5B, Statement of Compliance Registry Criteria** and any applicable guidance. The Panel shall also include a review of individual and aggregate system-wide risks to, and considerations of, reliability of the BPS, as well as the BES Definition, as applicable.
 9. NERC may use its discretion to extend the timelines of the Panel process for good cause. Any party may also request to extend the timelines by sending an email to the Registration email address, found on the Registration and Certification page of the NERC website. NERC shall notify all parties of such time extensions.

⁵ NERC will provide instructions to each party regarding how to request access to the secure location.

10. The Panel decision will be issued to the applicant with a copy to all parties via email. The decision (including its basis) will also be posted on the NERC website,⁶ with confidential information redacted in accordance with Section 1500 of the NERC ROP.
11. Any required changes to the NCR resulting from the Panel decision will be initiated by the Regional Entity in accordance with the Organization Registration Process of this manual. An entity may file an appeal with the BOTCC, in accordance with NERC ROP Section 500 and **Appendix 5A**, Section VI, if it wishes to dispute the Registration determination of the Panel.

⁶ A Panel decision subject to appeal will not be posted prior to the 21 day appeal window closing (in accordance with **Appendix 5A**, Section VI), which begins when the decision is issued to the parties. If no appeal is received, the decision will be posted and the Federal Energy Regulatory Commission will be notified.

Section IV – Organization Certification Process

Purpose and Scope

Reliability Coordinators, Transmission Operators, and Balancing Authorities take actions in Real-time that impact the reliable operation of the Bulk Power System. Certification activities assess the processes, procedures, tools, and training these organizations use in performing these functions and provide a prospective level of assurance that the organization has the capacity to meet the reliability obligations of its registration. The Certification will adhere to the following process to the extent allowed by the circumstances.

Organization Certification Process

Initiation

1. Certification processes shall begin upon the Regional Entity's receipt of a certification application for a Registered Entity or prospective Registered Entity; or when an entity has been registered by NERC for the functions of RC, TOP, and BA.
 - a. An entity in a single Regional Entity reliability region shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity's website) and sending it to that Regional Entity which will manage the Certification process.
 - b. An entity in multiple Regional Entity reliability regions shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity's website) and sending it to each Regional Entity. Each Regional will inform NERC of request with a recommendation for which Regional Entity will provide the leadership to manage the Certification process. NERC will determine which Regional Entity shall lead review of the application.
 - c. The Regional Entity leading the review of the application shall review the application, and respond and acknowledge receipt or submit requests for more information within 30 days of its receipt of the application.
 - i. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed.
 - ii. As part of such review, the Regional Entity may propose to issue a determination rejecting an application on a procedural basis. The applicant will be given 15 days to resolve the reason for rejection. If the Regional Entity and NERC determine that the applicant would fail to meet Registry Criteria or would otherwise not be able to competently perform the duties and responsibilities required under relevant Reliability Standards for the applicable Area, then a rejection notice will be sent to the applicant. Thereafter, the applicant may file an appeal of the rejection in accordance with Appendix 5A, Section VII.
 - d. With the agreement of the Registered Entity, the Regional Entity or NERC may initiate certification processes based on documented conversations or other communications with a Registered Entity that contain information equivalent to that of the application.
2. The Regional Entity shall identify a team lead (CTL) for the certification activity.
3. The CTL shall notify NERC of the request for certification, and the following will take place:
 - a. The CTL and NERC will review the request for Certification and concur on acceptance. When the application is deemed complete and accurate, it will be accepted.

- b. If accepted, the CTL will inform the Registered Entity of the decision to initiate certification activities.
 - i. The entity and the Regional Entity shall agree to a timeline including specific milestones for the Certification process. The proposed schedule for the Certification Process shall be submitted to NERC for approval. NERC shall review the draft final schedule and will (i) approve; (ii) modify; or (iii) reject the final schedule within 45 days of receipt from the CTL.
 - ii. Certification activities are expected to be completed, allowing sufficient time to correct any Open Issues noted in the entity's preparedness, prior to the effective date of an entity's Registration.
 - c. In the case when an entity has been registered by NERC on behalf of the entity for the functions of RC, TOP, or BA, Certification activities will be concurrent with the entity's Registration implementation plan.
4. The following subsections detail which entities are required to be certified if they are a party to a JRO, CFR, or other delegation agreement.
- a. Each entity that has taken responsibility for Reliability Standards and/or Requirements/sub-Requirements applicable to the certifiable functions by virtue of being a member of a JRO, CFR, or other agreement shall be the entity NERC certifies to operate their portion of the RC, TOP, or BA Area(s).
 - b. For all other entities that perform tasks related to the RC, TOP, or BA functions within a JRO or other agreement, the Regional Entity(ies) shall, based on a review of the JRO or other agreement, identify and notify such entities of the need for an evaluation and determination of the applicability of a "capability verification" or "readiness evaluation"⁷ for those tasks.

Planning

1. The CTL shall form the team that will be responsible for performing the activities included in the Certification process.
 - a. Participants shall adhere to NERC's confidentiality requirements for any data or information made available through the Certification process. Participants shall not be employees of or have a direct financial interest in the entity or any of its affiliates.
 - b. Certification teams (CT) shall consist of the following:
 - i. For BA certifications, the CT shall have representation from an existing BA, the entity's proposed RC, TOP, each affected Regional Entity, and NERC.
 - ii. For RC certifications, the CT shall have representation from an existing RC, a BA and a TOP in the proposed Reliability Coordinator Area, each affected Regional Entity, and NERC.
 - iii. For TOP certifications, the CT shall have representation from an existing TOP, the entity's proposed BA(s) and RC, each affected Regional Entity, and NERC.
 - iv. Additional CT members with expertise in any of the NERC registry functional areas may be added as necessary (i.e., NERC, Regional Entity staff).
 - c. If the entity objects to any member of the CT, the entity must make that known, in writing, to the Regional Entity listing the reasons for the objection. The Regional Entity will either replace the team member or respond with written justification for keeping the member on the team.

⁷ A "capability verification" or "readiness evaluation" is a review of the duties and tasks of the Registered Entity that it has delegated to another entity through an agreement.

- d. Entities such as government representatives or other stakeholders may be observers in the Certification process. Any Confidential Information will be handled in accordance with Section 1500 of the NERC ROP.
2. CT members shall have the necessary diversity in their technical training and experience to collectively represent the subject matter competencies needed to perform the evaluation of the specific function being certified. Previous experience as a System Operator, Operations Support Personnel, or management of a Control Center is desired for CT members performing the on-site visit.
3. The CTL shall ensure all CT members have completed the following:
 - a. Certification team member training requirements as established by NERC
 - b. Non-ERO employees shall also complete the following:
 - i. Certification team member training record form
 - ii. Certification team conflict of interest form
 - iii. An ERO confidentiality agreement form
4. The CTL shall review the certification application (and Entity information available through other ERO programs) with NERC to determine the scope of the assessment. The CTL shall identify the competency areas to be evaluated based on the function(s) for which the entity is to be certified and the method(s) for their evaluation.
5. The CTL shall utilize a secured server to distribute and house all relevant certification activity documents, including but not limited to the following:
 - a. The application or other documented correspondence with the Registered Entity initiating the certification activity
 - b. All relevant correspondence between the CTL and the applicant, including the certification packet (as described in step 6 below)
 - c. All relevant correspondence between the CTL and the CT members
 - d. The work papers used to evaluate the entity during the process
 - e. The overall process schedule
 - f. The agenda for the on-site visit
 - g. The final certification report
 - h. The Regional Entity certification process check sheet indicating the completion of certain process check-points
6. A Certification packet shall be developed and sent to the entity at least ninety (90) days prior to an on-site visit. It shall contain the following:
 - a. Notification of the certification process
 - b. Logistic information request
 - c. The tentative overall process schedule and on-site agenda
 - d. The CT roster and member biographies
 - e. Request of confirmation of no objections to CT members
 - f. Pre-certification survey that must be returned to the CTL within fifteen (15) days of receipt
 - g. Any initial requests for information

7. CTL shall contact the entity within one week of submitting the packet to confirm receipt of the package and discuss any concerns the entity may have.
8. The entity shall complete and return the requested information and supporting documentation no later than four (4) weeks prior to the on-site visit.
9. The CTL and CT shall review the logistic information request response, in order to do the following:
 - a. Understand the entity's expectations of the CT when on site
 - b. Make all travel arrangements
10. If the CT is to be broken into smaller groups, the CTL shall identify sub-teams and assign a scribe(s) to document the assessment:
 - a. For complex Certifications, the CTL may assign members of the CT to different focus areas. For example:
 - i. Facilities: Examples may include the physical cyber assets against the CIP standards, the cyber training, the maintenance contracts and records for the facilities, the electrical system and uninterruptible power supply (UPS), the cybersecurity of servers, passwords, etc., per the CIP standards, and the physical installation of data and voice equipment.
 - ii. EMS/SCADA: Interview the EMS/SCADA SMEs to ensure that the tools will provide adequate situational awareness against the NERC standards. Ensure adequate change control of the EMS/SCADA. Review the data transfer, server, applications, and redundancy configuration of the core tools including EMS, OSI-PI, ICCP, outage scheduling, scheduling, map-board displays, communication systems, etc.
 - iii. Operator Preparedness: Interview the operators at their workstations and ask them to present the tools, procedures, and job aids in use for normal day-to-day and emergency operations. This could include cyber intrusion detection and real-time assessment. Interview the training staff regarding initial training needed to support the transition to the new responsibilities and continuing training to the NERC standards.
 - iv. Critical Infrastructure Preparedness: Interview the CIP staff to understand how critical infrastructure protections are being utilized.
 - b. The CTL shall ensure documentation used to substantiate the conclusions of the Certification (Review) is collected from each sub-team.

Fieldwork

1. Areas of capability to be evaluated by the certification activity shall be tailored to the situation and matched with appropriate assessment methods (e.g., validation of legacy information, review of entity responses, document review, direct observation, or personnel interview, etc.)
2. The CTL shall schedule a document review(s) with the CT prior to the on-site visit. Document reviews could take place face-to-face or via teleconference.
3. During document reviews, the CT shall note all the following:
 - a. Follow-up or corroborating questions for the entity's management, SMEs, and system operators based upon the review of supporting documentation
 - b. Additional requests for information (to be submitted to the entity prior to the on-site visit.)

- c. Comments during the document review that support the entity's abilities to perform the function for which the entity applied and indicate items which do not need further review
 - d. Issues that need to be addressed prior to certification being granted
4. The CTL shall provide the entity a final schedule and agenda for the on-site visit based upon the results of the document review.
 5. The CT on-site visit to the entity's location where operational functionality is performed shall include the following:
 - a. Opening presentation
 - b. At a minimum, the team will:
 - i. Review with the entity the data that is available only on-site;
 - ii. Interview the operations, management, and training personnel;
 - iii. Inspect the Facilities and equipment associated with the function being certified;
 - iv. Request demonstration of all tools identified in the scope of the Certification;
 - v. Review documents and data including agreements, processes, and procedures identified in the document review;
 - vi. Verify operating personnel Certification credentials and proposed work schedules; and
 - vii. Review any additional documentation resulting from inquiries arising during the on-site visit.
 - c. The CT shall interview other entity personnel as required to clarify responses covered in the document review.
 - d. At the end of each day, the CT will meet for the debriefing. The CTL shall lead a daily debriefing with the entity in order to do the following:
 - i. Identify the status of the assessment
 - ii. Identify any items of concern that need to be addressed
 - iii. Provide an update to the schedule
 - e. The CTL shall provide an exit briefing at the end of the on-site visit in order to do the following:
 - i. Identify any Open Issues that need to be addressed, and identify a timeline for follow-up to closure
 - ii. Discuss the reporting process
 - iii. Discuss the next steps in the certification process, including any Areas of Concern and the schedule of a post-onsite visit, if required.
 - iv. Convey that entity feedback forms will be sent to allow the entity to resolve any open with a request for candid feedback.

Reporting

1. The CTL will provide the CT and entity with feedback forms, and request that they are returned within five (5) calendar days with a copy to the Certification email address, found on the Registration and Certification page of the NERC website.

2. After completion of the on-site visit, the CTL shall develop a draft final report, in coordination with input from the CT, which presupposes all Open Issues are closed. The format for the report shall conform to the template posted on the NERC website, generally containing:
 - Title page
 - Table of Contents
 - Introduction – A brief discussion on the Regional Entity(ies) involved, the entity being certified, a description of the function the entity(ies) are being certified for, and a brief timeline of the Certification project.
 - CT – Provide the CT makeup.
 - Objective and Scope – Discussion on entity application (who, what, when, & how).
 - Overall Conclusion – finding of the CT.
 - Open Issues - Any item(s) that must be closed prior to going operational and within 180 days of conclusion of the on-site visit.
 - Positive Observations.
 - Company History – Discussion on the applicant’s company history.
 - Company Details – Specific details regarding the Reliability Coordinator, Transmission Operator or Balancing Authority Areas to be operated and the entity’s relationship with other entities (RCs, TOPs, and BAs etc.).
 - Documentation List – Provide a list of critical documentation reviewed by the CT used to make the CT’s conclusion and the documentation retention requirements.
 - Attachments – Describe those attachments that are for public viewing and those that are separated from the report due to confidentiality issues such as Critical Infrastructure documentation.
3. The CTL shall transmit the draft final report to the CT requesting final comments within five (5) business days, unless agreed to otherwise.
4. After the CT has completed their review of the draft report, the CTL shall transmit the draft final report to the entity, requesting return with comments within fourteen (14) calendar days, unless agreed to otherwise.
5. Entity comments will be given due consideration and incorporated in the final report at the discretion of the CTL and the input of the CT. The CTL and CT will review the completed final report.
6. When all Open Issues are satisfactorily closed, the CTL will submit the final report to Regional Entity(ies) management for consideration and approval. CT minority opinions and areas where CT consensus was not reached will be communicated to Regional Entity(ies) management prior to approval, but will not be included in the final report nor in the Regional Entity recommendation to NERC.
 - a. If Regional Entity management contradicts the CT finding, the CTL will work with the CT the entity to resolve any issues.
 - b. The Regional Entity CEO (or a designee) will transmit to NERC and copy the entity the final CT report with a recommendation regarding NERC’s certification of the entity.
7. If NERC approves the entity for certification, NERC shall email confirmation to the entity and post the final report on NERC’s public website. Attached to the email will be the formal certification letter and NERC certificate. Any Confidential Information will be redacted in accordance with Section 1500 of the NERC ROP.

8. The entity may appeal NERC's decision in accordance with the Rules of Procedure and Section VII of this manual.
9. The certification process shall be completed within nine (9) months unless agreed to by all parties involved in the process
10. Operational responsibility for RC, TOP, or BA Areas shall not begin prior to the entity's registration effective date. Trial operations, conducted in parallel with an incumbent RC, TOP, or BA who retains responsibility, shall be coordinated to ensure operational authority for an Area is clear at all times.
11. The applicant must commence operations for its RC, TOP, or BA Areas within twelve (12) months of being certified by NERC. If the applicant fails to commence operation within twelve (12) months, the certification process must be repeated.
 - a. During the pendency of the certification process, NERC may use its discretion to issue conditional Certification to ensure that the entity can be Registered, and no areas of the BPS are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical.
 - i. Conditional Certification will include an implementation plan which provides qualifications or criteria that NERC and the Regional Entity have determined necessary to address the risk of an entity failing to be certified or to be certified when needed.
 - ii. The entity subject to conditional Certification shall create an implementation plan that establishes how delayed or failed certification is mitigated so that no gaps in reliability occur. The implementation plan would also detail potential impacts both to the applicant and to any affected entities, and discuss how those impacts would be mitigated, how required functions would be served, and how other affected entities within its prospective footprint would meet their compliance responsibilities if certification is failed or delayed.
 - iii. NERC and the Regional Entity will work with the applicant to develop the implementation plan. If the parties are unable to agree upon an implementation plan, NERC will issue an implementation plan

Data Retention

1. Documentation used to substantiate the conclusions of the Certification (Review) must be retained by the Regional Entity for six (6) years.
2. Documentation used to substantiate program oversight of the Certification processes must be retained by NERC for six (6) years.

NERC will maintain and post all Certification Final Reports on its website. Any Confidential Information will be redacted in accordance with Section 1500 of the NERC ROP.

Section V – Organization Certification Review Process

Purpose and Scope

Certification review provides reasonable assurance an already certified and operational Registered Entity will continue to support reliable operations of the BPS after initiating a material change. The review will seek assurance that the entity has addressed personnel training and qualifications, facilities, and equipment needed to perform and maintain the reliability functions in accordance with the applicable Requirements of Reliability Standards, considering among others the following:

- BPS reliability impacts of the change
- Critical Infrastructure Protection implications of the change
- Operator training in support of the change
- Data collection, sharing, and facilities monitoring and control necessary for Real-time Assessments, as well as next-day and longer-term planning
- Coordination of normal and emergency operations

Overview

Certification review activities, including the checks and balances of reporting and documenting those activities, should take place in advance of the change. Functional operations and compliance to the Standards remain the responsibility of the applicable Registered Entity. Certification is of the organization performing the function—not of a facility or system of equipment. Every RC, TOP, and BA Area shall have a certified RC, TOP, and BA registered as responsible for performing the duties and tasks identified in and required by the Reliability Standards. Entities seeking Deactivation of BA, TOP, or RC registrations shall demonstrate to the satisfaction of their Regional Entity and NERC through the Certification review process that the duties and tasks identified in and required by the Reliability Standards either have properly been transferred to another Certified and Registered Entity or the Area has ceased to operate. An entity remains certified during the review activities and subject to all applicable requirements of Reliability Standards, unless conditional Certification is granted by NERC providing qualifications or criteria that NERC and the Regional Entity have determined necessary to address the risk of an entity failing to be certified or to be certified when needed.

Items that are to be considered for a Certification review include one or more of the following non-exhaustive list of changes from an entity's prior certification assessments.

- a. Changes to Registered Entity's footprint⁸ (including de-certification changes to existing JRO/CFR assignments or sub-set list of requirements):
 - i. The review of changes to an already registered and operational Entity's footprint is primarily concerned with ensuring the gaining functional entity has the tools, training, and security in place to reliably operate with new responsibilities. Changes to an entity's footprint can be characterized by new metered boundaries associated with the integration or dis-association of existing electrical areas of the BPS (Reliability Coordinator Area, Transmission Operator Area, or Balancing Authority Area).
- b. Relocation of the Control Center:
 - i. Fundamental to the reliable operation of the interconnected transmission network are the control centers that continuously monitor, assess, and control the generation and

⁸ This includes changes in ownership of BES Facilities, changes in the applicability of the BES Definition to a Facility, and newly installed BES Facilities.

transmission power flows on the BES. Of interest are impacts to the functionality provided within these facilities for continued reliable operations of the BES that affect:

- Tools and applications that System Operators use for situational awareness of the BES
 - Data exchange capabilities
 - Interpersonal (and alternate) Communications capabilities
 - Power source(s)
 - Physical and cyber security
- ii. The impact of the relocation of the Control Center on the entity's ability to perform the functions for which the entity is registered under normal and emergency conditions should be explored and documented to understand the manner in which the Control Center continues to support the reliable operations of the BES.
- c. Modification of the Energy Management System (EMS) which is expected to materially affect CIP security perimeters or the System Operator's: 1) situational awareness tools, 2) functionality, or 3) machine interfaces.

NERC may revoke an entity's certification and de-certify that entity if NERC determines that the entity is no longer performing the responsibilities that are associated with the function for which it is certified. Revocation shall be posted to the NERC website. The entity will remain registered and subject to compliance for the function, unless it has gone through the deactivation or deregistration process for the applicable function. NERC's revocation may be appealed in accordance with **Appendix 5A**, Section VII.

Organization Certification Review Process

Initiation

1. A Registered Entity that requires a review of the conditions upon which their certification was granted shall complete the appropriate form and submit it to the applicable Regional Entity. Informal dialogue on potential certification activity is encouraged as far in advance as possible.
 - a. An entity in a single Regional Entity reliability region shall initiate the Certification review process by completing an application (Certification review applications are provided on each Regional Entity's website) and sending it to the Regional Entity that will manage the Certification review process.
 - b. An entity in multiple Regional Entity reliability regions shall initiate the certification process by completing a certification application (certification applications are provided on each Regional Entity's website) and sending it to each Regional Entity. Each Regional Entity will inform NERC of the request with a recommendation for which Regional Entity will provide leadership to manage the certification process. NERC will determine which Regional Entity shall lead review of the application.
 - c. The Regional Entity leading the review of the application shall review the application and respond with either acceptance or a request for more information within 30 days of the receipt of the request.

2. Upon receipt of the request for Certification review, the Regional Entity(ies) shall evaluate as follows:
 - a. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed.
 - b. For an entity that is not required to be certified but performs tasks associated with a RC, TOP, or BA in accordance with Section IV, the Regional Entity shall consult with the Registered Entity regarding the applicability of a “capability verification” or “readiness evaluation” regarding those tasks.
 - c. The Regional Entity or NERC may initiate the Certification review processes based on documented conversations or other communications with a Registered Entity that contain information equivalent to that of the application.
 - d. The decision to certify changes to an already operating and certified Registered Entity is a collaborative decision between the affected Regional Entity(ies) and NERC. The decision may be to conduct a review under this Certification review process or engage in any lesser activity necessary to understand changes that are material to an entity’s operations or inherent risk.
3. When the decision is made to initiate a Certification review, the Regional Entity shall identify a team lead (CRTL) for the Certification review activity and the following will take place:
 - a. The CRTL will inform the Registered Entity of the decision to initiate Certification review activities.
 - b. The CRTL shall tailor the scope of the Certification review to evaluate those capabilities that are affected as a direct result of the reason for the review.
 - c. The Regional Entity and NERC will determine if an on-site visit is required or if off-site review is sufficient. NERC has the final authority in this decision.
 - d. The entity and the Regional Entity shall agree to a timeline including specific milestones for the Certification review process. The proposed schedule for the Certification review process shall be submitted to NERC for approval. NERC shall review the draft final schedule and will (i) approve; (ii) modify; or (iii) reject the final schedule within 45 days of receipt from the CRTL.
 - Certification review activities are expected to be completed allowing sufficient time to address the risk of an entity failing to be certified or to be certified when needed prior to the effective date of any registration changes

Planning

1. The CRTL shall form the team (CRT) that will be responsible for performing the activities included in the Certification review process.
 - a. The CRTL shall review the request (and entity information available through other ERO programs) with NERC to identify the competency areas to be evaluated and the method(s) for their evaluation (entity/neighbor questionnaire, request documents for review, on-site demonstration, personnel interview, etc.)
 - b. The CRT participants shall adhere to NERC’s confidentiality requirements under Section 1500 for any data or information made available through the Certification review process. Participants shall not be employees of or have a direct financial interest in the entity or any of its affiliates.
 - c. CRT Composition:

- i. The CRT shall have the necessary diversity in their technical training and experience to collectively represent the subject matter competencies needed to perform the evaluation of the specific function being certified. Previous experience as a System Operator, Operations Support Personnel, or management of a Control Center is desired for CRT members performing the on-site visit.
 - ii. Entities such as government representatives or other stakeholders may be observers in the Certification review process.
 - d. If the entity objects to any member of the CRT, the entity must make that known, in writing, to the Regional Entity, listing the reasons for the objection. The Regional Entity will either replace the team member or respond with written justification for keeping the member on the team.
2. The CRT shall ensure all CRT members have completed the following:
 - a. Certification team member training requirements as established by NERC
 - b. Team Member profile documenting technical training and experience of team members
 - c. For non-ERO employees they shall also complete the following:
3. The CRT shall utilize a secured server to distribute and house all relevant Certification review activity documents, including but not limited to the following:
 - a. The application or other documented correspondence with the Registered Entity initiating the certification activity
 - b. All relevant correspondence between the CRT and the applicant, including the certification packet (as described in step 4 below)
 - c. All relevant correspondence between the CRT and the CRT members
 - d. The work papers used to evaluate the entity during the process
 - e. The overall process schedule
 - f. The agenda for the on-site visit, if required
 - g. The final Certification review summary report
 - h. The Regional Entity certification process check sheet indicating the completion of certain process check-points
4. A Certification review packet shall be developed and sent to the entity at least ninety (90) days prior to an on-site visit. It shall contain the following:
 - a. Notification of the Certification review process
 - b. Logistic information request
 - c. The tentative overall process schedule and tentative on-site agenda
 - d. The CRT roster and member biographies
 - e. Request of confirmation of no-objections to CRT members
 - f. Pre-certification survey that must be returned to the CRT within fifteen (15) days of receipt
 - g. Any initial requests for information

5. The CRTL shall contact the entity within one week of submitting the packet to confirm receipt of the package and discuss any concerns the entity may have.
6. The entity shall complete and return the requested information no later than four (4) weeks prior to the on-site visit.
7. The CRTL and CRT shall review the logistic information request, in order to do the following:
 - a. Understand the entity’s expectations of the CRT when on site
 - b. Make travel arrangements

Fieldwork

1. Areas of capability to be evaluated by the Certification review activity shall be tailored to the situation and matched with appropriate assessment methods (e.g., validation of legacy information, review of questionnaire responses, document review, direct observation, or personnel interview, etc.)
2. The CRTL shall schedule a document review(s) with the CRT prior to the on-site visit. Document reviews could take place face-to-face or via teleconference.
3. During document reviews, the CRT shall note all the following:
 - a. Follow-up or corroborating questions for the entity’s management, SMEs, and system operators based upon the review of supporting documentation
 - b. Additional requests for information (to be submitted to the entity)
 - c. Comments during the document review that support the entity’s abilities to perform the function for which the entity applied and items which do not need further review
 - d. Issues that need to be addressed prior to continued certification being recommended
4. The CRTL shall provide the entity a final schedule and agenda for the on-site visit (if applicable) based upon the results of the document review.
5. As appropriate, the CRT shall conduct interviews at the entity’s facilities or via teleconference. The team will:
 - a. Review with the entity any data or information requiring clarification
 - b. Interview operations, management, and training personnel
 - c. During on-site visits:
 - i. Inspect the Facilities and equipment associated with the applicable Reliability Standards referenced in the questionnaire;
 - ii. Request demonstration of all tools affected by the change;
 - d. Review documents and data including agreements, processes, and procedures identified by CRT
 - e. Review any additional documentation resulting from inquiries arising during the interview
6. At the end of each on-site day, the CRT will meet for debriefing. The CRTL shall lead a daily debriefing with the entity in order to do the following:

- a. Identify the status of the assessment
 - b. Identify any items of concern that need to be addressed
 - c. Provide an update to the schedule
7. The CRTL shall provide an exit briefing at the end of the on-site visit in order to do the following:
- a. Identify any Open Issues that need to be addressed, and identify a timeline for follow-up to closure
 - b. Discuss the reporting process
 - c. Discuss the next steps in the Certification review process, including any areas of concern and the schedule of a post-onsite visit, if required
 - d. Convey that entity feedback forms will be sent to the entity

Reporting

1. The CRTL will provide the CRT and entity with feedback forms, and request that they are returned within five (5) calendar days with a copy to the Certification email address, found on the Registration and Certification page of the NERC website.
2. After completion of the on-site visit, the CRTL shall develop a draft summary report, in coordination with input from the CRT, which presupposes all Open Issues are closed. The format for the report shall conform to the template posted on the NERC website.
3. The entity, in conjunction with the CRT, shall attempt to resolve any Open Issues prior to issuance of the draft summary report.
4. The CRTL shall transmit the draft final report to the CRT requesting final comments within five (5) business days, unless agreed to otherwise.
5. After the CRT has completed their review of the draft report, the CRTL shall transmit the draft final report to the entity, requesting return with comments within fourteen (14) calendar days, unless agreed to otherwise.
6. At the discretion of the CRT and NERC, the entity may be permitted to implement the change at any point in time after the exit briefing. Trial operations, if used, shall be coordinated to ensure operational authority for an Area is clear at all times.
7. Entity comments will be given due consideration and incorporated into the summary report at the discretion of the CRTL and the input of the CRT. The CRTL will review the completed summary report with the CRT.
8. When all Open Issues are satisfactorily closed, the CRTL will submit the summary report to Regional Entity(ies) management for consideration and approval. CRT minority opinions and areas where CRT consensus was not reached will be communicated to Regional Entity(ies) management prior to approval but will not be included in the final report nor in the Regional Entity recommendation to NERC.
 - a. If Regional Entity management contradicts the CRT finding, the CRTL will work with the CRT and the entity to resolve any issues.

- b. The Regional Entity CEO (or a designee) will transmit to NERC and copy the entity the final CRT report with a recommendation regarding NERC’s certification of the entity.
9. If NERC approves continued certification for the entity, NERC shall email confirmation to the entity.
10. If NERC declines continued certification for the entity, NERC shall make available to the entity Hearing Procedures for use in Appeals of Certification Matters, CCCPP-005 contained in Appendix 4E.

Data Retention

1. Documentation used to substantiate the conclusions of the Certification review must be retained by the Regional Entity for six (6) years.
2. Documentation used to substantiate program oversight of the certification processes must be retained by NERC for six (6) years.

Section VI — NERC Organization Registration Appeals Process

Purpose and Scope

This section describes the process that any organization must use to seek review of its listing and functional assignment on the NCR.

Overview

NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 3, *Organization Registration Appeals Process Overview*.

Organization Registration Appeals Procedure

1. Any Registered Entity included on the NCR may challenge final decisions regarding its listing, functional assignments, and determinations regarding the applicability of a sub-set of Reliability Standards (which specifies the specific Reliability Standards and may specify Requirements/sub-Requirements).
2. All registration appeals must be filed in writing to NERC, via registered mail. Appeals are sent to:
Compliance Operations
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
Main: (404) 446-2560
Facsimile: (404) 446-2595
3. Each party in the appeals process shall pay its own expenses for each step in the process.
4. A stipulation of invoking the appeals process is that the Regional Entity or Registered Entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable for, and shall be held harmless against the consequences of or any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This “hold harmless” clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
5. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
6. All appeals must be received within 21 Days of receipt of the NERC determination that is being appealed. The appeal must state why the Registered Entity believes it should not be registered or should be deactivated based on the NERC ROP and the *NERC Statement of Compliance Registry Criteria* or why its compliance obligations should be limited only to a sub-set list of otherwise applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements). A copy of the appeal must be concurrently served on the Regional Entity.

7. After receipt of the appeal, the Registered Entity has a 30 day period to work with the Regional Entity to resolve the appeal, if possible. NERC may extend such deadline in its sole discretion. If the appeal is resolved, the Regional Entity will notify NERC with the details of the resolution and NERC will close the appeal.
8. At any time through this appeals process, a Registered Entity may agree with the decision and/or agree to close the appeal. NERC shall notify the involved parties and the NERC BOTCC that the appeal is resolved and update the NCR as applicable.
9. NERC will notify the Registered Entity and the applicable Regional Entity(ies) regarding the appeal with the following expectations:
 - a. The Registered Entity will provide NERC and the applicable Regional Entity(ies) any additional data supporting its appeal within 10 Days of the date of the NERC appeal notification.
 - b. The applicable Regional Entity(ies) will provide a copy of its assessment directly to the Registered Entity, as well as to NERC, within 20 Days of the date of the NERC appeal notification.
 - c. The Registered Entity may submit a response to the Regional Entity(ies) assessment, with copies to the Regional Entity(ies) and NERC, within 30 Days of the date of the NERC appeal notification.
 - d. To ensure there is no confusion with respect to the rights and responsibilities of the Registered Entity during the appeal process, the notification will confirm whether the Registered Entity will remain on the NERC Compliance Registry and will be responsible for compliance with approved Reliability Standards applicable to the function under appeal during the appeal.
 - e. NERC may extend the timelines for good cause shown. Requests should be sent to the Registration email address, found on the Registration and Certification page on the NERC website. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.
10. Hearing and Ruling by the BOTCC
 - a. The BOTCC will resolve Registration disputes.
 - b. The BOTCC may request additional data from NERC, the relevant Regional Entity(ies) or the Registered Entity, and prescribe the timeframe for the submitting the requested data.
 - c. The BOTCC will provide a written decision regarding any appeals, along with the basis for its decision.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the Registered Entity and Regional Entity(ies) that the appeal was granted.
 - Update the NCR.
 - e. If the BOTCC does not uphold the appeal, NERC will:
 - Notify the Registered Entity and the Regional Entity(ies) that the appeal was denied.
 - The Registered Entity may appeal to Federal Energy Regulatory Commission (FERC) or another Applicable Governmental Authority within 21 Days of the notification of the decision.
 - f. A record of the appeals process shall be maintained by NERC. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

Section VII — NERC Organization Certification Appeals Process

Purpose and Scope

This section describes the process for an organization to appeal the Certification decision that was determined in the Certification process.

Overview

The NERC Organization Certification Program provides a key means to fulfill NERC's mission. In conducting this program, NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 4 *Organization Certification Appeals Process Overview*.

Organization Certification Appeals Procedure

1. Appeal for an Organization Certification finding.
2. Any entity can appeal an Organization Certification decision issued as a result of the Certification process.
3. Requirements and Conditions for Appeals.
 - a. For all appeals under the NERC Organization Certification Program, the appeals process begins when an entity notifies the NERC via the Certification email address, found on the Registration and Certification page of the NERC website that it wishes to use the NERC appeals process.
 - The Director of Compliance is the main contact for all parties in all steps of the appeals process.
 - If an appeal is not filed within 21 Days of the date that the Certification report or finding is issued, or the final Regional Entity appeals process ruling is made, the finding shall be considered final and un-appealable.
 - b. Each party in the appeals process shall pay its own expenses for each step in the process.
 - c. A stipulation of invoking the appeals process is that the Regional Entity or entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable, and shall be held harmless against the consequences of any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This "hold harmless" clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
 - d. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
4. At any time through this appeals process, an entity may withdraw its appeal.
5. Hearing and Ruling by the Compliance and Certification Committee.
 - a. Within 28 Days of receiving notice from the NERC Director of Compliance, the CCC will conduct a hearing where all the parties or representatives of the disputing parties will present the issue in question, in accordance with CCC procedure CCCPP-005, *Hearing Procedures for Use in Appeals of Certification Matters*, which is incorporated in **Appendix 4E** of the ROP.
 - b. If the appeal is upheld, NERC notifies the entity and Regional Entity(ies), updates the NCR, and issues any appropriate letter and certificate to the entity.
 - c. If the appeal is denied, NERC notifies the entity and Regional Entity(ies).

6. Hearings and Ruling by the BOTCC.
 - a. The BOTCC will be asked to resolve a dispute related to the NERC Organization Certification Program if any party to the appeal contests the CCC final order.
 - b. The BOTCC may request additional data from NERC, Regional Entity(ies) or the entity and prescribe the timeframe for submitting the requested data.
 - c. At the next regularly scheduled BOTCC meeting, or at a special meeting if the Board determines it is necessary, the Chair of the CCC will present a summary of the dispute and the actions taken to the BOTCC.
 - Each party will have an opportunity to state its case.
 - The BOTCC will then rule on the dispute.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the entity and the Regional Entity(ies) that the appeal was upheld.
 - Update the NCR.
 - Issue a Certification letter and a certificate to the entity as applicable.
 - e. If the BOTCC does not uphold the appeal, NERC will notify the entity and the Regional Entity(ies) that the appeal was denied.
 - The entity may appeal to Applicable Governmental Authorities within 21 Days of the issuance of the decision.
 - f. A record of the appeals process shall be maintained by NERC and available upon request. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

Definitions

Capitalized terms used in this Appendix shall have the definitions set forth in Appendix 2 of the ROP. For convenience of reference, definitions used in this Appendix are also set forth below:

NERC Organization Certification	The process undertaken by NERC and a Regional Entity to verify that a new entity is capable of responsibilities for tasks associated with a particular function such as a Balancing Authority, Transmission Operator, and/or Reliability Coordinator.
Compliance and Certification Manager	The individual/individuals within the Regional Entity that is/are responsible for monitoring compliance of entities with applicable NERC Reliability Standards.
Days	Days as used in the Registration and Certification processes are defined as calendar days.
Footprint	The geographical or electric area served by an entity.
Functional Entity	An entity responsible for a function that is required to ensure the Reliable Operation of the electric grid as identified in the NERC Reliability Standards.
Mapping	The process of determining whether a Regional Entity's Footprint is being served by Registered Entities.
NERC Identification Number (NERC ID)	A number given to NERC Registered Entities that will be used to identify the entity for certain NERC activities. Corporate entities may have multiple NERC IDs to show different corporate involvement in NERC activities.
Regional Entity	An entity having enforcement authority pursuant to 18 C.F.R. § 39.8.
Registration	Processes undertaken by NERC and Regional Entities to identify which entities are responsible for reliability functions within the Regional Entity's Region.
Coordinated Functional Registration (CFR)	Where two or more entities (parties) agree in writing upon a division of compliance responsibility among the parties for one or more Reliability Standard(s) applicable to a particular function, and/or for one or more Requirement(s)/sub-Requirement(s) within particular Reliability Standard(s).

“Interconnection” means a geographic area in which the operation of Bulk Power System components is synchronized such that the failure of one or more of such components may adversely affect the ability of the operators of other components within the system to maintain Reliable Operation of the Facilities within their control.++ When capitalized, any one of the four major electric system networks in North America: Eastern, Western, ERCOT and Quebec.**

“Interconnection Reliability Operating Limit” means a System Operating Limit that, if violated, could lead to instability, uncontrolled separation, or Cascading outages that adversely impact the reliability of the Bulk Electric System.**

“Intermediate System” means a Cyber Asset or collection of Cyber Assets performing access control to restrict Interactive Remote Access to only authorized users. The Intermediate System must not be located inside the Electronic Security Perimeter.**

“Internal Control Evaluation” or “ICE” means a review by the Compliance Enforcement Authority of a Registered Entity’s internal controls. The ICE may further refine the compliance oversight plan, including the scope of an audit, the type and application of compliance monitoring tools, the depth and breadth of a particular area of review.

“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC *Standard Processes Manual* and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more Requirements in the Reliability Standard.

“ISO/RTO” means an independent transmission system operator or regional transmission organization approved by the FERC or the Public Utility Commission of Texas.

“Joint Registration Organization” means two or more entities (the parties) agree in writing upon a division of compliance responsibility where an entity that registers in the Compliance Registry to perform reliability functions for one or more function type(s) for itself and on behalf of one or more of its members or related entities other parties to such agreement for function type(s) for which such members or related entities parties would otherwise be required to register.

“Lead Entity” means the entity that submits (1) within the meaning of Appendices 5A and 5B, the entity identified in a Joint Registration Organization or Coordinated Functional Registration agreement as the primary Point of Contact that administers that agreement with NERC and the applicable Regional Entity(ies), and (2) within the meaning of Appendix 5C, the entity that submits the Exception Request information that is common to a group of Submitting Entities that are submitting Exception Requests jointly.

“Lead Mediator” means a member of a mediation team formed pursuant to Appendix 4E who is selected by the members to coordinate the mediation process and serve as the mediation team’s primary contact with the Parties.

“Load” means an end-use device or customer that receives power from the electric system.**

“Load-Serving Entity” means an entity that secures energy and Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.**

Appendix 5B

Statement of Compliance Registry Criteria

Revision 76

Effective: ~~October 31, 2016~~, , 2020

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Statement of Compliance Registry Criteria (Revision 67)

Summary

This document describes how the North American Electric Reliability Corporation (NERC) will identify organizations that may be candidates for Registration and assign them to the Compliance Registry.

NERC and the Regional Entities¹ have the obligation to identify and register all entities that meet the criteria for inclusion in the Compliance Registry, as further explained in the balance of this document.

Organizations will be responsible to register and to comply with approved Reliability Standards to the extent that they are owners, operators, and users of the Bulk Power System (BPS), perform a function listed in the functional types identified in Section II of this document, and are material to the Reliable Operation of the interconnected BPS as defined by the criteria and ~~sections~~ ~~notes~~ set forth in this document. NERC will apply the following principles to the Compliance Registry:

- In order to carry out its responsibilities related to enforcement of Reliability Standards, NERC must identify the owners, operators, and users of the BPS who have a material impact² on the BPS through a Compliance Registry. NERC and the Regional Entities will make their best efforts to identify all owners, users and operators who have a material impact on the BPS in order to develop a complete and current Compliance Registry list. The Compliance Registry will be updated as required and maintained on an on-going basis.
- Organizations listed in the Compliance Registry are responsible and will be monitored for compliance with applicable mandatory Reliability Standards. They will be subject to NERC's and the Regional Entities' Compliance Monitoring and Enforcement Programs.
- NERC and Regional Entities will not monitor nor hold those not in the Compliance Registry responsible for compliance with the Reliability Standards. An entity which is not initially placed on the Compliance Registry, but which is identified subsequently as having a material impact on the BPS, will be added to the Compliance Registry. Such entity will not be subject to a sanction or Penalty by NERC or the Regional Entity for actions or inactions prior to being placed on the Compliance Registry, but may be required to comply with a Remedial Action Directive or Mitigation Plan in order to become compliant with applicable Reliability Standards. After such entity has been placed on the Compliance Registry, it shall be responsible for complying with Reliability Standards and may be subject to sanctions or Penalties as well as any Remedial Action Directives and Mitigation Plans required by the Regional Entities or NERC for future violations, including any failure to follow a Remedial Action Directive or Mitigation Plan to become compliant with Reliability Standards.

¹ The term "Regional Entities" includes Cross-Border Regional Entities, that have footprints in the U.S., Canada, and Mexico, as applicable. Applicable Governmental Authorities in Canadian jurisdictions may have adopted their own Rules of Procedure and Compliance Registry requirements. Registered Entities may be subject to the Compliance Monitoring and Enforcement Programs (CMEP) in their respective jurisdictions, in accordance with applicable laws and regulations.

² The criteria for determining whether an entity will be placed on the Compliance Registry are set forth in the balance of this document. At any time a person may recommend in writing, with supporting reasons, to the Director of Compliance (or an equivalent position) that an organization be added to or removed from the Compliance Registry, pursuant to NERC Rules of Procedure Section 501.1.3.5.

- Required compliance by a given organization with the Reliability Standards will begin the later of (i) inclusion of that organization in the Compliance Registry and (ii) approval by the Applicable Governmental Authority of mandatory Reliability Standards applicable to the registered entity.

Entities responsible for funding NERC and the Regional Entities have been identified in the budget documents filed with FERC.³ Presence on or absence from the Compliance Registry has no bearing on an entity's independent responsibility for funding NERC and the Regional Entities.

Background

In 2005, NERC and the Regional Entities conducted a voluntary organization registration program limited to Balancing Authorities, Planning Authorities, regional reliability organizations, Reliability Coordinators, Transmission Operators, and Transmission Planners. The list of the entities that were registered constitutes what NERC considered at that time as its Compliance Registry.

NERC initiated a broader program to identify additional organizations potentially eligible to be included in the Compliance Registry and to confirm the information of organizations currently on file, taking into account the following considerations:

- As of July 20, 2006, NERC was certified as the Electric Reliability Organization (ERO) created for the U.S. by the Energy Policy Act of 2005 (EPA) and FERC Order No. 672. NERC has received similar recognition by Canadian authorities in their respective jurisdictions.
- FERC Order No. 672 directs that owners, operators and users of the BPS in the U.S. shall be registered with the ERO and the appropriate Regional Entities.
- As the ERO, NERC has filed its current Reliability Standards with FERC and with Canadian authorities. As accepted and approved by FERC and appropriate Canadian authorities, the Reliability Standards are no longer voluntary, and organizations that do not fully comply with them may face Penalties or other sanctions, in accordance with applicable laws, regulations and orders of Applicable Governmental Authorities.
- NERC's Reliability Standards include compliance Requirements for additional reliability function types beyond the six types registered by earlier registration programs.
- Based on selection as the ERO, NERC's Organization Registration program⁴ is the means by which NERC and the Regional Entities plan, manage and execute Reliability Standard compliance oversight of owners, operators, and users of the BPS.
- Organizations listed in the Compliance Registry are subject to NERC's and the Regional Entities' Compliance Monitoring and Enforcement Programs.

Statement of Issue

As the ERO, NERC intends to comprehensively and thoroughly protect the reliability of the grid. To support this goal NERC will include in its Compliance Registry each entity that NERC concludes can materially impact the reliability of the BPS.

³ Budget documents are submitted to Applicable Governmental Authorities in Canada for information.

⁴ See NERC ERO Application; Exhibit C; Section 500 – Organization Registration and Certification.

NERC wishes to identify those entities that may need to be listed in its Compliance Registry. Identifying these organizations is necessary and prudent for the purpose of determining resource needs, both at the NERC and Regional Entity level, and for communicating with these entities regarding their potential responsibilities and obligations. ~~NERC and the Regional Entities believe that~~ candidate entities can be identified at any time, as and when needed. The Compliance Registry is available on NERC's website.

Resolution

The potential costs and effort of registering every organization potentially within the scope of "owner, operator, and user of the BPS," while ignoring their impact upon reliability, would be disproportionate to the improvement in reliability that would reasonably be anticipated from doing so.

NERC and the Regional Entities have identified two principles they believe are key to the entity selection process. These are:

1. There needs to be consistency between Regions and across the continent with respect to which entities are registered; and
2. Any entity reasonably deemed material to the reliability of the BPS will be registered, irrespective of other considerations.

To address the second principle the Regional Entities, working with NERC, will identify and register any entity they deem material to the reliability of the BPS.

In order to promote consistency, NERC and the Regional Entities use the following criteria as the basis for determining whether particular entities should be identified as candidates for Registration. All organizations meeting or exceeding the criteria will be identified as candidates.

The following four groups of criteria (Sections I-IV) plus the statements in Section V will provide guidance regarding an entity's Registration status:

- Section I determines if the entity is an owner, operator, or user of the BPS and, hence, a candidate for organization Registration.
- Section II uses NERC's current functional type definitions to provide an initial determination of the functional types for which the entities identified in Section I should be considered for Registration.
- Section III lists the criteria regarding smaller entities; these criteria can be used to forego the Registration of entities that were selected to be considered for Registration pursuant to Sections I and II and, if circumstances change, for later removing entities from the Compliance Registry that no longer meet the relevant criteria.
- Section IV — additional criteria for joint Registration. Joint Registration criteria may be used by joint action agencies, generation and transmission cooperatives and other entities which agree upon a clear division of compliance responsibility for Reliability Standards by written agreement. Rules pertaining ~~to joint Registration and~~ Joint Registration Organizations, as well as Coordinated Functional Registrations, are now found in Sections 501, 507 and 508 of the NERC Rules of Procedure.

- I. Entities that use, own or operate Elements of the Bulk Electric System (BES) as established by NERC's approved definition of BES as stated in Appendix 2 of the NERC Rules of Procedure and the NERC Glossary below are (i) owners, operators, and users of the BPS and (ii) candidates for Registration:

~~“Bulk Electric System” or “BES” means unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy.~~

~~Inclusions:~~

- ~~● **11** Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.~~
- ~~● **12** Generating resource(s) including the generator terminals through the high side of the step up transformer(s) connected at a voltage of 100 kV or above with:

 - ~~a) Gross individual nameplate rating greater than 20 MVA. Or,~~
 - ~~b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.~~~~
- ~~● **13** Blackstart Resources identified in the Transmission Operator's restoration plan.~~
- ~~● **14** Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are:

 - ~~a) The individual resources, and~~
 - ~~b) The system designed primarily for delivering capacity from the point where those resources aggregate to a greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.~~~~
- ~~● **15** Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion 11 unless excluded by application of Exclusion E4.~~

~~Exclusions:~~

- ~~● **E1** Radial systems: A group of contiguous transmission Elements that emanates from a single point of connection of 100 kV or higher and:

 - ~~a) Only serves Load. Or,~~
 - ~~b) Only includes generation resources, not identified in Inclusions 12, 13, or 14, with an aggregate capacity less than or equal to 75 MVA (gross nameplate rating). Or,~~
 - ~~c) Where the radial system serves Load and includes generation resources, not identified in Inclusions 12, 13 or 14, with an aggregate capacity of non-retail generation less than or equal to 75 MVA (gross nameplate rating).~~~~

~~Note 1—A normally open switching device between radial systems, as depicted on prints or one-line diagrams for example, does not affect this exclusion.~~

~~Note 2—The presence of a contiguous loop operated at a voltage level of 50 kV or less, between configurations being considered as radial systems, does not affect this exclusion.~~

~~• E2—A generating unit or multiple generating units on the customer’s side of the retail meter that serve all or part of the retail Load with electric energy if: (i) the net capacity provided to the BES does not exceed 75 MVA, and (ii) standby, back-up, and maintenance power services are provided to the generating unit or multiple generating units or to the retail Load by a Balancing Authority, or provided pursuant to a binding obligation with a Generator Owner or Generator Operator, or under terms approved by the applicable regulatory authority.~~

~~• E3—Local networks (LN): A group of contiguous transmission Elements operated at less than 300 kV that distribute power to Load rather than transfer bulk power across the interconnected system. LN’s emanate from multiple points of connection at 100 kV or higher to improve the level of service to retail customers and not to accommodate bulk power transfer across the interconnected system. The LN is characterized by all of the following:~~

~~a) Limits on connected generation: The LN and its underlying Elements do not include generation resources identified in Inclusions I2, I3, or I4 and do not have an aggregate capacity of non-retail generation greater than 75 MVA (gross nameplate rating);~~

~~b) Real Power flows only into the LN and the LN does not transfer energy originating outside the LN for delivery through the LN; and~~

~~c) Not part of a Flowgate or transfer path: The LN does not contain any part of a permanent Flowgate in the Eastern Interconnection, a major transfer path within the Western Interconnection, or a comparable monitored Facility in the ERCOT or Quebec Interconnections, and is not a monitored Facility included in an Interconnection Reliability Operating Limit (IROL).~~

~~• E4—Reactive Power devices installed for the sole benefit of a retail customer(s).~~

~~Note—Elements may be included or excluded on a case-by-case basis through the Rules of Procedure exception process.~~

II. Entities identified in Section I above will be categorized as Registration candidates who may be subject to Registration under one or more appropriate Functional Entity types based on a comparison of the functions the entity normally performs against the following function type definitions: ⁵

Function Type	Acronym	Definition/Discussion
Balancing Authority	BA	The responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a

⁵ Exclusion: An entity will not be registered based on these criteria if responsibilities for compliance with approved NERC Reliability Standards or associated Requirements including reporting have been transferred by written agreement to another entity that has registered for the appropriate function for the transferred responsibilities, including bilateral agreements and Sections 501, 507 and 508 of the NERC Rules of Procedure.

Function Type	Acronym	Definition/Discussion
		Balancing Authority Area, and supports Interconnection frequency in real-time.
Distribution Provider	DP	<p>Provides and operates the “wires” between the transmission system and the end-use customer. For those end-use customers who are served at transmission voltages, the Transmission Owner also serves as the Distribution Provider. Thus, the Distribution Provider is not defined by a specific voltage, but rather as performing the distribution function at any voltage.</p> <p>Note: As provided in Section III.b.1 and Note 5 below, a Distribution Provider entity shall be an Underfrequency Load Shedding (UFLS)-Only Distribution Provider if it is the responsible entity that owns, controls or operates UFLS Protection System(s) needed to implement a required UFLS program designed for the protection of the BES, but does not meet any of the other registration criteria for a Distribution Provider.</p>
Frequency Response Sharing Group	FRSG	A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating resources required to jointly meet the sum of the Frequency Response Obligations of its members.
Generator Operator	GOP	The entity that operates generating Facility(ies)and performs the functions of supplying energy and Interconnected Operations Services.
Generator Owner	GO	Entity that owns and maintains generating Facility(ies).
Planning Authority/ Planning Coordinator	PA/PC	The responsible entity that coordinates and integrates transmission Facilities and service plans, resource plans, and Protection Systems.
Reliability Coordinator	RC	The entity that is the highest level of authority who is responsible for the Reliable Operation of the BES, has the Wide Area view of the BES, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.

Function Type	Acronym	Definition/Discussion
Regulation Reserve Sharing Group		A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply the Regulating Reserve required for all member Balancing Authorities to use in meeting applicable regulating standards.
Reserve Sharing Group	RSG	A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority’s use in recovering from contingencies within the group. Scheduling energy from an Adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker, (e.g., between zero and ten minutes), then, for the purposes of disturbance control performance, the areas become a Reserve Sharing Group.
Resource Planner	RP	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific Loads (customer demand and energy requirements) within a Planning Authority area.
Transmission Owner	TO	The entity that owns and maintains transmission Facilities.
Transmission Operator	TOP	The entity responsible for the reliability of its local transmission system and operates or directs the operations of the transmission Facilities.
Transmission Planner	TP	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority area.
Transmission Service Provider	TSP	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.

III. Except as provided in Section V ~~and the Notes to the Criteria~~ below, entities identified in Section II above as being subject to Registration as a Distribution Provider should be included in the Compliance Registry for these functions only if they meet any of the criteria listed below:

III(a) Distribution Provider:

- III.a.1 Distribution Provider system serving >75 MW of peak Load that is directly connected to the BES;⁶ or
- III.a.2 Distribution Provider is the responsible entity that owns, controls, or operates Facilities that are part of any of the following Protection Systems or programs designed, installed, and operated for the protection of the BES:⁷
- a required Undervoltage Load Shedding (UVLS) program and/or
 - a required Special Protection System or Remedial Action Scheme and/or
 - a required transmission Protection System; or
- III.a.3 Distribution Provider that is responsible for providing services related to Nuclear Plant Interface Requirements (NPIRs) pursuant to an executed agreement; or
- III.a.4 Distribution Provider with field switching personnel identified as performing unique tasks associated with the Transmission Operator’s restoration plan that are outside of their normal tasks.

III(b) Distribution Provider with UFLS-Only assets (referred to as “UFLS-Only Distribution Provider”)

- III.b.1 UFLS-Only Distribution Provider does not meet any of the other registration criteria in Sections III(a)(1)-(4) for a Distribution Provider; and
- III.b.2 UFLS-Only Distribution Provider is the responsible entity that owns, controls, or operates UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES.

The Reliability Standards applicable to UFLS-Only Distribution Providers are: (1) any version of PRC-005;⁸ and PRC-006 applicable to UFLS-Only Distribution Providers, -1, PRC-006-2, and (2) any regional Reliability Standard whose purpose is to develop or establish a UFLS Program [PRC-006-NPCC-1 and PRC-006-SERC-01]., and (3) any Reliability Standard that lists UFLS-Only Distribution Provider in the applicability section. Reliability Standards that apply to Distribution Providers will not apply to UFLS-Only Distribution Providers, unless explicitly stated in the applicability section of these Reliability Standards and in future revisions and/or versions.

IV. Joint Registration Organization, Coordinated Functional Registration and applicable Member Registration.

⁶ Ownership, control or operation of UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES does not affect an entity’s eligibility for registration pursuant to III.a.1.

⁷ As used in Section III.a.2, “protection of the Bulk Electric System” means protection to prevent instability, Cascading, or uncontrolled separation of the BES and not for local voltage issues (UVLS) or local line loading management (Special Protection System) that are demonstrated to be contained within a local area.

⁸ ~~Four versions of PRC-005 are currently in various stages of Commission approval and standard development. For the period that each is in effect, PRC-005-2(ii), PRC-005-3(i), PRC-005-3(ii), PRC-005-4, PRC-005-5, and PRC-005-6 will apply to an entity included on the NCR as a UFLS-Only Distribution Provider during that period.~~

Pursuant to FERC's directive in paragraph 107 of Order No. 693, NERC's rules pertaining to joint Registrations and Joint Registration Organizations, as well as Coordinated Functional Registrations, are now found in Section 501, 507 and 508 of the NERC Rules of Procedure.

- V. If NERC or a Regional Entity encounters an organization that is not listed in the Compliance Registry, but which should be subject to the Reliability Standards, NERC or the Regional Entity is obligated and will initiate actions to add that organization to the Compliance Registry, subject to that organization's right to challenge as provided in Section 500 of NERC's Rules of Procedure ~~and as described in Note 3 below.~~

~~Notes to the Registry Criteria in Sections I–V~~ **Determination of Material Impact**

~~1. The above are general criteria only. The Regional Entity considering Registration of an organization not meeting (e.g., smaller in size than) An entity that does not meet (i.e., falls below) the criteria may propose Registration of that organization if the Regional Entity believes and nevertheless be registered if it can reasonably demonstrate⁹ be demonstrated that the organization is entity has a BES owner, or operates, or uses BES assets, and is material impact on to the reliability of the BES. Similarly, the Regional Entity may exclude an organization an entity that meets the criteria described above as a candidate for Registration may be excluded if it believes and can reasonably be demonstrated to NERC that the BES owner, operator, or user entity does not have a material impact on the reliability of the BES. Such Registration decisions regarding materiality must be made by the NERC-led Registration Review Panel in accordance with Section III(D) of Appendix 5A to the NERC Rules of Procedure. In order to ensure a consistent approach to assessing materiality, a non-exclusive set of factors ("materiality test") for consideration is identified below; however, only a sub-set of these factors, or other additional factors, may be applicable to a particular functional registration categories category or specific entity, as appropriate:~~

- ~~1. _____~~ Is the entity specifically identified in the emergency operation plans and/or restoration plans of an associated Reliability Coordinator, Balancing Authority, Generator Operator or Transmission Operator?
- ~~2. _____~~ Will intentional or inadvertent removal of an Element owned or operated by the entity, or a common mode failure of two Elements as identified in the Reliability Standards (for example, loss of two Elements as a result of a breaker failure), lead to a reliability issue on another entity's system (such as a neighboring entity's Element exceeding an applicable rating, or loss of non-consequential load due to a single contingency)?~~?~~ Conversely, will such contingencies on a neighboring entity's system result in issues for Reliability Standards issues-compliance on the system of the entity in question?
3. Can the normal operation, misoperation or malicious use of the entity's cyber assets cause a detrimental impact (e.g., by limiting the operational alternatives) on the operational reliability of an associated Balancing Authority, Generator Operator or Transmission Operator?
4. Can the normal operation, mMisoperation, or malicious use of the entity's Protection Systems (including UFLS, UVLS, Special Protection System, Remedial Action Schemes and other Protection Systems protecting BES Facilities) cause an adverse impact on the operational reliability

~~⁹The reasonableness of any such demonstration will be subject to review and remand by NERC itself, or by any Applicable Governmental Authority, as applicable.~~

of any associated Balancing Authority, Generator Operator or Transmission Operator, or the automatic load shedding programs of a PC or TP (UFLS, UVLS)?

- ~~2. An organization not identified using the criteria, but wishing to be registered, may request that it be registered. For further information refer to: NERC Rules of Procedure, Section 500—Organization Registration and Certification; Part 1.3.~~
- ~~3. An organization may challenge its Registration within the Compliance Registry. NERC or the Regional Entity will provide the organization with all information necessary to timely challenge that determination including notice of the deadline for contesting the determination and the relevant procedures to be followed as described in the NERC Rules of Procedure; Section 500—Organization Registration and Certification.~~
- ~~4. If an entity is part of a class of entities excluded based on any of the criteria above as individually being unlikely to have a material impact on the reliability of the BES, but that in aggregate have been demonstrated to have such an impact it may be registered for applicable Reliability Standards and Requirements irrespective of other considerations, in accordance with laws, regulations and orders of an Applicable Governmental Authority.~~
- 5.

Limitation of responsibilities to a sub-set of Reliability Standards

NERC may limit the compliance obligations of (1) a given entity registered for a particular function or (2) a similarly situated class of entities, as warranted based on the particular facts and circumstances, to a sub-set list of Reliability Standards (which may specify Requirements/sub-Requirements). If NERC establishes a sub-set list for similarly situated class of entities, NERC will post the eligibility criteria and sub-set list of applicable Reliability Standards to the Registration and Certification page of the NERC Website.



APPENDIX 5C

PROCEDURE FOR REQUESTING AND RECEIVING

AN EXCEPTION FROM THE APPLICATION

OF THE

NERC DEFINITION OF BULK ELECTRIC SYSTEM

Effective: ~~July 1, 2014~~[], 2020

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1.0 INTRODUCTION

1.1 Purpose

The NERC definition of the Bulk Electric System uses specific terms and thresholds that, in most cases, should appropriately identify Elements and groups of Elements that are appropriately classified as part of the Bulk Electric System. Conversely, the BES Definition should, in most cases, exclude Elements that are not part of the Bulk Electric System. In certain cases, however, the BES Definition may classify certain Elements as part of the Bulk Electric System that are not necessary for the Reliable Operation of the interconnected bulk-power transmission system or the BES Definition may classify certain Elements as non-Bulk Electric System that are necessary for the Reliable Operation of the interconnected bulk-power transmission system.

This Appendix to the Rules of Procedure of the North American Electric Reliability Corporation provides the procedure by which an entity may request and receive an Exception which will have the effect of either including within the BES an Element or Elements that would otherwise be excluded by application of the BES Definition or excluding from the BES an Element or Elements that would otherwise be included by application of the BES Definition. This Appendix is intended to implement authorization granted by FERC to allow such Exceptions from the BES Definition.¹

An entity must request and obtain an Exclusion Exception pursuant to an Exception Request under this Exception Procedure before any Element that is included in the BES by application of the BES Definition shall be excluded from the BES. Likewise, an entity must request and obtain an Inclusion Exception pursuant to an Exception Request under this Exception Procedure before any Element that is excluded from the BES by application of the BES Definition shall be included in the BES.

During the pendency of an Exception Request, the status of an Element(s) that is the subject of an Exception Request shall remain as it is determined based on application of the BES Definition. This status will continue until all appeals to all Applicable Governmental Authorities are completed. An entity that is planning a connection of a new Element for which it believes an Exception would be appropriate may request an Exception prior to commercial operation of the Element.

The Owner of the Element to which the Exception Request applies or, with respect to an Element owned by another Registered Entity, any Regional Entity, Planning Authority (“PA”), Reliability Coordinator (“RC”), Transmission Operator (“TOP”), Transmission Planner (“TP”) or Balancing Authority (“BA”) that has (or will have upon inclusion of the Elements in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may submit an Exception Request for the Element as provided in this Exception Procedure.

¹ *Revision to Electric Reliability Organization Definition of Bulk Electric System*, 133 FERC ¶ 61,150 (“Order No. 743”) (2010), *Order on Reh’g, Revision to Electric Reliability Organization Definition of Bulk Electric System*, 134 FERC ¶61,210 (“Order No. 743-A”) (2011).

1.2. Authority

This Appendix is a NERC Rule of Procedure and an Electric Reliability Organization Rule. This Appendix has been approved by (i) the NERC Board of Trustees and (ii) FERC. Any future revisions to this Appendix must be adopted in accordance with Article XI, section 2 of the NERC *Bylaws* and Section 1400 of the NERC *Rules of Procedure*, including approval by the NERC Board of Trustees and by FERC, in order to become effective. This Exception Procedure or an equivalent procedure is to be implemented in Canada and Mexico consistent with their respective laws and agreements.

1.3 Canadian and Mexican Entities and Cross-Border Regional Entities

A Registered Entity that is a Canadian Entity or a Mexican Entity seeking an Exception will be expected to work with the Regional Entity, NERC, and Applicable Governmental Authorities in Canada or Mexico, as appropriate, consistent with their respective laws and agreements, and without being obligated to authorize the disclosure of information prohibited by applicable federal, state or provincial law from disclosure to FERC or other governmental authorities in the U.S., in order to implement this Exception Procedure or an equivalent procedure. A Canadian Entity or a Mexican Entity shall not be required to subject itself to United States federal or state laws not otherwise applicable to the entity in order to utilize this Exception Procedure or an equivalent procedure.

2.0. DEFINITIONS

For purposes of this Appendix, capitalized terms shall have the definitions set forth in Appendix 2 to the Rules of Procedure. For ease of reference, the definitions of the following terms that are used in this Appendix are also set forth below.

2.1 Acceptance of the Exception Request (or Acceptance): The determination that an eligible Exception Request (i.e., an Exception Request permitted by section 4.1) contains all the Required Information so that it can undergo substantive review.

2.2 Approval of the Exception Request (or Approval): The determination by NERC that an Exception Request meets the criteria to receive the requested Exception.

2.3 BES: Bulk Electric System.

2.4 BES Definition: The NERC definition of the Bulk Electric System as set forth in the NERC *Glossary of Terms Used in Reliability Standards*.

2.5 Canadian Entity: A Registered Entity that is organized under Canadian federal or provincial law.

2.6 Classified National Security Information: Required Information that has been determined to be protected from unauthorized disclosure pursuant to Executive Order No. 12958,

as amended, and/or the regulations of the NRC at 10 C.F.R. §95.35; or pursuant to any comparable provision of Canadian or Mexican federal or provincial law.

2.7 Disapproval of the Exception Request (or Disapproval): The determination by NERC that an Exception Request does not meet the criteria to receive the requested Exception.

2.8 Eligible Reviewer: A person who has the required security clearances or other qualifications, or who otherwise meets the applicable criteria, to have access to Confidential Information, Classified National Security Information, NRC Safeguards Information or Protected FOIA Information, as applicable to the particular information to be reviewed.

2.9 Exception: Either an Inclusion Exception or an Exclusion Exception.

2.10 Exception Procedure: The procedure set forth in this Appendix.

2.11 Exception Request: A request made by a Submitting Entity in accordance with this Appendix for an Exception.

2.12 Exception Request Form: The form adopted by each Regional Entity, in accordance with a template provided by NERC, for use by Submitting Entities in submitting Exception Requests; provided, that the Exception Request Form must include Section III.B as adopted by NERC.

2.13 Exclusion Exception: A determination that an Element that falls within the BES Definition should be excluded from the BES.

2.14 FERC: The United States Federal Energy Regulatory Commission.

2.15 FOIA: The U.S. Freedom of Information Act, 5 U.S.C. §552.

2.16 Inclusion Exception: A determination that an Element that falls outside the BES Definition should be included in the BES.

2.17 Lead Entity: The entity that submits Exception Request information that is common to a group of Submitting Entities that are submitting Exception Requests jointly.

2.18 Mexican Entity: A Registered Entity that is organized under Mexican law.

2.19 NRC: The United States Nuclear Regulatory Commission.

2.20 NRC Safeguards Information: Required Information that is subject to restrictions on disclosure pursuant to 42 U.S.C. §2167 and the regulations of the NRC at 10 C.F.R. §73.21-73.23; or pursuant to comparable provisions of Canadian or Mexican federal or provincial law.

2.21 Owner: The owner(s) of an Element or Elements that is or may be determined to be part of the BES as a result of either the application of the BES Definition or an Exception, or another entity, such as an operator, authorized to act on behalf of the owner of the Element or Elements in the context of an Exception Request.

2.22 Protected FOIA Information: Required Information, held by a governmental entity, that is subject to an exemption from disclosure under FOIA [5 U.S.C. §552(e)], under any similar state or local statutory provision, or under any comparable provision of Canadian or Mexican federal or provincial law, which would be lost were the Required Information to be placed into the public domain.

2.23 Recommendation: The report to NERC containing the evaluation prepared in accordance with section 5.2 concerning whether or to what extent an Exception Request should be approved.

2.24 Rejection of the Exception Request (or Rejection): The determination that an Exception Request is not an eligible Exception Request (i.e., an Exception Request permitted by section 4.1) or does not contain all the Required Information in accordance with section 4.5 in order to be reviewed for substance.

2.25 Required Information: Information required to be provided in an Exception Request, as specified in section 4.0.

2.26 Scope of Responsibility: The registered functions of a PA, RC, TOP, TP or BA and the geographical or electric region in which the PA, RC, TOP, TP or BA operates to perform its registered functions, or with respect to a Regional Entity, its Regional Entity Region.

2.27 Section I Required Information: Required Information that is to be provided in Section I of a Submitting Entity's Exception Request.

2.28 Section II Required Information: Required Information that is to be provided in Section II of a Submitting Entity's Exception Request.

2.29 Section III Required Information: Required Information that is to be provided in Section III of a Submitting Entity's Exception Request.

2.30 Submitting Entity: The entity that submits an Exception Request in accordance with section 4.0.

2.31 Technical Review Panel: A panel established pursuant to section 5.3 of this Appendix.

3.0. BASIS FOR APPROVAL OF AN EXCEPTION

3.1. Grounds for an Exception

(a) Exclusion Exception

An entity may request and obtain Approval from NERC for an Exclusion Exception on the grounds that the Element(s) for which the Exception Request is filed is included within the BES based on application of the BES Definition but is not necessary for the Reliable Operation of the interconnected bulk-power transmission system as evidenced by Required Information provided pursuant to **Detailed Information to Support an Exception Request** (Section III.B of the Exception Request Form).

(b) Inclusion Exception

An entity may request and obtain Approval from NERC for an Inclusion Exception on the grounds that the Element(s) for which the Exception Request is filed is not included within the BES based on application of the BES Definition but is necessary for the Reliable Operation of the interconnected bulk-power transmission system as evidenced by Required Information provided pursuant to **Detailed Information to Support an Exception Request** (Section III.B of the Exception Request Form).

3.2. Burden

The burden to provide a sufficient basis for Approval of an Exception Request in accordance with the provisions of this Exception Procedure is on the Submitting Entity. It is the responsibility of the Regional Entity, subject to oversight by NERC as provided in this Exception Procedure, to evaluate the request and make a Recommendation to NERC regarding its Approval. All evidence provided as part of an Exception Request or response will be considered in determining whether an Exception Request shall be approved or disapproved.

4.0. FORM, CONTENTS, AND SUBMISSION OF AN EXCEPTION REQUEST

4.1. Eligible Submitting Entities

The Owner of an Element may submit an Exception Request for either an Inclusion Exception or an Exclusion Exception regarding that Element. A Regional Entity, PA, RC, TOP, TP, or BA that has (or will have upon inclusion in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may submit an Exception Request for the inclusion in the BES of an Element or Elements owned by a Registered Entity, provided that before doing so, (i) the Submitting Entity conferred with the Owner about the reasons for an Exception, and (ii) could not reach agreement regarding the submission of such an Exception Request. (If the Owner agrees with submitting an Exception Request, the Owner should be the Submitting Entity.) Only a Regional Entity may submit an Exception Request for the inclusion in the BES of an Element or Elements owned by an Owner that is not a Registered Entity. Only an

Owner or a Regional Entity may submit an Exception Request for the exclusion from the BES of an Element.

When a Regional Entity requests an Exception, the Regional Entity shall be the Submitting Entity and shall prepare and submit copies of its Exception Request (or portions thereof) to all applicable entities in accordance to this section 4.0.

With respect to an Element that crosses a boundary between Regional Entities, (1) the Submitting Entity will submit the Exception Request to both (or all) Regional Entities, which will cooperate to process the Exception Request pursuant to section 5.1 below, or (2) the Regional Entities must jointly submit an Exception Request to NERC (neither Regional Entity shall be allowed to submit such Exception Request unilaterally).

4.2. Separate Submissions for Each Exception Request

A separate Exception Request shall be submitted for each Element or set of connected Elements for which the Submitting Entity seeks an Exception. The scope of an Exception Request shall cover the terminal connections of the Element or set of Elements as identified in the Exception Request. Where the Submitting Entity seeks Exceptions from the BES Definition for multiple, similar Elements (either at the same location or at different locations within the geographic boundaries of a Regional Entity) on the same basis, the Exception Requests for all such Elements may be included in one Exception Request with all such Elements or sets of connected Elements separately identified. A single Exception Request may not be submitted for separate Elements within the geographic boundaries of more than one Regional Entity.

Multiple Submitting Entities may jointly file Exception Requests for similar Elements for which they are requesting Exceptions on the same basis. In such a situation, the Submitting Entities will submit a package comprised of a complete Exception Request Form for a Lead Entity, and an Exception Request Form for each other Submitting Entity that (1) provides the Submitting Entity's differing individual information to the extent such is required (e.g., contact information, identification, and location of Element(s), etc.), and (2) otherwise references the pertinent portions of the complete Exception Request Form filed by the Lead Entity (e.g., status under application of the BES Definition, basis for an Exception under section 3.1, etc.). For any Exception Request filed by multiple Submitting Entities as provided in this section, the Lead Entity shall be considered the "Submitting Entity" for purposes of the Regional Entity's and NERC's notices and actions in accordance with the remainder of this Exception Procedure. However, any Owner nonetheless may take any action otherwise appropriate for a Submitting Entity (e.g., respond to a Recommendation, submit an appeal, etc.).

4.3. Withdrawal of an Exception Request

A Submitting Entity may withdraw an Exception Request at any time prior to NERC Approval or Disapproval of the Exception Request.

4.4. Form and Format of Exception Request

An Exception Request shall consist of three sections, all of which must be submitted to the applicable Regional Entity. If the Submitting Entity is not the Owner [i.e., is a Regional Entity, PA, RC, TOP, TP, or BA that has (or will have upon inclusion of the Element in the BES) the Elements covered by an Exception Request within its Scope of Responsibility], it shall at the same time provide a copy of the Exception Request to the Owner (or if the Owner is unknown, to the operator of the Element(s)) to which the Exception Request applies.

4.5. Required Information to be Included in the Exception Request

4.5.1. Section I of an Exception Request shall contain the Required Information specified in this section 4.5.1. At the same time the Submitting Entity submits the Exception Request Form to the Regional Entity, the Submitting Entity shall submit a copy of Section I to each PA, RC, TOP, TP, and BA that has (or will have upon inclusion in the BES) the Elements covered by an Exception Request within its Scope of Responsibility. Failure to provide all Section I Required Information may result in Rejection of the Exception Request as incomplete.

1. Name and address of Submitting Entity.
2. Submitting Entity NERC Compliance Registry ID (if yet assigned).
3. Name of the Owner, if different than the Submitting Entity,
4. Owner's NERC Compliance Registry ID (if yet assigned).
5. Exception Request submittal date.
6. Whether the Exception Request is an original Exception Request or an amended Exception Request; and if it is an amended Exception Request, the identification number(s) of the original Exception Request and any previous amendments.
7. Whether the Exception Request is being submitted in conjunction with Exception Requests by other Submitting Entities. If so, the names of the other Submitting Entities.
8. Whether the Submitting Entity is filing a similar Exception Request(s) with one or more other Regional Entities, and if yes, the name(s) of the other Regional Entity(ies).
9. The type(s) of Element(s) for which the Exception is being requested.
10. Status, based on application of the BES Definition, of the Element(s) for which the Exception is being requested.

4.5.2. Section II of an Exception Request shall contain the Required Information specified in this section 4.5.2. At the same time the Submitting Entity submits the Exception Request Form to the Regional Entity, the Submitting Entity shall submit a copy of Section II to each PA, RC, TOP, TP, and BA that has (or will have upon inclusion of the Element(s) in the BES) the Elements covered by an Exception Request within its Scope of Responsibility. Failure to provide all Section II Required Information may result in Rejection of the Exception Request as incomplete.

Section II Required Information will not be publicly posted or disclosed to third parties except for persons involved in reviewing the Exception Request.

1. Identification and location(s) of Element(s) for which the Exception is being requested.
2. Name, title, phone number, facsimile number, and E-mail address of the Submitting Entity's technical contact person for the Exception Request.
3. Certification by the Submitting Entity (if other than Owner) that it conferred with the Owner regarding the reason for the requested Exception, but could not reach agreement regarding the submission of an Exception Request.
4. To the extent known by the Submitting Entity, name, mailing address, phone number, facsimile number, and E-mail address of the Owner's technical contact person for the Exception Request, if the Owner is different from the Submitting Entity.
5. Identification of PA, RC, TOP, TP, and BA that has (or will have upon inclusion in the BES) the Elements covered by the Exception Request within its Scope of Responsibility, and certification by the Submitting Entity that it has sent copies of Sections I and II to each such entity.
6. A statement of the basis on which the Submitting Entity contends the Exception Request should be approved, and if the Submitting Entity is not the Owner, a statement of the basis of the Submitting Entity's reason for submitting the Exception Request.
7. A statement, signed and dated by an authorized representative of the Submitting Entity's senior management stating that the representative has read the Exception Request on behalf of the Submitting Entity and that the Submitting Entity believes Approval of the Exception Request is warranted.

4.5.3 Section III of an Exception Request shall contain the **Detailed Information to Support an Exception Request** as specified on the Exception Request Form. Failure to include all Section III Required Information may result in Rejection of the Exception Request. The Submitting Entity may designate all or part of the Section III Required Information as Confidential Information.

1. If the Exception Request is supported, in whole or in part, by Classified National Security Information, NRC Safeguards Information, and/or Protected FOIA Information, Section III shall include a statement identifying which of these categories each such item of information falls into and explaining why each such item of information is Classified National Security Information, NRC Safeguards Information, and/or Protected FOIA Information.
2. If the Submitting Entity is prohibited by law from disclosing any Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information to any person who is not an Eligible Reviewer (such as, for example, the restriction on access to Classified National Security Information specified in section 4.1 of Executive Order No. 12958, as amended), Section III shall identify the Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information that is subject to such restrictions on disclosure and shall identify the criteria which a person must meet in order to be an Eligible Reviewer of the Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information.

4.5.4 The Owner of the Element(s) to which the Exception Request applies, if different than the Submitting Entity, may file a response to supplement, correct or disagree with all or any part of an Exception Request. Any PA, RC, TOP, TP, and BA that has (or will have upon inclusion of the Element(s) in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may also provide input to the Regional Entity regarding the Exception Request. If in order to evaluate an Exception Request, the Owner, PA, RC, TOP, TP or BA wishes to obtain any Required Information in Section III of the Exception Request, the Owner, PA, RC, TOP, TP or BA may submit to the Regional Entity that received the Exception Request a request stating its reason for wanting to review such information, and the Regional Entity may provide such information to the Owner, PA, RC, TOP, TP or BA if the Regional Entity believes such review may assist the Regional Entity's review; if any of such Section III Required Information has been designated Confidential Information, prior to being provided the Confidential Information, the Owner, PA, RC, TOP, TP or BA shall execute a confidentiality agreement in a form established by the Regional Entity. Any response provided pursuant to this section 4.5.4 must be submitted to the Regional Entity with copies to the Submitting Entity and the Owner, if different from the Submitting Entity, within forty-five (45) days after the date the Exception Request Form was submitted to the Regional Entity.

4.6 Access to Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information Included in Required Information

4.6.1. Upon reasonable advance notice from a Regional Entity, and subject to section 4.6.2, a Submitting Entity or Owner must provide the Regional Entity (a) with access to Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information included in the Exception Request, and (b) with

access for purposes of making a physical review and inspection of the Element or Elements for which an Exception Request has been submitted.

4.6.2. If the Submitting Entity or Owner is prohibited by law from disclosing any Confidential Information, Classified National Security Information, NRC Safeguards Information, or Protected FOIA Information to any person who is not an Eligible Reviewer (such as, for example, the restriction on access to Classified National Security Information specified in section 4.1 of Executive Order No. 12958, as amended), then such Confidential Information, Classified National Security Information, NRC Safeguards Information, or Protected FOIA Information shall only be reviewed by a representative or representatives of the Regional Entity which may include contractors, who are Eligible Reviewers.

4.6.3. The Regional Entity, as applicable, will work cooperatively with the Submitting Entity and/or Owner to provide necessary levels of protection for information identified in Section 1500 of the NERC Rules of Procedure and to access Protected FOIA Information in a way that does not waive or extinguish the exemption of the Protected FOIA Information from disclosure. If the Regional Entity shares any Confidential Information with a third party it shall do so subject to restrictions in applicable law under appropriate confidentiality agreements.

5.0 REVIEW, ACCEPTANCE OR REJECTION, AND RECOMMENDATION REGARDING EXCEPTION REQUESTS

The Regional Entity's evaluation of the Exception Request will consist of two stages:

- (a) During the first stage, the Regional Entity shall conduct an initial screening to determine whether to accept or reject the Exception Request; and
- (b) During the second stage, the Regional Entity shall conduct a substantive review to determine its Recommendation to NERC as to whether or not the Exception Request should be approved.

If the Regional Entity determines at any time that for a specified period of time, the Regional Entity will be unable to complete initial screenings of Exception Requests within the time provided by section 5.1.3~~(a)~~ and/or substantive reviews of Exception Requests within the time provided in section 5.2.2, the Regional Entity, based on consultation with NERC, shall establish an alternative time period objective and work plan for completing initial screenings and substantive reviews of Exception Requests during the specified period of time. The alternative time period and work plan shall be publicized by posting on the Regional Entity's website.

When a Regional Entity is the Submitting Entity of an Exception Request, it nonetheless shall process such Request in accordance with this section 5.0, with the following exceptions:

- i. There will be no initial screening, Acceptance, or Rejection, and therefore sections 5.1.3 through 5.1.6 will not apply;

- ii. No later than sixty (60) days after the submission of the Exception Request to the Owner and other applicable entities, the Regional Entity shall commence its substantive review of the Exception Request (and of any responses received from the Owner and other applicable entities) in accordance with section 5.2 and shall complete such substantive review within six (6) months; and
- iii. Before the Regional Entity issues a Recommendation to NERC to approve or disapprove the Exception Request in whole or in part, the Technical Review Panel shall review the proposed determination and issue an opinion with copies provided to the Owner and to NERC, in accordance with section 5.3.

5.1. Initial Screening of Exception Request for Acceptance or Rejection

5.1.1. Upon receipt of an Exception Request, the Regional Entity will assign a unique identifier to the Exception Request, and will review the Exception Request to determine that the Exception Request is from an eligible (in accordance with section 4.1) Submitting Entity for an Exception from the application of the BES Definition and that all Required Information has been provided. If the Exception Request indicates that the Submitting Entity has submitted a similar Exception Request to one or more other Regional Entities, the Regional Entities shall coordinate their actions undertaken pursuant to this section 5.0. If the Exception Request is for an Element that crosses boundaries between or among Regional Entities, the Regional Entities shall cooperatively determine a lead Regional Entity to assess the request in a single process yielding a single Recommendation to NERC.

5.1.2. The unique identifier assigned to the Exception Request will be in the form of XXXX-YYYY-NERCID-ExceptionZZZZZ, where “XXXX” is the year in which the Exception Request is received by the Regional Entity (*e.g.*, “2012”); “YYYY” is the acronym for the Regional Entity within whose geographic boundaries the relevant Element or Elements are located²; NERCID is the Submitting Entity’s NERC Compliance Registry ID (or an abbreviation of its name if an ID is not yet assigned); and “ZZZZZ” is the sequential number of the Exception Requests received by the Regional Entity in that year. If the Exception Request is amended or resubmitted, “-AZ” will be added to the end of the identifier, where “Z” is the number of the amendment to the Exception Request. If the Exception Request is for an Element that crosses boundaries between or among Regional Entities, the YYYY identifier shall be that of the lead Regional Entity assessing the request.

5.1.3. The Regional Entity will complete its initial screening of the Exception Request Form and any Owner’s response submitted pursuant to section 4.5.4 no later than either sixty (60) days after receiving the Exception Request or, if the Submitting Entity is not the Owner, thirty (30) days after receiving any Owner’s response, whichever is later, unless (i) the

² The acronyms to be used are: ~~FRCC (Florida Reliability Coordinating Council)~~; MRO (Midwest Reliability Organization); NPCC (Northeast Power Coordinating Council); RFC (ReliabilityFirst Corporation); SERC (SERC Reliability Corporation); ~~SPP (Southwest Power Pool Regional Entity)~~; TRE (Texas Reliability Entity); and WECC (Western Electricity Coordinating Council), and NERC in cases where the Exception Request is submitted to NERC.

Regional Entity has established an alternative time period objective and work plan for completing initial screenings pursuant to this section 5.0 that provides for a different time period(s) for completing initial screenings, or (ii) the Regional Entity issues a notice to the Submitting Entity, and to the Owner if different, prior to the deadline date for completing the initial screening, stating that the Regional Entity will not be able to complete the initial screening by the deadline date and stating a revised deadline date.

5.1.4. If, based on its initial screening, the Regional Entity determines the Exception Request is from an eligible (in accordance with section 4.1) Submitting Entity for an Exception from the BES Definition, and that all Required Information has been provided, the Regional Entity shall accept the Exception Request as complete and send a notice of such Acceptance to the Submitting Entity, with a copy to the Owner, if different than the Submitting Entity, and to NERC.

5.1.5. (a) If the Regional Entity determines, based on its review of the Exception Request, that the Exception Request (i) is not from an eligible (in accordance with section 4.1) Submitting Entity for an Exception from application of the BES Definition, and/or (ii) does not contain all Required Information, the Regional Entity shall reject the Exception Request as incomplete and send a notice of such Rejection to the Submitting Entity, with a copy to the Owner, if different than the Submitting Entity, and to NERC. To the extent feasible, if an Exception Request Form is missing Required Information, the Regional Entity shall not reject the Exception Request until (1) it has contacted the Submitting Entity to request that the Exception Request Form be supplemented with the missing Required Information, and (2) the Submitting Entity has failed to submit such Required Information within thirty (30) days or such additional period of time as the Regional Entity may allow at its discretion based on the circumstances. Under appropriate confidentiality/security agreements, the Regional Entity shall facilitate the access to data and information from other entities required by the Submitting Entity to accurately supply the **Detailed Information to Support an Exception Request** (e.g., interconnection base case power flow studies) and/or by the Owner to accurately respond. When a Submitting Entity submits supplemental Required Information in response to a request under this section 5.1.5(a), the time for the Regional Entity to perform its initial screening will be extended for fifteen (15) days after receipt of the supplemental Required Information.

(b) If the Regional Entity rejects the Exception Request in accordance with section 5.1.5 (a), the Regional Entity's notice shall explain the reason for the Rejection. The Submitting Entity may, within thirty (30) days after receipt of the Rejection, appeal to NERC in accordance with section 7.0 of this Exception Procedure to reverse the Rejection and to direct the Regional Entity to proceed with a substantive review of the Exception Request.

5.1.6. The Regional Entity may either accept the Exception Request in its entirety, reject the Exception Request in its entirety, or if the Exception Request is for more than one Element, may accept it with respect to a subset of the Elements and reject it with respect to the remainder based on the similarity of the evidence presented for the Exception Request.

5.2 Substantive Review of Exception Request for Approval or Disapproval

5.2.1 After Acceptance of an Exception Request, the Regional Entity shall conduct a substantive review of all evidence provided as part of an Exception Request or response to evaluate whether or to what extent the Exception Request should be approved. As part of its substantive review, depending on the circumstances of the Exception Request, the Regional Entity may request access to and review the Required Information, including any Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information that is necessary to support the Exception Request; may conduct one or more physical inspections of the relevant Element(s) and its (their) context and surrounding Elements and Facilities; may request additional information from the Submitting Entity, Owner, or applicable PAs, RCs, BAs, TOPs and TPs; and may engage in further discussions concerning possible revisions to the Exception Request.

5.2.2. At the outset of its substantive review of the Exception Request, the Regional Entity shall develop a milestone schedule pursuant to which it plans to conduct the substantive review, and shall send a copy of the milestone schedule to the Submitting Entity and the Owner, if different, for information. The Regional Entity shall complete the substantive review of the Exception Request within six months after Acceptance of the Exception Request or within an alternative time period under section 5.0, at the conclusion of which the Regional Entity shall issue a notice (in accordance with section 5.2.3) stating its Recommendation that the Exception Request be approved or disapproved. The Regional Entity may extend the period of substantive review for individual Exception Requests; the revised date by which the Regional Entity will issue its Recommendation concerning the Exception Request shall be stated in a notice issued by the Regional Entity.

5.2.3. Upon completion of its substantive review of the Exception Request, the Regional Entity shall issue a Recommendation to NERC, with a copy to the Submitting Entity and to the Owner if different than the Submitting Entity, including the Regional Entity's evaluation of whether and to what extent the Exception Request qualifies to be approved in its entirety or be disapproved in its entirety, or if the Exception Request is for more than one Element, to be approved with respect to a subset of the Elements and disapproved with respect to the remainder of the Elements. The Recommendation shall set forth the basis on which the Regional Entity arrived at its Recommendation. With the Recommendation, the Regional Entity will also send NERC copies of the Exception Request Form and all other information considered by the Regional Entity in arriving at its Recommendation.

5.2.4 The Regional Entity shall not recommend Disapproval of the Exception Request in whole or in part without first submitting the Exception Request for review to a Technical Review Panel and receiving its opinion, in accordance with section 5.3.

~~**5.2.5**—NERC shall develop, and post on its web site, a reporting program and schedule pursuant to which Regional Entities will be required to submit to NERC periodic reports on the numbers, status and timing of their initial screenings and substantive reviews of Exception Requests.~~

5.3 Technical Review Panel

Each Regional Entity shall establish provisions for a Technical Review Panel consisting of not less than three (3) individuals appointed by the Regional Entity senior executive (CEO, President, General Manager, etc.). Panel members shall comply with Subsection 7 of Section 403 of the NERC Rules of Procedure, shall not have participated in the review of the Exception Request, and shall have the required technical background to evaluate Exception Requests. When the Regional Entity intends pursuant to section 5.2.2 to issue a Recommendation of Disapproval, in whole or in part, the Technical Review Panel must first review the Regional Entity's proposed determinations and provide an opinion, a copy of which shall be provided to the Submitting Entity (and Owner if different) in the event the Regional Entity decides to disapprove the Exception Request. The Regional Entity will not be bound by the opinion of the Technical Review Panel, but such evaluation shall become part of the record associated with the Exception Request and shall be provided to NERC.

6.0 SUPPLEMENTATION OF AN EXCEPTION REQUEST PRIOR TO A RECOMMENDATION

A Submitting Entity or Owner at any time prior to the Regional Entity issuing its Recommendation may supplement a pending Exception Request that is under review by a Regional Entity, either at the request of the Regional Entity or at the Submitting Entity's or Owner's own initiative, for the purpose of providing additional or revised Required Information. The Submitting Entity or Owner shall submit a written explanation of what Required Information is being added or revised and the purpose of the supplementation. Supplementing a pending Exception Request may, in the Regional Entity's discretion, reset the time period for the Regional Entity's initial screening or substantive review, as applicable, of the Exception Request.

7.0 APPEAL OF REJECTION OF AN EXCEPTION REQUEST

The Submitting Entity may submit to the NERC Director of Compliance Operations (or an equivalent position), with a copy to the Regional Entity and Owner if different, information that demonstrates that the insufficiencies in an Exception Request Form identified in the notice of Rejection by the Regional Entity pursuant to section 5.1.5 are incorrect or otherwise do not warrant Rejection of the Exception Request, and that the Exception Request should be accepted and proceed to substantive review. A Submitting Entity's submission to NERC under this section 7.0 shall be in writing, shall provide the Exception Request which received the Rejection (using the identifier assigned to the Exception Request pursuant to section 5.1.2), and shall set forth a description of the errors that the Submitting Entity believes are in the notice of Rejection. The Submitting Entity's submission must demonstrate that it is eligible (in accordance with section 4.1) to submit the Exception Request and that all Required Information for the Exception Request has been provided. NERC will review the Submitting Entity's submission and the reports submitted by the Regional Entity or Regional Entities pursuant to section 5.1.5 with respect to the Exception Request, and if NERC determines that the Submitting Entity is eligible (in accordance with section 4.1) to submit the Exception Request, that all Required Information has been provided, and that the Exception Request should proceed to substantive review, NERC

shall, within forty-five (45) days after receiving the submission, issue a decision directing the Regional Entity to proceed to a substantive review of the Exception Request in accordance with section 5.2. NERC will send a written notice to the Submitting Entity, the Owner if different, and the Regional Entity stating that NERC either directs the Regional Entity to proceed to a substantive review or that NERC does not direct such a review.

8.0 APPROVAL OR DISAPPROVAL OF AN EXCEPTION REQUEST

Following the date of the Regional Entity's Recommendation to NERC, a Submitting Entity or Owner, will have thirty (30) days to submit a comment in support of or opposition to the Recommendation. The NERC President or his/her delegate shall appoint a team of no less than (3) three persons with the required technical background to evaluate Exception Requests to review the Recommendation and accompanying materials provided by the Regional Entity pursuant to section 5.2.3, the Technical Review Panel opinion (if any), and any comment submitted by the Submitting Entity or Owner. The members of the review team shall have no financial, contractual, employment or other interest in the Submitting Entity or Owner that would present a conflict of interest and shall be free of any conflicts of interest in accordance with NERC policies. -This review shall be completed within ninety (90) days after NERC receives the Recommendation. Supplementing a pending Exception Request may, in NERC's discretion, reset the time period for the NERC Review Panel's review of the Exception Request. NERC may choose to ask the Regional Entity, Submitting Entity and Owner, if different than the Submitting Entity, to appear at a NERC office for interviews or discussion regarding any questions. In lieu of appearing in person at a NERC office, appearances may be, upon the mutual agreement of NERC, the Regional Entity, the Submitting Entity and/or Owner, conducted by a conference call, teleconferencing, or webinar. By the end of the ninety-day review period, the team shall issue a proposed decision either to approve or to disapprove the Exception Request. If the Exception Request concerns more than one Element, the review team's proposed decision may approve the Exception Request in its entirety, disapprove the Exception Request in its entirety, or approve some portion of the Exception Request and disapprove the remaining portion. The proposed decision shall be in writing, shall be based on the team's independent consideration of the full record, and state the basis for the decision. If the proposed decision of the team was not unanimous, the dissenting team member may, if he or she wishes to do so, issue a minority report stating the dissenting member's reasons for disagreement with the proposed decision. -Within thirty (30) days after the date of the review team's proposed decision, the NERC President or his/her delegate shall issue a final written decision on the Exception Request on behalf of NERC. The final decision may adopt the proposed decision or modify the proposed decision, and may reach a different conclusion than the proposed decision as to whether the Exception Request is approved or disapproved. The final decision issued by the NERC President or his/her delegate shall be the decision of NERC with respect to Approval or Disapproval of the Exception Request.

NERC shall provide to the Submitting Entity and to the Owner, if different, copies of any documents considered by the NERC review team in reaching its proposed decision, and any additional documents considered by the NERC President or his/her delegate in reaching the final decision, that were not originally provided by, or have not previously been provided to, the Submitting Entity or Owner.

Documentation used to substantiate the decision related to an Exception Request shall be retained by NERC for a minimum of seven (7) years or as long as the Exception is in effect, whichever is longer, unless a different retention period is otherwise identified

9.0 CHALLENGES TO APPROVAL OR DISAPPROVAL OF EXCEPTION REQUESTS

A Submitting Entity or Owner aggrieved by NERC's Approval or Disapproval of an Exception Request or termination of an Exception may, within thirty (30) days following the date of NERC's decision, challenge such determination pursuant to Section 1703 of the NERC Rules of Procedure. If neither a Submitting Entity nor Owner challenges, within such period, NERC's determination with respect to any Element to which the Exception Request or the Exception applies, such determination shall become effective with respect to such Element on the thirty-first day following the date of the NERC decision.

10.0 IMPLEMENTATION PERIOD FOR EXCEPTIONS

10.1 Inclusion Exceptions

In the case of an Element not included in the BES by application of the BES Definition but for which an Inclusion Exception is approved, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the newly included Element. The Regional Entity and Owner shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity shall notify the NERC Director of Compliance Operations (or an equivalent position) of the disagreement, and shall provide statements of the Regional Entity's and the Owner's positions, and NERC shall specify a reasonable implementation schedule.

10.2 Denials of Exception Requests for Exclusion

(a) In the case of a newly-constructed or installed Element which is included in the BES by application of the BES Definition but for which an Exception Request for an Exclusion Exception was submitted at least twelve (12) months before commercial operation of the Element, but which Exception Request either is still pending or has been rejected or disapproved at the time of commercial operation, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the newly constructed or installed Element. The Regional Entity and Owner shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity shall notify the NERC Director of Compliance Operations of the disagreement, and shall provide statements of the Regional Entity's and the Owner's positions, and NERC shall specify a reasonable implementation schedule.

(b) In the case of an Element which is included in the BES based on application of the current BES Definition but was not included in the BES under the BES Definition in effect immediately prior to the current BES Definition, and for which an Exception Request for an

Exclusion Exception was submitted no more than twelve (12) months after the current BES Definition became effective, but which Exception Request either is still pending or has been rejected or disapproved at the end of any applicable BES Definition implementation plan time period, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the newly included Element. The Regional Entity and Owner shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity shall notify the NERC Director of Compliance Operations (or an equivalent position) of the disagreement, and shall provide statements of the Regional Entity's and the Owner's positions, and NERC shall specify a reasonable implementation schedule.

11.0 CERTIFICATION, NOTICE OF CHANGE IN CONDITION, AND TERMINATION OF AN ~~APPROVED~~ EXCEPTION REQUEST

11.1 An Exception Request typically will be approved without a specified date of termination but will be subject to review to verify continuing justification for the Exception.

11.2 Submitting Entity(ies) shall notify the appropriate Regional Entity, with a copy to NERC, within ninety (90) days after learning of any change of condition which would affect the basis stated by NERC in its decision pursuant to section 8.0 approving the Exception Request. NERC shall review such notification and determine whether to direct the Regional Entity to perform a substantive review (pursuant to section 5.2) to verify continuing justification for the Exception and to issue a Recommendation to NERC.

11.3 Submitting Entity(ies) shall certify³ periodically to the appropriate Regional Entity that the basis for an Element being included or excluded in the BES through the Exception remains valid and in connection with each certification, shall provide the Regional Entity with any changes to Section I Required Information or Section II Required Information. The certification shall be due on the first day of the first quarter thirty-six (36) months after the date on which the Exception Request was approved and every thirty-six (36) months thereafter, as long as the Exception remains in effect. If such certification is not provided, the Exception is subject to termination ninety (90) days after the date the certification was due, and the Regional Entity shall send the Submitting Entity and NERC written notice of such termination.

11.4 If the Regional Entity obtains information through means other than those described in sections 11.2 and 11.3 that indicates an Exception may no longer be warranted, the Regional Entity shall provide such information to NERC. NERC shall review the information and determine whether to direct the Regional Entity to perform a substantive review (pursuant to section 5.2) to verify continuing justification for the Exception and to issue a Recommendation to NERC.

³ The certification shall consider the effect on the basis for the Exception of changes such as Load growth and topological changes, as well as the effect on system limits and impacts as a result of the contingencies listed in Table 1 of each applicable NERC TPL Reliability Standard.

11.5 If the Regional Entity's Recommendation following a substantive review pursuant to section 11.2 or 11.4 is that the Exception shall be terminated, NERC shall (i) issue a written notice to the Submitting Entity and Owner, if different, that the Exception is under review for possible termination, (ii) allow the Submitting Entity and/or Owner, as applicable, thirty (30) days from the date of the notice to submit comments or information to NERC to show that the Exception continues to be justified and should remain in effect, and (iii) cause the Recommendation to be reviewed in accordance with section 8.0 of this Appendix. If the conclusion of the review is that the Exception should be terminated, NERC shall send a written notice to the Submitting Entity and Owner, if different, stating that the Exception is terminated and the reasons for the termination. When an Element will be included in the BES as a result of the termination of an Exclusion Exception under this section, an implementation plan detailing the schedule for complying with any Reliability Standards applicable to the newly included Element will be developed in accordance with section 10.1 as if it were an Inclusion Exception.

11.6 Upon request by the Regional Entity, the Submitting Entity(ies) and/or Owner if different shall provide within thirty (30) days the most recent versions of any Section III Required Information so requested.

SECTION 500 — ORGANIZATION REGISTRATION AND CERTIFICATION

501. Scope of the Organization Registration and Organization Certification Programs

The purpose of the Organization Registration Program is to clearly identify those entities that are responsible for compliance with the FERC approved Reliability Standards. Organizations that are registered are included on the NERC Compliance Registry (NCR) and are responsible for knowing the content of and for complying with all applicable Reliability Standards. Registered Entities are not and do not become Members of NERC or a Regional Entity, by virtue of being listed on the NCR. Membership in NERC is governed by Article II of NERC's Bylaws; membership in a Regional Entity or regional reliability organization is governed by that entity's bylaws or rules.

The purpose of the Organization Certification Program is to ensure that the new entity (i.e., applicant to be an RC, BA, or TOP that is not already performing the function for which it is applying to be certified as) has the tools, processes, training, and procedures to demonstrate their ability to meet the Requirements/sub-Requirements of all of the Reliability Standards applicable to the function(s) for which it is applying thereby demonstrating the ability to become certified and then operational.

Organization Registration and Organization Certification may be delegated to Regional Entities in accordance with the procedures in this Section 500; the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into these Rules of Procedure as **Appendix 5A**; and, approved Regional Entity delegation agreements or other applicable agreements.

1. **NERC Compliance Registry** — NERC shall establish and maintain the NCR of the Bulk Power System owners, operators, and users that are subject to approved Reliability Standards.
 - 1.1 (a) The NCR shall set forth the identity and functions performed for each organization responsible for meeting Requirements/sub-Requirements of the Reliability Standards. Bulk Power System owners, operators, and users (i) shall provide to NERC and the applicable Regional Entity information necessary to complete the Registration, and (ii) shall provide NERC and the applicable Regional Entity with timely updates to information concerning the Registered Entity's ownership, operations, contact information, and other information that may affect the Registered Entity's Registration status or other information recorded in the Compliance Registry.

(b) Entities may address registration obligations for applicable function types using a Joint Registration Organization (JRO), in lieu of each of the JRO's parties' entities being registered individually for one or more functions. Refer to Section 507.

(c) Entities may each register using a Coordinated Functional Registration (CFR) for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function pursuant to a written agreement for the division of compliance responsibility. Refer to Section 508.

- 1.2 In the development of the NCR, NERC and the Regional Entities shall determine which organizations should be placed on the NCR based on the criteria provided in the *NERC Statement of Compliance Registry Criteria* which is incorporated into these Rules of Procedure as **Appendix 5B**.
- 1.3 NERC and the Regional Entities shall use the following rules for establishing and maintaining the NCR based on the Registration criteria as set forth in **Appendix 5B** *Statement of Compliance Registry Criteria*:
 - 1.3.1 NERC shall notify each organization that it is on the NCR. The Registered Entity is responsible for compliance with all the Reliability Standards applicable to the functions for which it is registered from the time it receives the Registration notification from NERC.
 - 1.3.2 Any organization receiving such a notice may challenge its placement on the NCR according to the process in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section V.
 - 1.3.3 The Compliance Committee of the Board of Trustees shall promptly issue a written decision on the challenge, including the reasons for the decision.
 - 1.3.4 The decision of the Compliance Committee of the Board of Trustees shall be final unless, within 21 days of the date of the Compliance Committee of the Board of Trustees decision, the organization appeals the decision to the Applicable Governmental Authority.
 - 1.3.5 Each Registered Entity identified on the NCR shall notify its corresponding Regional Entity(s) of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the Registered Entity's responsibilities with respect to the Reliability Standards. Failure to notify will not relieve the Registered Entity from any responsibility to comply with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards applicable to its associated Registration.
- 1.4 For all geographical or electrical areas of the Bulk Power System, the Registration process shall ensure that (1) no areas are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical, and (2) there is no unnecessary duplication of such coverage or of required oversight of such coverage. In particular the process shall:

- 1.4.1 Ensure that all areas are under the oversight of one and only one Reliability Coordinator.
- 1.4.2 Ensure that all Balancing Authorities and Transmission Operator entities¹ are under the responsibility of one and only one Reliability Coordinator.
- 1.4.3 Ensure that all transmission Facilities of the Bulk Power System are the responsibility and under the control of one and only one Transmission Planner, Planning Authority, and Transmission Operator.
- 1.4.4 Ensure that all Loads and generators are under the responsibility and control of one and only one Balancing Authority.
- 1.5 NERC shall maintain the NCR of organizations responsible for meeting the Requirements/sub-Requirements of the Reliability Standards currently in effect on its website and shall update the NCR monthly.
- 1.6 With respect to: (i) entities to be registered for the first time; (ii) currently-registered entities or (iii) previously-registered entities, for which registration status changes are sought, including availability and composition of a sub-set list of applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements), the registration process steps in Section III of **Appendix 5A** apply.
- 1.7 NERC shall establish a NERC-led, centralized review panel, comprised of a NERC lead with Regional Entity participants, in accordance with **Appendix 5A**, *Organization Registration and Organization Certification Manual*, Section III.D and **Appendix 5B**, *Statement of Compliance Registry Criteria*.
- 2. **Entity Certification** — NERC shall provide for Certification of all entities with primary reliability responsibilities requiring Certification. The NERC programs shall:
 - 2.1 Evaluate the entity’s tools, personnel, facilities, and processes used to perform the duties and tasks identified in and required by the Reliability Standards. The entities currently requiring Certification include Reliability Coordinators, Transmission Operators, and Balancing Authorities.
 - 2.2 Certify each applicant’s ability to perform the function for a specified Area.²

¹ Some organizations perform the listed functions (e.g., Balancing Authority, Transmission Operator) over areas that transcend the Footprints of more than one Reliability Coordinator. Such organizations will have multiple Registrations, with each such Registration corresponding to that portion of the organization’s overall area that is within the Footprint of a particular Reliability Coordinator.

² When the term “Area” is used and capitalized it is being used in the certification context, and is inclusive of terms currently defined in NERC Glossary of Terms and Appendix 2 of the ROP, specifically, “Balancing Authority Area,” “Reliability Coordinator Area,” or “Transmission Operator Area.”

- 2.3 Maintain process documentation.
- 2.4 Maintain records of currently certified entities.
- 2.5 Issue a Certification document to the applicant that successfully demonstrates its competency to perform the evaluated functions.

3. Delegation and Oversight

- 3.1 NERC may delegate responsibilities for Organization Registration and Organization Certification to Regional Entities in accordance with requirements established by NERC. Delegation will be via the delegation agreement between NERC and the Regional Entity or other applicable agreement. The Regional Entity shall administer Organization Registration and Organization Certification Programs in accordance with such delegations to meet NERC's programs goals and requirements subject to NERC oversight.
- 3.2 NERC shall develop and maintain a plan to ensure the continuity of Organization Registration and Organization Certification within the geographic or electrical boundaries of a Regional Entity in the event that no entity is functioning as a Regional Entity for that Region, or the Regional Entity withdraws as a Regional Entity, or does not operate its Organization Registration and Organization Certification Programs in accordance with delegation agreements.
- 3.3 NERC shall develop and maintain a program to monitor and oversee the NERC Organization Registration and Organization Certification Programs activities that are delegated to each Regional Entity through a delegation agreement or other applicable agreement.
 - 3.3.1 This program shall monitor whether the Regional Entity carries out those delegated activities in accordance with NERC requirements, and whether there is consistency, fairness of administration, and comparability.
 - 3.3.2 Monitoring and oversight shall be accomplished through direct participation in the Organization Registration and Organization Certification Programs with periodic reviews of documents and records of both programs.

502. Organization Registration and Organization Certification Program Requirements

- 1. NERC shall maintain the Organization Registration and Organization Certification Programs.
 - 1.1 The roles and authority of Regional Entities in the programs are delegated from NERC pursuant to the Rules of Procedure through regional delegation agreements or other applicable agreements.

- 1.2 Processes for the programs shall be administered by NERC and the Regional Entities. Materials that each Regional Entity uses are subject to review and approval by NERC.
 - 1.3 The appeals process for the Organization Registration and Organization Certification Programs are identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Sections VI and VII, respectively.
 - 1.4 The Certification Team membership is identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section IV.
2. To ensure consistency and fairness of the Organization Registration and Organization Certification Programs, NERC shall develop procedures to be used by all Regional Entities and NERC in accordance with the following criteria:
- 2.1 NERC and the Regional Entities shall have data management processes and procedures that provide for confidentiality, integrity, and retention of data and information collected.
 - 2.2 Documentation used to substantiate the conclusions of the Regional Entity/ NERC related to Registration and/or Certification must be retained by the Regional Entity for (6) six years, unless a different retention period is otherwise identified, for the purposes of future audits of these programs.
 - 2.3 To maintain the integrity of the NERC Organization Registration and Organization Certification Programs, NERC, Regional Entities, Certification Team members, program audit team members (Section 506), and committee members shall maintain the confidentiality of information provided by an applicant or entities.
 - 2.2.1 NERC and the Regional Entities shall have appropriate codes of conduct and confidentiality agreements for staff, Certification Team, Certification related committees, and Certification program audit team members.
 - 2.2.2 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall maintain the confidentiality of any Registration or Certification-related discussions or documents designated as confidential (see Section 1500 for types of Confidential Information).
 - 2.2.3 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall treat as confidential the individual comments expressed during evaluations, program audits and report-drafting sessions.
 - 2.2.4 Copies of notes, draft reports, and other interim documents developed or used during an entity Certification evaluation or program audit shall be destroyed after the public posting of a final, uncontested report.

- 2.2.5 Information deemed by an applicant, entity, a Regional Entity, or NERC as confidential, including Critical Energy Infrastructure Information, shall not be released publicly or distributed outside of a committee or team.
- 2.2.6 In the event that an individual violates any of the confidentiality rules set forth above, that individual and any member organization with which the individual is associated will be subject to immediate dismissal from the audit team and may be prohibited from future participation in Compliance Monitoring and Enforcement Program activities by the Regional Entity or NERC.
- 2.2.7 NERC shall develop and provide training in auditing skills to all individuals prior to their participation in Certification evaluations. Training for Certification Team leaders shall be more comprehensive than the training given to industry subject matter experts and Regional Entity members. Training for Regional Entity members may be delegated to the Regional Entity.
- 2.4 An applicant that is determined to be competent to perform a function after completing all Certification requirements shall be deemed certified by NERC to perform that function for which it has demonstrated full competency.
 - 2.4.1 All NERC certified entities shall be included on the NCR.

503. Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements

- 1. **Delegation** — Recognizing the Regional Entity’s knowledge of and experience with its members, NERC may delegate responsibility for Organization Registration and Organization Certification to the Regional Entity through a delegation agreement.
- 2. **Registration** — The following Organization Registration activities shall be managed by the Regional Entity per the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into the Rules of Procedure as Appendix 5A *Organization Registration and Organization Certification Manual*:
 - 2.1 Regional Entities shall verify that all Reliability Coordinators, Balancing Authorities, and Transmission Operators meet the Registration requirements of Section 501(1.4).
- 3. **Certification** — The following Organization Certification activities shall be managed by the Regional Entity in accordance with an approved delegation agreement or another applicable agreement:
 - 3.1 An entity seeking Certification to perform one of the functions requiring Certification shall contact the Regional Entity for the Region(s) in which it plans to operate to apply for Certification.

- 3.2 An entity seeking Certification and other affected entities shall provide all information and data requested by NERC or the Regional Entity to conduct the Certification process.
- 3.3 Regional Entities shall notify NERC of all Certification applicants.
- 3.4 NERC and/or the Regional Entity shall evaluate the competency of entities requiring Certification to meet the NERC Certification requirements.
- 3.5 NERC or the Regional Entity shall establish Certification procedures to include evaluation processes, schedules and deadlines, expectations of the applicants and all entities participating in the evaluation and Certification processes, and requirements for Certification Team members.
 - 3.5.1 The NERC / Regional Entity Certification procedures will include provisions for on-site visits to the applicant's facilities to review the data collected through questionnaires, interviewing the operations and management personnel, inspecting the facilities and equipment (including requesting a demonstration of all tools identified in the Certification process), reviewing all necessary documents and data (including all agreements, processes, and procedures identified in the Certification process), reviewing Certification documents and projected system operator work schedules, and reviewing any additional documentation needed to support the completed questionnaire or inquiries arising during the site visit.
 - 3.5.2 The NERC/ Regional Entity Certification procedures will provide for preparation of a written report by the Certification Team, detailing any deficiencies that must be resolved prior to granting Certification, along with any other recommendations for consideration by the applicant, the Regional Entity, or NERC.

504. Appeals

1. NERC shall maintain an appeals process to resolve any disputes related to Registration or Certification activities per the *Organization Registration and Organization Certification Manual*, which is incorporated in these Rules of Procedure as Appendix 5A.
2. The Regional Entity Certification appeals process shall culminate with the Regional Entity board or a committee established by and reporting to the Regional Entity board as the final adjudicator, provided that where applicable, Canadian provincial governmental authorities may act as the final adjudicator in their jurisdictions. NERC shall be notified of all appeals and may observe any proceedings (**Appendix 5A** *Organization Registration and Organization Certification Manual*).

505. Program Maintenance

NERC shall maintain its program materials, including such manuals or other documents as it deems necessary, of the governing policies and procedures of the Organization Registration and Organization Certification Programs.

506. Independent Audit of NERC Organization Registration and Organization Certification Program

1. NERC, through the Compliance and Certification Committee, shall provide for an independent audit of its Organization Registration and Organization Certification Programs at least once every three years, or more frequently, as determined by the Board. The audit shall be conducted by independent expert auditors as selected by the Board.
2. The audit shall evaluate the success, effectiveness and consistency of the NERC Organization Registration and Organization Certification Programs.
3. The final report shall be provided to the NERC Board of Trustees or its appropriate committees, and posted for public viewing. Confidential Information shall be handled in accordance with the NERC Rules of Procedure Section 1500, *Confidential Information*
4. If the audit report includes recommendations to improve the program, the administrators of the program shall provide a written response to the Board within 30 days of the final report, detailing the disposition of each and every recommendation, including an explanation of the reasons for rejecting a recommendation and an implementation plan for the recommendations accepted.

507. Provisions Relating to Joint Registration Organizations (JRO)

1. In addition to registering as the entity responsible for all function type(s) that it performs itself, an entity may execute an agreement to register as a Lead Entity of a JRO on behalf of one or more parties to the agreement for one or more function type(s) for which such parties would otherwise be required to register. The Lead Entity thereby, accept on behalf of such parties all compliance responsibility for the function types(s) covered by the JRO registration, including all reporting requirements. The Lead Entity of a JRO must execute a written agreement with the parties on whose behalf it registers that: (1) governs the relationship between the parties; (2) addresses the function type(s) described within Appendix 5B for which the Lead Entity is registering for and taking responsibility, and which would otherwise be the responsibility of one or more of the other parties to the JRO; (3) identifies which entity is the Lead Entity and a point of contact within the Lead Entity; and (4) identifies a point of contact for each of the parties to the JRO.
2. For every JRO, the written agreement must be submitted to the appropriate Regional Entity for its retention. Neither NERC nor the Regional Entity shall be parties to any such agreement. Neither NERC nor the Regional Entity shall have responsibility for reviewing or approving any such agreement, other than to verify that the agreement addresses the function type(s) consistent with the Lead Entity's Registration.
3. The JRO Registration data must include all Registration and Certification information as needed by the Regional Entity to complete the Registration process and to perform assessments of compliance. All Compliance Monitoring and Enforcement related

communications shall be directed to the primary compliance contact identified for the Lead Entity of the JRO.³

4. The Regional Entity shall notify NERC when it registers a Lead Entity of a JRO. The notification will identify the point of contact and the function type(s) for which the Lead Entity of the JRO is registered on behalf of the JRO parties and a point of contact for each of the JRO parties.
5. For purposes of Compliance Audits, the Regional Entity shall keep a list of all JROs, the Lead Entities, the JRO parties,es and the function type(s) for which the Lead Entity of the JRO has registered for each partythat . It is the responsibility of the Lead Entity of the JRO to provide the Regional Entity with this information as well as the applicable JRO agreement(s).
6. The Regional Entity can request clarification of any list submitted to it that identifies the parties to the JRO and can request such additional information as the Regional Entity deems appropriate.
7. The Regional Entity's acceptance of a Lead Entity's registration as part of a JRO shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded that the registration of the Lead Entity of the JRO meets the Registration requirements of Section 501(1.4).
8. NERC shall maintain, and post on its website, a listing of all JROs, Lead Entities, JRO parties, and the function type(s) for which the Lead Entity of the JRO has registered for each party.
9. The Lead Entity of the JRO shall inform the Regional Entity of any changes to an existing JRO. The Regional Entity shall promptly notify NERC of each such revision.
10. Nothing in Section 507 shall preclude any party to a JRO from registering on its own behalf and undertaking full compliance responsibility for the function type(s) for which the Lead Entity of the JRO has registered. Such registration shall include submission of data or information that includes any documentation that the agreement supporting the JRO has been terminated as to the registering party. In addition to any notification requirements contained within the written agreement, a JRO party ,that registers as responsible for any function type(s) for which the Lead Entity of a JRO was previously responsible shall inform the Lead Entity of the JRO and/or other parties once its Registration has been accepted by the Regional Entity.

508. Provisions Relating to Coordinated Functional Registration (CFR) Entities

1. In addition to registering as an entity responsible for all functions that it performs itself, multiple entities using a CFR must register for the function associated with the CFR. The

³ The primary compliance contact for the Lead Entity of a JRO can be the same person who serves as the point of contact for the Lead Entity of the JRO. However, it is not required that the same person serve as both the primary compliance contact and the point of contact.

CFR submission to the Regional Entity must include a written agreement that: (1) governs itself; (2) specifies the entities' respective compliance responsibilities; (3) identifies which entity is the Lead Entity, a point of contact within the Lead Entity, and a point of contact for each of the parties to the CFR. The Lead Entity identified for each CFR is responsible for providing the written agreement between the parties, including submitting updates for currently active CFRs to the Regional Entity related to the CFR Registration; and (4) lists one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function type.

2. Neither NERC nor the Regional Entity shall be parties to any such agreement. Neither NERC nor the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the function type for which the parties are registered and the responsibility(ies) which are addressed through the CFR.
3. The CFR Registration data must include all Registration and Certification information and data, as needed by the Regional Entity to complete the Registration process and to perform assessments of compliance, as it relates to the CFR. All Compliance Monitoring and Enforcement related communications shall be directed to the primary compliance contact(s) identified for each of the CFR parties.
4. Each party to a CFR shall have compliance responsibility for those Reliability Standards and/or Requirements/sub-Requirements for which it has registered pursuant to the CFR.
5. The Regional Entity shall notify NERC of each CFR that the Regional Entity accepts, and the notification shall include identification of the Lead Entity of a CFR, the function type that the CFR addresses, a point of contact for each of the CFR parties, and any updates to currently active CFRs.
6. For purposes of Compliance Audits, the Regional Entity shall keep a list of all CFRs, the Lead Entities, the CFR parties, the function type that the CFR addresses, and the responsibilities assigned to each of the CFR parties.
7. The Regional Entity can request clarification of any list submitted to it that identifies the parties to the CFR and can request such additional information as the Regional Entity deems appropriate.
8. The Regional Entity's acceptance of a Lead Entity's registration as part of a CFR shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded that the registration of the CFR meets the Registration requirements of Section 501(1.4).
9. NERC shall maintain, and post on its website, a listing of all CFRs, the Lead Entity of CFRs, CFR parties, the function type that the CFR addresses, and the responsibilities assigned to each of the CFR parties. The posting shall clearly list all the Reliability Standards or Requirements/sub-Requirements thereof for which each entity of the CFR is responsible for under the CFR.

10. Any noncompliance shall be investigated in accordance with the NERC Rules of Procedure Section 400, *Compliance Enforcement*.
11. Nothing in Section 508 shall preclude a party to a CFR from registering on its own behalf and undertaking full compliance responsibility including reporting Requirements for the Reliability Standards to which a CFR is applicable. . Such registration shall include submission of data or information that includes any documentation that the agreement supporting the CFR has been terminated or revised as to the Reliability Standards for which the registering party is now taking compliance responsibility. In addition to any notification requirements contained within the written agreement, an entity registered in a CFR that registers as responsible for any Reliability Standard or Requirement/sub-Requirement of a Reliability Standard shall inform the Lead Entity of the CFR and/or other parties once its Registration has been accepted by the Regional Entity.

509. Exceptions to the Definition of the Bulk Electric System

An Element is considered to be (or not be) part of the Bulk Electric System by applying the BES Definition to the Element (including the inclusions and exclusions set forth therein). Appendix 5C sets forth the procedures by which (i) an entity may request a determination that an Element that falls within the definition of the Bulk Electric System should be exempted from being considered a part of the Bulk Electric System, or (ii) an entity may request that an Element that falls outside of the definition of the Bulk Electric System should be considered part of the Bulk Electric System.

SECTION 500 — ORGANIZATION REGISTRATION AND CERTIFICATION

501. Scope of the Organization Registration and Organization Certification Programs

The purpose of the Organization Registration Program is to clearly identify those entities that are responsible for compliance with the FERC approved Reliability Standards. Organizations that are registered are included on the NERC Compliance Registry (NCR) and are responsible for knowing the content of and for complying with all applicable Reliability Standards. Registered Entities are not and do not become Members of NERC or a Regional Entity, by virtue of being listed on the NCR. Membership in NERC is governed by Article II of NERC's Bylaws; membership in a Regional Entity or regional reliability organization is governed by that entity's bylaws or rules.

The purpose of the Organization Certification Program is to ensure that the new entity (i.e., applicant to be an RC, BA, or TOP that is not already performing the function for which it is applying to be certified as) has the tools, processes, training, and procedures to demonstrate their ability to meet the Requirements/sub-Requirements of all of the Reliability Standards applicable to the function(s) for which it is applying thereby demonstrating the ability to become certified and then operational.

Organization Registration and Organization Certification may be delegated to Regional Entities in accordance with the procedures in this Section 500; the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into these Rules of Procedure as **Appendix 5A**; and, approved Regional Entity delegation agreements or other applicable agreements.

1. **NERC Compliance Registry** — NERC shall establish and maintain the NCR of the Bulk Power System owners, operators, and users that are subject to approved Reliability Standards.
 - 1.1 (a) The NCR shall set forth the identity and functions performed for each organization responsible for meeting Requirements/sub-Requirements of the Reliability Standards. Bulk Power System owners, operators, and users (i) shall provide to NERC and the applicable Regional Entity information necessary to complete the Registration, and (ii) shall provide NERC and the applicable Regional Entity with timely updates to information concerning the Registered Entity's ownership, operations, contact information, and other information that may affect the Registered Entity's Registration status or other information recorded in the Compliance Registry.
 - (b) ~~A generation or transmission cooperative, a joint action agency or another organization-Entities~~ may register as address registration obligations for applicable function types using a Joint Registration Organization (JRO), in lieu of each of the JRO's ~~members or related parties'~~ entities being registered individually for one or more functions. Refer to Section 507.

(c) ~~Multiple e~~Entities may each register using a Coordinated Functional Registration (CFR) for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function pursuant to a written agreement for the division of compliance responsibility. Refer to Section 508.

- 1.2 In the development of the NCR, NERC and the Regional Entities shall determine which organizations should be placed on the NCR based on the criteria provided in the NERC *Statement of Compliance Registry Criteria* which is incorporated into these Rules of Procedure as **Appendix 5B**.
- 1.3 NERC and the Regional Entities shall use the following rules for establishing and maintaining the NCR based on the Registration criteria as set forth in **Appendix 5B** *Statement of Compliance Registry Criteria*:
 - 1.3.1 NERC shall notify each organization that it is on the NCR. The Registered Entity is responsible for compliance with all the Reliability Standards applicable to the functions for which it is registered from the time it receives the Registration notification from NERC.
 - 1.3.2 Any organization receiving such a notice may challenge its placement on the NCR according to the process in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section V.
 - 1.3.3 The Compliance Committee of the Board of Trustees shall promptly issue a written decision on the challenge, including the reasons for the decision.
 - 1.3.4 The decision of the Compliance Committee of the Board of Trustees shall be final unless, within 21 days of the date of the Compliance Committee of the Board of Trustees decision, the organization appeals the decision to the Applicable Governmental Authority.
 - 1.3.5 Each Registered Entity identified on the NCR shall notify its corresponding Regional Entity(s) of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the Registered Entity's responsibilities with respect to the Reliability Standards. Failure to notify will not relieve the Registered Entity from any responsibility to comply with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards applicable to its associated Registration.
- 1.4 For all geographical or electrical areas of the Bulk Power System, the Registration process shall ensure that (1) no areas are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical, and (2) there is no unnecessary

duplication of such coverage or of required oversight of such coverage. In particular the process shall:

- 1.4.1 Ensure that all areas are under the oversight of one and only one Reliability Coordinator.
 - 1.4.2 Ensure that all Balancing Authorities and Transmission Operator entities¹ are under the responsibility of one and only one Reliability Coordinator.
 - 1.4.3 Ensure that all transmission Facilities of the Bulk Power System are the responsibility and under the control of one and only one Transmission Planner, Planning Authority, and Transmission Operator.
 - 1.4.4 Ensure that all Loads and generators are under the responsibility and control of one and only one Balancing Authority.
 - 1.5 NERC shall maintain the NCR of organizations responsible for meeting the Requirements/sub-Requirements of the Reliability Standards currently in effect on its website and shall update the NCR monthly.
 - 1.6 With respect to: (i) entities to be registered for the first time; (ii) currently-registered entities or (iii) previously-registered entities, for which registration status changes are sought, including availability and composition of a sub-set list of applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements), the registration process steps in Section III of **Appendix 5A** apply.
 - 1.7 NERC shall establish a NERC-led, centralized review panel, comprised of a NERC lead with Regional Entity participants, in accordance with **Appendix 5A**, *Organization Registration and Organization Certification Manual*, Section III.D and **Appendix 5B**, *Statement of Compliance Registry Criteria*.
2. **Entity Certification** — NERC shall provide for Certification of all entities with primary reliability responsibilities requiring Certification. ~~This includes those entities that satisfy the criteria established in the NERC provisional Certification process.~~ The NERC programs shall:
- 2.1 Evaluate ~~the entity's tools, personnel, facilities, and certify the competency of processes used to perform the duties and tasks identified in and required by the Reliability Standards. The entities performing reliability functions. The entities presently expected to be certified currently requiring Certification~~ include Reliability Coordinators, Transmission Operators, and Balancing Authorities.

¹ Some organizations perform the listed functions (e.g., Balancing Authority, Transmission Operator) over areas that transcend the Footprints of more than one Reliability Coordinator. Such organizations will have multiple Registrations, with each such Registration corresponding to that portion of the organization's overall area that is within the Footprint of a particular Reliability Coordinator.

- 2.2 ~~Evaluate and Certify~~ each applicant's ability to ~~meet-perform~~ the ~~requirements function~~ for ~~Certification~~a specified Area.²
- 2.3 Maintain process documentation.
- 2.4 Maintain records of currently certified entities.
- 2.5 Issue a Certification document to the applicant that successfully demonstrates its competency to perform the evaluated functions.

3. **Delegation and Oversight**

- 3.1 NERC may delegate responsibilities for Organization Registration and Organization Certification to Regional Entities in accordance with requirements established by NERC. Delegation will be via the delegation agreement between NERC and the Regional Entity or other applicable agreement. The Regional Entity shall administer Organization Registration and Organization Certification Programs in accordance with such delegations to meet NERC's programs goals and requirements subject to NERC oversight.
- 3.2 NERC shall develop and maintain a plan to ensure the continuity of Organization Registration and Organization Certification within the geographic or electrical boundaries of a Regional Entity in the event that no entity is functioning as a Regional Entity for that Region, or the Regional Entity withdraws as a Regional Entity, or does not operate its Organization Registration and Organization Certification Programs in accordance with delegation agreements.
- 3.3 NERC shall develop and maintain a program to monitor and oversee the NERC Organization Registration and Organization Certification Programs activities that are delegated to each Regional Entity through a delegation agreement or other applicable agreement.
 - 3.3.1 This program shall monitor whether the Regional Entity carries out those delegated activities in accordance with NERC requirements, and whether there is consistency, fairness of administration, and comparability.
 - 3.3.2 Monitoring and oversight shall be accomplished through direct participation in the Organization Registration and Organization Certification Programs with periodic reviews of documents and records of both programs.

502. Organization Registration and Organization Certification Program Requirements

² When the term "Area" is used and capitalized it is being used in the certification context, and is inclusive of terms currently defined in NERC Glossary of Terms and Appendix 2 of the ROP, specifically, "Balancing Authority Area," "Reliability Coordinator Area," or "Transmission Operator Area."

1. NERC shall maintain the Organization Registration and Organization Certification Programs.
 - 1.1 The roles and authority of Regional Entities in the programs are delegated from NERC pursuant to the Rules of Procedure through regional delegation agreements or other applicable agreements.
 - 1.2 Processes for the programs shall be administered by NERC and the Regional Entities. Materials that each Regional Entity uses are subject to review and approval by NERC.
 - 1.3 The appeals process for the Organization Registration and Organization Certification Programs are identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Sections **VI** and **VII**, respectively.
 - 1.4 The Certification Team membership is identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section IV.**8.d**.
2. To ensure consistency and fairness of the Organization Registration and Organization Certification Programs, NERC shall develop procedures to be used by all Regional Entities and NERC in accordance with the following criteria:
 - 2.1 NERC and the Regional Entities shall have data management processes and procedures that provide for confidentiality, integrity, and retention of data and information collected.
 - 2.2 Documentation used to substantiate the conclusions of the Regional Entity/NERC related to Registration and/or Certification must be retained by the Regional Entity for (6) six years, unless a different retention period is otherwise identified, for the purposes of future audits of these programs.
 - 2.3 To maintain the integrity of the NERC Organization Registration and Organization Certification Programs, NERC, Regional Entities, Certification Team members, program audit team members (Section 506), and committee members shall maintain the confidentiality of information provided by an applicant or entities.
 - 2.2.1 NERC and the Regional Entities shall have appropriate codes of conduct and confidentiality agreements for staff, Certification Team, Certification related committees, and Certification program audit team members.
 - 2.2.2 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall maintain the confidentiality of any Registration or Certification-related discussions or documents designated as confidential (see Section 1500 for types of Confidential Information).

- 2.2.3 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall treat as confidential the individual comments expressed during evaluations, program audits and report-drafting sessions.
 - 2.2.4 Copies of notes, draft reports, and other interim documents developed or used during an entity Certification evaluation or program audit shall be destroyed after the public posting of a final, uncontested report.
 - 2.2.5 Information deemed by an applicant, entity, a Regional Entity, or NERC as confidential, including Critical Energy Infrastructure Information, shall not be released publicly or distributed outside of a committee or team.
 - 2.2.6 In the event that an individual violates any of the confidentiality rules set forth above, that individual and any member organization with which the individual is associated will be subject to immediate dismissal from the audit team and may be prohibited from future participation in Compliance Monitoring and Enforcement Program activities by the Regional Entity or NERC.
 - 2.2.7 NERC shall develop and provide training in auditing skills to all individuals prior to their participation in Certification evaluations. Training for Certification Team leaders shall be more comprehensive than the training given to industry subject matter experts and Regional Entity members. Training for Regional Entity members may be delegated to the Regional Entity.
- 2.4 An applicant that is determined to be competent to perform a function after completing all Certification requirements shall be deemed certified by NERC to perform that function for which it has demonstrated full competency.
- 2.4.1 All NERC certified entities shall be included on the NCR.

503. Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements

- 1. **Delegation** — Recognizing the Regional Entity’s knowledge of and experience with ~~their~~its members, NERC may delegate responsibility for Organization Registration and Organization Certification to the Regional Entity through a delegation agreement.
- 2. **Registration** — The following Organization Registration activities shall be managed by the Regional Entity per the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into the Rules of Procedure as Appendix 5A *Organization Registration and Organization Certification Manual*:

- 2.1 Regional Entities shall verify that all Reliability Coordinators, Balancing Authorities, and Transmission Operators meet the Registration requirements of Section 501(1.4).
3. **Certification** — The following Organization Certification activities shall be managed by the Regional Entity in accordance with an approved delegation agreement or another applicable agreement:
 - 3.1 An entity seeking Certification to perform one of the functions requiring Certification shall contact the Regional Entity for the Region(s) in which it plans to operate to apply for Certification.
 - 3.2 An entity seeking Certification and other affected entities shall provide all information and data requested by NERC or the Regional Entity to conduct the Certification process.
 - 3.3 Regional Entities shall notify NERC of all Certification applicants.
 - 3.4 NERC and/or the Regional Entity shall evaluate the competency of entities requiring Certification to meet the NERC Certification requirements.
 - 3.5 NERC or the Regional Entity shall establish Certification procedures to include evaluation processes, schedules and deadlines, expectations of the applicants and all entities participating in the evaluation and Certification processes, and requirements for Certification Team members.
 - 3.5.1 The NERC / Regional Entity Certification procedures will include provisions for on-site visits to the applicant’s facilities to review the data collected through questionnaires, interviewing the operations and management personnel, inspecting the facilities and equipment (including requesting a demonstration of all tools identified in the Certification process), reviewing all necessary documents and data (including all agreements, processes, and procedures identified in the Certification process), reviewing Certification documents and projected system operator work schedules, and reviewing any additional documentation needed to support the completed questionnaire or inquiries arising during the site visit.
 - 3.5.2 The NERC/ Regional Entity Certification procedures will provide for preparation of a written report by the Certification Team, detailing any deficiencies that must be resolved prior to granting Certification, along with any other recommendations for consideration by the applicant, the Regional Entity, or NERC.

504. Appeals

1. NERC shall maintain an appeals process to resolve any disputes related to Registration or Certification activities per the *Organization Registration and Organization Certification Manual*, which is incorporated in these Rules of Procedure as Appendix 5A.
2. The Regional Entity Certification appeals process shall culminate with the Regional Entity board or a committee established by and reporting to the Regional Entity board as the final adjudicator, provided that where applicable, Canadian provincial governmental authorities may act as the final adjudicator in their jurisdictions. NERC shall be notified of all appeals and may observe any proceedings (**Appendix 5A** *Organization Registration and Organization Certification Manual*).

505. Program Maintenance

NERC shall maintain its program materials, including such manuals or other documents as it deems necessary, of the governing policies and procedures of the Organization Registration and Organization Certification Programs.

506. Independent Audit of NERC Organization Registration and Organization Certification Program

1. NERC, through the Compliance and Certification Committee, shall provide for an independent audit of its Organization Registration and Organization Certification Programs at least once every three years, or more frequently, as determined by the Board. The audit shall be conducted by independent expert auditors as selected by the Board.
2. The audit shall evaluate the success, effectiveness and consistency of the NERC Organization Registration and Organization Certification Programs.
3. The final report shall be ~~posted by~~provided to the NERC Board of Trustees or its appropriate committees, and posted for public viewing. Confidential Information shall be handled in accordance with the NERC Rules of Procedure Section 1500, Confidential Information
4. If the audit report includes recommendations to improve the program, the administrators of the program shall provide a written response to the Board within 30 days of the final report, detailing the disposition of each and every recommendation, including an explanation of the reasons for rejecting a recommendation and an implementation plan for the recommendations accepted.

507. Provisions Relating to Joint Registration Organizations (JRO)

1. In addition to registering as the entity responsible for all function ~~type(s)~~ that it performs itself, an entity may execute an agreement to register as a Lead Entity of a JRO on behalf of one or more ~~of its members or related entities~~parties to the agreement for one or more function ~~type(s)~~ for which such ~~members or related entities~~parties would otherwise be required to register, ~~and~~The Lead Entity thereby, accept on behalf of such ~~members or related entities~~parties all compliance responsibility for ~~that the~~ function ~~types(s) covered by the JRO registration, or those functions~~ including all reporting requirements. Any entity seeking to register as The Lead Entity of a JRO must submit ~~execute~~ a written agreement with the parties on whose behalf it registers that: (1) governs the relationship between the

parties; (2) addresses the function type(s) described within Appendix 5B~~its members or related entities for all Requirements/sub Requirements for the function(s) for which the Lead Entity is registering for and takes-taking responsibility for, and which would otherwise be the responsibility of one or more of the other parties to the JRO~~~~its members or related entities;~~ (3) identifies which entity is the Lead Entity and a point of contact within the Lead Entity; and (4) identifies a point of contact for each of the parties to the JRO.

- ~~1.2.~~ For every JRO, the written agreement must be submitted to the appropriate Regional Entity for its retention. Neither NERC nor the Regional Entity shall be parties to any such agreement. ~~Neither, nor shall~~ NERC nor the Regional Entity shall have responsibility for reviewing or approving any such agreement, other than to verify that the agreement addresses the function type(s)~~provides for an allocation or assignment of responsibilities~~ consistent with the ~~JRO~~Lead Entity's Registration.
- ~~2.3.~~ The JRO Registration data must include all the same Registration and Certification information as a normal compliance Registration entry. The JRO is responsible for providing all of the information and data, including submitting reports, as needed by the Regional Entity to complete the Registration process and to perform assessments of compliance. All Compliance Monitoring and Enforcement related communications shall be directed to the primary compliance contact identified for the Lead Entity of the JRO for performing assessments of compliance.³
- ~~3.4.~~ The Regional Entity shall notify NERC when it registers a Lead Entity of a of each JRO that the Regional Entity accepts. The notification will identify the point of contact and the functions type(s) for which the Lead Entity of the JRO is being-registered for on behalf of the JRO parties and a point of contact for each of the JRO parties~~its members or related entities.~~
- ~~4.5.~~ For purposes of Compliance Audits, the Regional Entity shall keep a list of all JROs, the Lead Entities, the JRO parties,~~This document shall contain a list of each JRO's members or related entities~~ and the function type(s) for which the Lead Entity of the JRO is-has registered for each party~~that member(s) or related entity(s)~~. It is the responsibility of the Lead Entity of the JRO to provide the Regional Entity with this information as well as the applicable JRO agreement(s).
- ~~5.6.~~ The Regional Entity may-can request clarification of any list submitted to it that identifies the ~~members of parties to~~ the JRO and may-can request such additional information as the Regional Entity deems appropriate.
- ~~6.7.~~ The Regional Entity's acceptance of a Lead Entity's registration as part of a JRO shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded that the registration of the Lead Entity of the JRO will-meets the Registration requirements of Section 501(1.4).

³ The primary compliance contact for the Lead Entity of a JRO can be the same person who serves as the point of contact for the Lead Entity of the JRO. However, it is not required that the same person serve as both the primary compliance contact and the point of contact.

- ~~8.~~ 8. NERC shall maintain, and post on its website, a ~~JRO registry~~ listing of all JROs, Lead Entities, JRO parties, and the function type(s) for which the Lead Entity of the JRO has registered for each party.
- ~~7.~~ Registrations that have been reviewed and accepted by the Regional Entity. The posting shall identify the JRO entity taking compliance responsibilities for itself and its members.
- ~~8.9.~~ The Lead Entity of the JRO shall inform the Regional Entity of any changes to an existing JRO. The Regional Entity shall promptly notify NERC of each such revision.
- ~~9.10.~~ Nothing in Section 507 shall preclude a member of a JRO, a related entity, or any party to a JRO other entity from registering on its own behalf and undertaking full compliance responsibility including reporting Requirements for the Reliability Standards applicable to the function type(s) for which the Lead Entity of the JRO has registered. Such registration shall include submission of data or information that includes any documentation that the agreement supporting the JRO has been terminated as to the registering party. In addition to any notification requirements contained within the written agreement, a member or other entity is registering. A JRO party member or related entity, that registers as responsible for any function type(s) for which the Lead Entity of a JRO was previously responsible Reliability Standard or Requirement/sub-Requirement of a Reliability Standard shall inform the Lead Entity of the JRO and/or other parties once of its Registration has been accepted by the Regional Entity.

508. Provisions Relating to Coordinated Functional Registration (CFR) Entities

1. In addition to registering as an entity responsible for all functions that it performs itself, multiple entities ~~may each register~~ using a CFR must register for the function associated with the CFR for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function. The CFR submission to the Regional Entity must include a written agreement that: (1) governs itself; (2) and clearly specifies the entities' respective compliance responsibilities; (3) identifies which entity is the Lead Entity, a point of contact within the Lead Entity, and a point of contact for each of the parties to the CFR. The Registration of the CFR is the complete Registration for each entity. The Lead Entity identified for each CFR is responsible for providing the written agreement between the parties, including submitting updates for currently active CFRs to the Regional Entity related to the CFR Registration; and (4) lists one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function type. Additionally, each entity shall take full compliance responsibility for those Reliability Standards and/or Requirements/sub-Requirements it has registered for in the CFR.
- ~~1.2.~~ Neither NERC nor the Regional Entity shall be parties to any such agreement. Neither nor shall NERC nor the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the function type for which the parties are registered and the responsibility(ies) which are addressed through the CFR.

- ~~2.~~ 3. The CFR Registration data must include all Registration and Certification information and data, as needed by the Regional Entity to complete the Registration process and to perform assessments of compliance, as it relates to the CFR. All Compliance Monitoring and Enforcement related communications shall be directed to the primary compliance contact(s) identified for each of the CFR parties. ~~Each CFR or each individual entity within a CFR must identify a point of contact that is responsible for providing information and data, including submitting reports as needed by the Regional Entity related to the CFR Registration.~~
- ~~4.~~ 4. Each party to a CFR shall have compliance responsibility for those Reliability Standards and/or Requirements/sub-Requirements for which it has registered pursuant to the CFR.
- ~~53.~~ 53. The Regional Entity shall notify NERC of each CFR that the Regional Entity accepts, and the notification shall include identification of the Lead Entity of a CFR, the function type that the CFR addresses, a point of contact for each of the CFR parties, and any updates to currently active CFRs.
- ~~6.~~ 6. For purposes of Compliance Audits, the Regional Entity shall keep a list of all CFRs, the Lead Entities, the CFR parties, the function type that the CFR addresses, and the responsibilities assigned to each of the CFR parties.
- ~~74.~~ 74. ~~NERC or~~ ~~the~~ Regional Entity ~~may~~ ~~can~~ request clarification of any list submitted to it that identifies the ~~parties to~~ ~~compliance responsibilities of~~ the CFR and ~~may~~ ~~can~~ request such additional information as ~~NERC or~~ the Regional Entity deems appropriate.
- ~~58.~~ 58. The Regional Entity's acceptance of a Lead Entity's registration as part of a ~~that~~ CFR shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded that the registration of the CFR ~~will~~ ~~meets~~ the Registration requirements of Section 501(1.4).
- ~~69.~~ 69. NERC shall maintain, and post on its website, a ~~CFR registry~~ listing of all CFRs, the Lead Entity of CFRs, CFR parties, the function type that the CFR addresses, and the responsibilities assigned to each of the CFR parties. ~~Registrations that have been accepted by NERC or by a Regional Entity.~~ The posting shall clearly list all the Reliability Standards or Requirements/sub-Requirements thereof for which each entity of the CFR is responsible for under the CFR.
- ~~107.~~ 107. ~~The point of contact shall inform the Regional Entity of any changes to an existing CFR. The Regional Entity shall promptly notify NERC of each such revision.~~
- ~~108.~~ 108. ~~In the event of a violation of a Reliability Standard or of a Requirement/sub-Requirement of a Reliability Standard for which an entity of a CFR is registered, that entity shall be identified in the Notice of Alleged Violation and shall be assessed the sanction or Penalty in accordance with the NERC Sanctions Guidelines. In the event a Regional Entity is not able to determine which entity(ies) is responsible for a particular Reliability Standard, or Requirements/sub-Requirements thereof that has been violated, the Regional Entity shall investigate the~~ Any noncompliance shall be investigated in accordance with the NERC Rules of Procedure Section 400, Compliance Enforcement.

~~to determine the entity(ies) to which the Regional Entity shall to issue the sanction or Penalty for the violation.~~

- ~~911.~~ Nothing in Section 508 shall preclude ~~an entity registered in a party to~~ a CFR, ~~or any other entity~~ from registering on its own behalf and undertaking full compliance responsibility including reporting Requirements for the Reliability Standards to which a CFR is applicable ~~applicable to the function(s) for which the entity is registering.~~ Such registration shall include submission of data or information that includes any documentation that the agreement supporting the CFR has been terminated or revised as to the Reliability Standards for which the registering party is now taking compliance responsibility. In addition to any notification requirements contained within the written agreement. ~~An~~ entity registered in a CFR that registers as responsible for any Reliability Standard or Requirement/sub-Requirement of a Reliability Standard shall inform the Lead Entity of the CFR and/or other parties once point of contact of its Registration has been accepted by the Regional Entity.

509. Exceptions to the Definition of the Bulk Electric System

An Element is considered to be (or not be) part of the Bulk Electric System by applying the BES Definition to the Element (including the inclusions and exclusions set forth therein). Appendix 5C sets forth the procedures by which (i) an entity may request a determination that an Element that falls within the definition of the Bulk Electric System should be exempted from being considered a part of the Bulk Electric System, or (ii) an entity may request that an Element that falls outside of the definition of the Bulk Electric System should be considered part of the Bulk Electric System.