

# Standard Authorization Request (SAR)

Complete and submit this form, with attachment(s) to the [NERC Help Desk](#). Upon entering the Captcha, please type in your contact information, and attach the SAR to your ticket. Once submitted, you will receive a confirmation number which you can use to track your request.

The North American Electric Reliability Corporation (NERC) welcomes suggestions to improve the reliability of the bulk power system through improved Reliability Standards.

## Requested information

|                 |  |   |                        |
|-----------------|--|---|------------------------|
| SAR Title:      |  | Generator Owner and Generator Operator Definition Alignment |                        |
| Date Submitted: |  | April 25, 2024 <u>(Revised on November 19, 2024)</u>        |                        |
| SAR Requester   |  |   |                        |
| Name:           | Alison Oswald <u>(Revised by Project 2024-01 DT)</u> |   |                        |
| Organization:   | NERC   |   |                        |
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### SAR Type (Check as many as apply)

|   |   |
|---|---|
| <input type="checkbox"/> New Standard                                     | <input type="checkbox"/> Imminent Action/ Confidential Issue (SPM Section 10) |
| <input type="checkbox"/> Revision to Existing Standard                    | <input type="checkbox"/> Variance development or revision                     |
| <input checked="" type="checkbox"/> Add, Modify or Retire a Glossary Term | <input type="checkbox"/> Other (Please specify)                               |
| <input type="checkbox"/> Withdraw/retire an Existing Standard             |   |

### Justification for this proposed standard development project (Check all that apply to help NERC prioritize development)

|  |   |
|--|---|
| <input checked="" type="checkbox"/> Regulatory Initiation  | <input type="checkbox"/> NERC Standing Committee Identified |
| <input checked="" type="checkbox"/> Emerging Risk (Reliability Issues Steering Committee) Identified | <input type="checkbox"/> Enhanced Periodic Review Initiated |
| <input type="checkbox"/> Reliability Standard Development Plan                                       | <input type="checkbox"/> Industry Stakeholder Identified    |

### What is the risk to the Bulk Electric System (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):

The project will address concerns regarding the reliability impacts of inverter-based resources (IBRs) on the Bulk-Power System that do not meet the current definition of Bulk Electric System (BES) and have not historically been required to be registered with NERC for compliance with the NERC Reliability Standards. Such concerns are discussed in detail in the Federal Energy Regulatory Commission (FERC) November 17, 2022 order in Docket No. RD22-4-000, in which FERC directed NERC to develop a work plan to address the registration of these IBRs and ensure their compliance with Reliability Standards by certain milestone dates. *See Registration of Inverter-Based Resources*, 181 FERC ¶ 61,124 (Nov. 17, 2022).

In March 2024, NERC proposed changes to its Rules of Procedure registry criteria to include certain non-BES IBRs in the Generator Owner (GOs) and Generator Operator (GOP) categories. Revising the GO and GOP definitions in the NERC Glossary of Terms to match the registry criteria will ensure these previously

| Requested information   |
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| unregistered IBRs will be subject to the NERC Reliability Standards and mitigate their impacts on the BPS.  |
| Purpose or Goal (What are the reliability gap(s) or risk(s) to the BES being addressed, and how does this proposed project provide the reliability-related benefit described above?):   |
| The goal of this project is to match the NERC Glossary of Terms definitions of Generator Owner and Generator Operator with the revised definitions contained in the Rules of Procedure registry criteria for Generator Owner and Generator Operator.  |
| Project Scope (Define the parameters of the proposed project):  |
| Match the NERC Glossary of Terms with the definitions contained in the Rules of Procedure for Generator Owner and Generator Operator and propose an implementation plan for these definitions that is consistent with the November 17, 2022 FERC order.   |
| Detailed Description (Describe the proposed deliverable(s) with sufficient detail for a drafting team to execute the project. If you propose a new or substantially revised Reliability Standard or definition, provide: (1) a technical justification <sup>1</sup> of developing a new or revised Reliability Standard or definition, which includes a discussion of the risk and impact to reliability-of the BES, and (2) a technical foundation document (e.g., research paper) to guide development of the Standard or definition):  |
| <p>The definitions of Generator Owner and Generator Operator in the NERC Rules of Procedure were revised in March 2024 to address the FERC directives from the November 17, 2022 order and NERC's work plan for implementing that order. These revisions were filed with FERC March 19, 2024; NERC requested expedited action by June 2024.</p> <p>The NERC Glossary of Terms <del>should shall</del> be revised to <u>align with</u> <del>match</del> the definitions that FERC approved<del>s</del> in the <u>NERC</u> Rules of Procedure <u>registry criteria on June 27, 2024</u> <del>registry criteria</del>. This team <del>should also all also</del> develop an implementation plan for <u>applicable standards consistent with FERC's November 17, 2022 IBR Registration order. Standards that the revised GO/GOP definitions. The Reliability Standards that will not require any revisions and will be subject to enforcement to registrants meeting the Category 2 criteria are:</u> <del>may be applicable following a definition change include the following:</del></p> <ul style="list-style-type: none"> <li>▪BAL-001-TRE-2 <sup>2</sup></li> <li>▪IRO-010-5</li> <li>▪MOD-032-1</li> <li>▪PRC-012-2</li> <li>▪PRC-017-1</li> <li>▪TOP-003-6.1</li> <li>▪VAR-001-5</li> <li>▪VAR-002-4.1</li> </ul> |

<sup>1</sup> The NERC Rules of Procedure require a technical justification for new or substantially revised Reliability Standards. Please attach pertinent information to this form before submittal to NERC.

<sup>2</sup> The Drafting team should collaborate with NERC and Regional Entity staff in the review and implementation of this standard.

| Requested information   |  |
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| <u>Other standards applicability and enforceability will be established through existing standards development processes.</u>   |  |
| Cost Impact Assessment, if known (Provide a paragraph describing the potential cost impacts associated with the proposed project):  |  |
| The cost impact is unknown at this time. Updating the GO/GOP definitions in conjunction with the NERC Registry Criteria will ensure that new entities are registered as GOs or GOPs and must be compliant with NERC Reliability Standards.  |  |
| Please describe any unique characteristics of the BES facilities that may be impacted by this proposed standard development project (e.g., Dispersed Generation Resources):   |  |
| This project will impact current non-BES IBRs with aggregate nameplate capacity greater than or equal to 20 MVA connected at a voltage greater than or equal to 60kv.   |  |
| To assist the NERC Standards Committee in appointing a drafting team with the appropriate members, please indicate to which Functional Entities the proposed standard(s) should apply (e.g., Transmission Operator, Reliability Coordinator, etc. See the NERC Rules of Procedure Appendix 5A:  |  |
| Generator Owner, Generator Operator will be the primary affected entities. However, other entities have responsibilities with respect to GOs/GOPs under the above-listed standards (e.g. Reliability Coordinator, Balancing Authority, Transmission Operator, Transmission Planner, Planning Coordinator, Resource Planner, Transmission Service Provider). |  |
| Do you know of any consensus building activities <sup>3</sup> in connection with this SAR? If so, please provide any recommendations or findings resulting from the consensus building activity.  |  |
| The Rules of Procedure changes including the new GO/GOP registry criteria definitions went through a formal comment process where input was solicited from industry before the final revisions. Additional information can be found <a href="#">here</a> .  |  |
| Are there any related standards or SARs that should be assessed for impact as a result of this proposed project? If so, which standard(s) or project number(s)?   |  |
| None  |  |
| Are there alternatives (e.g., guidelines, white paper, alerts, etc.) that have been considered or could meet the objectives? If so, please list the alternatives with the benefits of using them.   |  |
| None. The Glossary definitions of Generator Owner/Generator Operator must match those in the Rules of Procedure registry criteria to avoid conflict and confusion.  |  |

| Reliability Principles  |   |
|---|---|
| Does this proposed standard development project support at least one of the following Reliability Principles ( <a href="#">Reliability Interface Principles</a> )? Please check all those that apply. |   |
| <input checked="" type="checkbox"/>   | 1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards. |
| <input type="checkbox"/>  | 2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.       |

<sup>3</sup> Consensus building activities are occasionally conducted by NERC and/or project review teams. They typically are conducted to obtain industry inputs prior to proposing any standard development project to revise, or develop a standard or definition.

| Reliability Principles   |   |
|--------------------------|---|
| <input type="checkbox"/> | 3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably. |
| <input type="checkbox"/> | 4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.   |
| <input type="checkbox"/> | 5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.  |
| <input type="checkbox"/> | 6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.                  |
| <input type="checkbox"/> | 7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.  |
| <input type="checkbox"/> | 8. Bulk power systems shall be protected from malicious physical or cyber attacks.  |

| Market Interface Principles  |                |
|--|----------------|
| Does the proposed standard development project comply with all of the following <a href="#">Market Interface Principles</a> ?  | Enter (yes/no) |
| 1. A reliability standard shall not give any market participant an unfair competitive advantage.   | Yes            |
| 2. A reliability standard shall neither mandate nor prohibit any specific market structure.  | Yes            |
| 3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.  | Yes            |
| 4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. | Yes            |

| Identified Existing or Potential Regional or Interconnection Variances |             |
|--|-------------|
| Region(s)/<br>Interconnection  | Explanation |
| n/a  | n/a         |

## For Use by NERC Only

| SAR Status Tracking (Check off as appropriate).   |  |
|---|--|
| <input type="checkbox"/> Draft SAR reviewed by NERC Staff<br><input type="checkbox"/> Draft SAR presented to SC for acceptance<br><input type="checkbox"/> DRAFT SAR approved for posting by the SC | <input type="checkbox"/> Final SAR endorsed by the SC<br><input type="checkbox"/> SAR assigned a Standards Project by NERC<br><input type="checkbox"/> SAR denied or proposed as Guidance document |

| Risk Tracking.                      |                           |                          |   |
|-------------------------------------|---------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | Grid Transformation       | <input type="checkbox"/> | Energy Policy                             |
| <input type="checkbox"/>            | Resilience/Extreme Events | <input type="checkbox"/> | Critical Infrastructure Interdependencies |
| <input type="checkbox"/>            | Security Risks            |                          |   |

## Version History

| Version | Date              | Owner                       | Change Tracking  |
|---------|-------------------|-----------------------------|--|
| 1       | June 3, 2013      |                             | Revised  |
| 1       | August 29, 2014   | Standards Information Staff | Updated template   |
| 2       | January 18, 2017  | Standards Information Staff | Revised  |
| 2       | June 28, 2017     | Standards Information Staff | Updated template   |
| 3       | February 22, 2019 | Standards Information Staff | Added instructions to submit via Help Desk                                 |
| 4       | February 25, 2020 | Standards Information Staff | Updated template footer  |
| 5       | August 14, 2023   | Standards Development Staff | Updated template as part of Standards Process Stakeholder Engagement Group |