

Announcement

NERC Seeks Industry Comment on Rules of Procedure Changes Related to Registration of Inverter-Based Resources

September 13, 2023

WASHINGTON, D.C. – The North American electric power system is currently undergoing substantial transformation in technology, design, control, planning, and operation, and these changes are occurring more rapidly than ever. In particular, technological advances in inverter-based resources (IBR) are having a major impact on generation, transmission, and distribution systems. IBRs will contribute to a resilient and sustainable future energy landscape; however, about 14% of owners and operators of bulk power system (BPS)-connected IBRs are not currently required to register with NERC or adhere to its Reliability Standards under the <u>Bulk Electric System (BES) definition</u>, leading to reliability concerns.

In November 2022, the Federal Energy Regulatory Commission (FERC) issued an order directing the identification and registration of owners and operators of BPS-connected IBRs who are not currently required to register with NERC. At the same time, they issued a notice of proposed rulemaking (NOPR) proposing that NERC develop new or modified Reliability Standards that address four IBR-related reliability gaps: data sharing; model validation; planning and operational studies; and performance requirements. NERC is currently working on addressing the standards modifications directed by the NOPR.

In February 2023, as amended in March, NERC filed a <u>work plan</u>, outlining concepts and milestones to achieve the registration directive. FERC approved this work plan in May. Today, NERC posted for 45-day industry comment its proposed revisions to Appendices 2, 5A, and 5B of the NERC Rules of Procedure (ROP) to identify and address unregistered BPS-connected IBRs:

 Appendix 2 – Definitions Used in the ROP: (1) Adding the definitions of "Generator Owner – Inverter-Based Resources" and "Generator Operator – Inverter-Based Resources" to mirror the Registry Criteria revisions proposed in Appendix 5B; and (2) revising the Reserve Sharing Group (RSG) definition for consistency with Project 2022-01.









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- Appendix 5A Organization Registration and Certification Manual: Making changes that conform to those in Appendix 5B and reducing legislative history.
- Appendix 5B Statement of Compliance Registry Criteria: (1) Adding "Generator Owner Inverter-Based Resource" (GO-IBR) and "Generator Operator – Inverter-Based Resource" (GOP-IBR) as new functions to the Registry Criteria to register the unregistered IBRs; (2) clarifying the scope of registration in Section I of the Registry Criteria; (3) reducing legislative history; and (4) revising the RSG definition for consistency with Reliability Standard Project 2022-01.

These proposed ROP changes are currently <u>available</u> for industry comment through October 30, 2023. An <u>in-depth</u> <u>summary</u> and a <u>webinar recording</u> covering the proposed changes are available. If the NERC Board of Trustees and FERC ultimately approve these revisions, NERC will work with the Regional Entities, Compliance and Certification Committee, and Organization Registration and Certification Subcommittee, and other stakeholders, including trade associations, Canadian governmental authorities, FERC staff, industry stakeholders, and representatives of unregistered IBRs to ensure that these resources are registered and become subject to applicable Reliability Standards.

As the Electric Reliability Organization, NERC recognizes the critical importance of identifying and registering owners and operators of BPS-connected IBRs to maintain grid stability and reliability, ensure a strong security posture from this growing sector, and achieve a resilient power system capable of meeting 21st century energy demands. NERC's efforts in this area are reflected in its 2023 work plan priorities, which strive to keep NERC at the forefront of the transformation by focusing on four key areas: Energy, Security, Agility, and Sustainability. To learn more about NERC's work on IBR registration efforts, please visit <u>the Registration page</u> on NERC.com and see the <u>Frequently</u> <u>Asked Questions: Proposed Revisions to NERC ROP to Address Registration of Owners and Operators of Unregistered</u> <u>IBRs</u> and the <u>Quick Reference Guide: Candidate for Registration</u>.

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Electricity is a key component of the fabric of modern society and NERC, as the Electric Reliability Organization, serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable and secure North American bulk power system. Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.