



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

December 22, 2004

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Clarification of Version 0 Reliability Standards Responsible Entity Registration

Ladies and Gentlemen:

On November 5, 2004, the Version 0 Reliability Standards Drafting Team issued a letter requesting the Regional Reliability Councils to submit by January 28, 2005, a list of entities within the Region responsible for meeting the requirements of the Version 0 Reliability Standards. Several questions have arisen regarding the registration of entities and this letter provides several clarifications. Nothing in the November 5, 2004, letter is changed and that request remains in effect. The clarifications are:

1. The November 5 letter was intended to guide the registration process and the Regional Reliability Councils are requested to give due consideration to the guidelines as stated in the letter.
2. Recognizing the unique organizational complexities in the management of reliability in each Region, the Regions should adapt the guidelines as needed to most accurately identify the responsible entities that should be monitored for compliance with the Version 0 Reliability Standards effective April 1, 2005. NERC will work closely with individual Regions after January 28, 2005, to resolve any questions regarding the suitability or completeness of the list of responsible entities.
3. The guidelines state as an ideal: “Each responsible entity must have a clearly defined area (footprint) of responsibility within the electrical system. These areas of responsibility (footprints) must not overlap others performing the same function ... there must be no gaps in the interconnected power system between areas of responsibility.” This goal should be reasonably attainable for Balancing Authorities and Reliability Coordinators, although a few unique cases have been identified. The approach may be less clear for Transmission Operators. For example, a regional Transmission Operator may operate facilities at higher

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voltage levels and a local Transmission Operator may operate Bulk Electric System facilities at lower voltage levels. The guidelines do not preclude registration of multiple entities within a geographic area, as long as each entity has clearly identified that portion (e.g. geographic area, voltage levels, particular classes of facilities, particular facilities, etc.) of the Bulk Electric System over which it has primary responsibility for reliable operation.

4. As a responsible entity, each Reliability Coordinator, Balancing Authority, and Transmission Operator is accountable for all Version 0 Reliability Standards that apply to their respective functions. Although they may delegate some tasks to other organizations, the designated responsible entity remains responsible for complying with all Version 0 requirements within its defined area.
5. There can be even greater dispersion of responsibilities in Bulk Electric System planning. The Planning Authority has the task of integrating and assessing both the resource and transmission plans of others (Transmission Planners and Resource Planners) to ensure that an adequate long-term resource and transmission plan is available. A Transmission Planner has the responsibility for developing a long-term plan for the reliability of the interconnected Bulk Electric System within its designated area and providing that plan to the Planning Authority. If the responsibilities for transmission planning are in practice dispersed among multiple entities in an area, it is acceptable to list multiple responsible entities, each of which would be responsible for the applicable portion of the Version 0 requirements. In this case, the Compliance Program will need to identify which entities are responsible for which requirements for the purpose of compliance monitoring.

Questions should be directed to Gerry Cauley at 609-452-8060 or gerry.cauley@nerc.net.

Sincerely,

Version 0 Standards Drafting Team

GWC: AL