

NERC Violation ID	Reliability Standard	Req.	Violation Risk Factor	Violation Severity Level	Violation Start Date	Violation End Date	Method of Discovery	Mitigation Completion Date	Date Regional Entity Verified Completion of Mitigation
TRE2016015849	FAC-008-3	R1	Lower	Severe	11/19/2013 (noncompliance started when the Entity’s registration became effective)	11/27/2018 (noncompliance ended when the Entity’s documented process was adopted)	Audit	6/4/2019	9/19/2019
Description of the Violation (For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, or confirmed violation.)			<p>During a Compliance Audit conducted from February 16, 2016 through June 16, 2016, Texas RE determined that the Entity, as a Generator Owner (GO), was in noncompliance with FAC-008-3 R1. Specifically, during the Compliance Audit, the Entity was unable to provide any documentation described by FAC-008-3 R1 for determining the Facility Ratings of its generator Facilities.</p> <p>The root cause of this issue is that the Entity did not have any documented process for compliance with FAC-008-3 beginning from the date when it was registered as a GO. As a result, the Entity did not document or implement processes necessary for compliance with FAC-008-3 R1.</p> <p>The noncompliance started on November 19, 2013, when the Entity was registered as a GO, and ended on November 27, 2018, when the Entity implemented a documented process that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6.</p>						
Risk Assessment			<p>This issue posed a moderate risk and did not pose a serious or substantial risk to the bulk power system (BPS) based on the following factors. A lack of accurate Facility Ratings and Equipment Ratings could result in overloading on equipment, potentially damaging the affected Facilities, and resulting in unanticipated outages. In addition, the duration of this issue was approximately five years, lasting from November 19, 2013, when the Entity was registered as a GO, until November 27, 2018, when the Entity created a process and documents sufficient for compliance with FAC-008-3 R1, R2, and R6. In addition, during the noncompliance, the Entity’s Amistad Facility was designated as a Black Start resource through 2017, and the Entity’s Falcon Facility was designated as a Black Start resource through 2015. Neither Facility is designated in the 2018 Black Start plan.</p> <p>However, the risk posed by this issue was reduced by the following factors. First, the Entity’s Facilities have limited impact on other portions of the BPS and are limited to two hydroelectric Facilities, comprising two 31.556 MW generating units at the Amistad Facility and three 11 MW generating units at the Falcon Facility. During the noncompliance, the average net production for the Amistad Facility was approximately 9.5 MW per hour and for the Falcon Facility was approximately 5.5 MW per hour. The Entity’s Facilities produce power intermittently and are not relied on in planning cases for reliability or capacity purposes during peak summer conditions. These Facilities are also not located inside a major load center, and the potential unavailability of the Facilities would be unlikely to cause a loss of load or interfere with Transmission flows. Finally, the unit information in the Resource Asset Registration Form already on file with the Electric Reliability Council of Texas, Inc. was consistent with the Facility Ratings documentation created by the Entity to end this noncompliance. No harm is known to have occurred.</p>						
Mitigation			<p>To mitigate the noncompliance, the Entity:</p> <ol style="list-style-type: none">1) implemented a documented process that was drafted by a compliance consultant and that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6;2) approved a documented internal compliance program, which includes a process for identifying applicable current and new NERC Reliability Standards;3) established a compliance committee, as described in the documented internal compliance program, which determines upcoming deadlines at regular meetings and implements the Entity’s process for identifying applicable Reliability Standards; and4) conducted training regarding the Entity’s process for compliance with FAC-008-3 and regarding the Entity’s overall compliance program.						
Other Factors			<p>On August 22, 2014, in Southwestern Power Administration (SWPA) v. Federal Energy Regulatory Commission (FERC), the United States Court of Appeals for the District of Columbia Circuit unanimously ruled that FERC, and by extension, the North American Electric Reliability Corporation (NERC) and the Regional Entities it oversees, such as Texas RE, could not impose monetary penalties against federal governmental entities such as SWPA. The Entity is a federal governmental entity, and Texas RE is bound to follow SWPA v. FERC in the resolution of this matter. Therefore, Texas RE has assessed no monetary penalty for this violation.</p> <p>Texas RE reviewed the Entity’s compliance history and determined that there were no relevant instances of noncompliance.</p>						

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TRE2016015850	FAC-008-3	R2	Medium	Severe	11/19/2013 (noncompliance started when the Entity’s registration became effective)	11/27/2018 (noncompliance ended when the Entity’s documented process was adopted)	Audit	6/4/2019	9/19/2019
Description of the Violation (For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, or confirmed violation.)			During a Compliance Audit conducted from February 16, 2016 through June 16, 2016, Texas RE determined that the Entity, as a Generator Owner (GO), was in noncompliance with FAC-008-3 R2. Specifically, the Entity did not have a documented methodology for determining the Facility Ratings of its generator Facilities as required by FAC-008-3 R2. The root cause of this issue is that the Entity did not have any documented process for compliance with FAC-008-3 beginning from the date when it was registered as a GO. As a result, the Entity did not document or implement processes necessary for compliance with FAC-008-3 R2. The noncompliance started on November 19, 2013, when the Entity was registered as a GO, and ended on November 27, 2018, when the Entity implemented a documented process that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6.						
Risk Assessment			This issue posed a moderate risk and did not pose a serious or substantial risk to the bulk power system (BPS) based on the following factors. A lack of accurate Facility Ratings and Equipment Ratings could result in overloading on equipment, potentially damaging the affected Facilities, and resulting in unanticipated outages. In addition, the duration of this issue was approximately 5 years, lasting from November 19, 2013, when the Entity was registered as a GO, until November 27, 2018, when the Entity created a process and documents sufficient for compliance with FAC-008-3 R1, R2, and R6. In addition, during the noncompliance, the Entity’s Amistad Facility was designated as a Black Start resource through 2017, and the Entity’s Falcon Facility was designated as a Black Start resource through 2015. Neither Facility is designated in the 2018 Black Start plan. However, the risk posed by this issue was reduced by the following factors. First, the Entity’s Facilities have limited impact on other portions of the BPS and are limited to two hydroelectric Facilities, comprising two 31.556 MW generating units at the Amistad Facility and three 11 MW generating units at the Falcon Facility. During the noncompliance, the average net production for the Amistad Facility was approximately 9.5 MW per hour and for the Falcon Facility was approximately 5.5 MW per hour. The Entity’s Facilities produce power intermittently and are not relied on in planning cases for reliability or capacity purposes during peak summer conditions. These Facilities are also not located inside a major load center, and the potential unavailability of the Facilities would be unlikely to cause a loss of load or interfere with Transmission flows. Finally, the unit information in the Resource Asset Registration Form already on file with the Electric Reliability Council of Texas, Inc. was consistent with the Facility Ratings documentation created by the Entity to end this noncompliance. No harm is known to have occurred.						
Mitigation			To mitigate the noncompliance, the Entity: 1) implemented a documented process that was drafted by a compliance consultant and that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6; 2) approved a documented internal compliance program, which includes a process for identifying applicable current and new NERC Reliability Standards; 3) established a compliance committee, as described in the documented internal compliance program, which determines upcoming deadlines at regular meetings and implements the Entity’s process for identifying applicable Reliability Standards; and 4) conducted training regarding the Entity’s process for compliance with FAC-008-3 and regarding the Entity’s overall compliance program.						
Other Factors			On August 22, 2014, in Southwestern Power Administration (SWPA) v. Federal Energy Regulatory Commission (FERC), the United States Court of Appeals for the District of Columbia Circuit unanimously ruled that FERC, and by extension, the North American Electric Reliability Corporation (NERC) and the Regional Entities it oversees, such as Texas RE, could not impose monetary penalties against federal governmental entities such as SWPA. The Entity is a federal governmental entity, and Texas RE is bound to follow SWPA v. FERC in the resolution of this matter. Therefore, Texas RE has assessed no monetary penalty for this violation. Texas RE reviewed the Entity’s compliance history and determined that there were no relevant instances of noncompliance.						

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TRE2016015851	FAC-008-3	R6	Medium	Severe	11/19/2013 (noncompliance started when the Entity’s registration became effective)	11/27/2018 (noncompliance ended when a documented process was adopted)	Audit	6/4/2019	9/19/2019
Description of the Violation (For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, or confirmed violation.)			<p>During a Compliance Audit conducted from February 16, 2016 through June 16, 2016, Texas RE determined that the Entity, as a Generator Owner (GO), was in noncompliance with FAC-008-3 R6. Specifically, the Entity did not have Facility Ratings that are consistent with the associated Facility Ratings methodology or documentation for determining its Facility Ratings as required by FAC-008-3 R6.</p> <p>During the noncompliance, the Entity did not retain documentation necessary for determining Facility Ratings that accounted for all of the Entity’s applicable equipment, and the Entity did not have a documented methodology for determining the Facility Ratings of its generator Facilities. Accordingly, although the Entity had previously submitted facility ratings information to the Electric Reliability Council of Texas, Inc. that included capacity ratings for its generating units, the Entity was unable to demonstrate that it had Facility Ratings that were consistent with an associated Facility Ratings methodology or with associated documentation.</p> <p>The root cause of this issue is that the Entity did not have any documented process for compliance with FAC-008-3 beginning from the date when it was registered as a GO. As a result, the Entity did not document or implement processes necessary for compliance with FAC-008-3 R6.</p> <p>The noncompliance started on November 19, 2013, when the Entity was registered as a GO, and ended on November 27, 2018, when the Entity implemented a documented process that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6.</p>						
Risk Assessment			<p>This issue posed a moderate risk and did not pose a serious or substantial risk to the bulk power system (BPS) based on the following factors. A lack of accurate Facility Ratings and Equipment Ratings could result in overloading on equipment, potentially damaging the affected Facilities, and resulting in unanticipated outages. In addition, the duration of this issue was approximately 5 years, lasting from November 19, 2013, when the Entity was registered as a GO, until November 27, 2018, when the Entity created a process and documents sufficient for compliance with FAC-008-3 R1, R2, and R6. In addition, during the noncompliance, the Entity’s Amistad Facility was designated as a Black Start resource through 2017, and the Entity’s Falcon Facility was designated as a Black Start resource through 2015. Neither Facility is designated in the 2018 Black Start plan.</p> <p>However, the risk posed by this issue was reduced by the following factors. First, the Entity’s Facilities have limited impact on other portions of the BPS and are limited to two hydroelectric Facilities, comprising two 31.556 MW generating units at the Amistad Facility and three 11 MW generating units at the Falcon Facility. During the noncompliance, the average net production for the Amistad Facility was approximately 9.5 MW per hour and for the Falcon Facility was approximately 5.5 MW per hour. The Entity’s Facilities produce power intermittently and are not relied on in planning cases for reliability or capacity purposes during peak summer conditions. These Facilities are also not located inside a major load center, and the potential unavailability of the Facilities would be unlikely to cause a loss of load or interfere with Transmission flows. Finally, the unit information in the Resource Asset Registration Form already on file with the Electric Reliability Council of Texas, Inc. was consistent with the Facility Ratings documentation created by the Entity to end this noncompliance. No harm is known to have occurred.</p>						
Mitigation			<p>To mitigate the noncompliance, the Entity:</p> <ol style="list-style-type: none">1) implemented a documented process that was drafted by a compliance consultant and that includes a documented methodology, Facility Ratings, and relevant documentation necessary for compliance with FAC-008-3 R1, R2, and R6;2) approved a documented internal compliance program, which includes a process for identifying applicable current and new NERC Reliability Standards;3) established a compliance committee, as described in the documented internal compliance program, which determines upcoming deadlines at regular meetings and implements the Entity’s process for identifying applicable Reliability Standards; and4) conducted training regarding the Entity’s process for compliance with FAC-008-3 and regarding the Entity’s overall compliance program.						
Other Factors			<p>On August 22, 2014, in Southwestern Power Administration (SWPA) v. Federal Energy Regulatory Commission (FERC), the United States Court of Appeals for the District of Columbia Circuit unanimously ruled that FERC, and by extension, the North American Electric Reliability Corporation (NERC) and the Regional Entities it oversees, such as Texas RE, could not impose monetary penalties against federal governmental entities such as SWPA. The Entity is a federal governmental entity, and Texas RE is bound to follow SWPA v. FERC in the resolution of this matter. Therefore, Texas RE has assessed no monetary penalty for this violation.</p> <p>Texas RE reviewed the Entity’s compliance history and determined that there were no relevant instances of noncompliance.</p>						

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TRE2016015852	PRC-005-1b	R1	High	Severe	11/19/2013 (noncompliance started when the Entity’s registration became effective)	10/05/2018 (noncompliance ended when the Entity adopted version 1.0 of its PSMP)	Audit	6/4/2019	9/19/2019
Description of the Violation (For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, or confirmed violation.)			<p>During a Compliance Audit conducted from February 16, 2016 through June 16, 2016, Texas RE determined that the Entity, as a Generator Owner (GO), was in noncompliance with PRC-005-1b R1. Specifically, IBWC did not have a Protection System Maintenance and Testing Program (PSMP), as required by PRC-005-1b R1, and was unable to provide documentation of a PSMP or of the implementation of a PSMP, as required by PRC-005-1b R2. This noncompliance began on November 19, 2013, when PRC-005-1b was effective, and continued through the periods when PRC-005-1.1b, PRC-005-2, PRC-005-2(i), and PRC-005-6 were effective.</p> <p>The root cause of the noncompliance is the failure to have a sufficient process for compliance with PRC-005-1b. The Entity did not have a documented process and did not retain documents sufficient for compliance with this Reliability Standard.</p> <p>This noncompliance started on November 19, 2013, when the Entity was first registered as a GO, and ended on October 5, 2018, when the Entity adopted a PSMP.</p>						
Risk Assessment			<p>This issue posed a moderate risk and did not pose a serious or substantial risk to the bulk power system (BPS) based on the following factors. This risk posed by this issue is that, without a PSMP and evidence of the implementation of a PSMP, the Entity will not know whether its Protection System devices will function as intended. In addition, the duration of this issue was approximately 5 years, lasting from November 19, 2013, when the Entity was registered as a GO, until October 5, 2018, when the Entity adopted a PSMP consistent with the requirements of PRC-005-6 R1. Further, during the noncompliance, the Entity’s Amistad Facility was designated as a Black Start resource through 2017, and the Entity’s Falcon Facility was designated as a Black Start resource through 2015. Neither Facility is designated in the 2018 Black Start plan.</p> <p>However, the risk posed by this issue was reduced by the following factors. First, the Entity had verified the voltage and specific gravity of certain dc supply devices during 2016 and had verified the settings for certain protective relays during 2012, and these activities included devices that would have been included in a PSMP. Second, the Entity’s Facilities have limited impact on the BPS and are limited to two hydroelectric Facilities, comprising two 31.556 MW generating units at the Amistad Facility and three 11 MW generating units at the Falcon Facility. During the noncompliance, the average net production for the Amistad Facility was approximately 9.6 MW per hour and for the Falcon Facility was approximately 5.6 MW per hour. The Entity’s Facilities produce power intermittently and are not relied on in planning cases for reliability or capacity purposes during peak summer conditions. These Facilities are also not located inside a major load center, and a trip caused by a Protection System Misoperation or similar event would be unlikely to cause a loss of load or interfere with Transmission flows. No harm is known to have occurred.</p>						
Mitigation			<p>To mitigate the noncompliance, the Entity:</p> <ol style="list-style-type: none">1) adopted a PSMP that is consistent with the requirements of PRC-005-6;2) approved a documented internal compliance program, which includes a process for identifying applicable current and new NERC Reliability Standards;3) established a compliance committee, as described in the documented internal compliance program, which determines upcoming deadlines at regular meetings and implements the Entity’s process for identifying applicable Reliability Standards; and4) conducted training regarding the Entity’s process for compliance with PRC-005-6 and regarding the Entity’s overall compliance program.						
Other Factors			<p>On August 22, 2014, in Southwestern Power Administration (SWPA) v. Federal Energy Regulatory Commission (FERC), the United States Court of Appeals for the District of Columbia Circuit unanimously ruled that FERC, and by extension, the North American Electric Reliability Corporation (NERC) and the Regional Entities it oversees, such as Texas RE, could not impose monetary penalties against federal governmental entities such as SWPA. The Entity is a federal governmental entity, and Texas RE is bound to follow SWPA v. FERC in the resolution of this matter. Therefore, Texas RE has assessed no monetary penalty for this violation.</p> <p>Texas RE reviewed the Entity’s compliance history and determined that there were no relevant instances of noncompliance.</p>						

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TRE2016015853	PRC-005-1b	R2	High	Severe	11/19/2013 (when IBWC’s registration became effective)	10/05/2018 (when IBWC adopted version 1.0 of its PSMP)	Audit	12/1/2019 (approved completion date)	TBD
Description of the Violation (For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, or confirmed violation.)			<p>During a Compliance Audit conducted from February 16, 2016 through June 16, 2016, Texas RE determined that the Entity, as a Generator Owner (GO), was in noncompliance with PRC-005-1b R2. Specifically, the Entity did not have a Protection System Maintenance and Testing Program (PSMP), as required by PRC-005-1b R1, and was unable to provide documentation of a PSMP or the implementation of a PSMP, as required by PRC-005-1b R2. This noncompliance began on November 19, 2013, when PRC-005-1b was effective, and continued through the periods when PRC-005-1.1b, PRC-005-2, PRC-005-2(i), and PRC-005-6 were effective.</p> <p>During the Compliance Audit, the Entity stated that it did not have a documented PSMP, and the Entity was unable to provide an inventory of its in-scope Protection System devices. In addition, the Entity did not have evidence that it had implemented a PSMP or conducted maintenance activities for all its Protection System devices. Specifically, the Entity provided testing records for protective relays and batteries associated with the Entity’s two Facilities. However, the documents provided by the Entity do not address current or voltage sensing devices or control circuitry. Further, the Entity indicated that, at the time of the Compliance Audit, nine relays associated with the Falcon Facility had never been calibrated.</p> <p>To address the noncompliance, the Entity engaged a consultant to assist with drafting the required documented process to implement a PSMP. On October 5, 2018, the Entity adopted a PSMP. However, the noncompliance regarding PRC-005-1b R2 remains ongoing, as the Entity requires additional time to conduct and document the required maintenance activities.</p> <p>The root cause of the noncompliance is the failure to have a sufficient process for compliance with PRC-005-1b. The Entity did not have a documented process and did not retain documents sufficient for compliance with this Reliability Standard.</p> <p>This noncompliance started on November 19, 2013, when the Entity was first registered as a GO and is currently ongoing.</p>						
Risk Assessment			<p>This issue posed a moderate risk and did not pose a serious or substantial risk to the bulk power system (BPS) based on the following factors. This risk posed by this issue is that, without a PSMP and evidence of the implementation of a PSMP, the Entity will not know whether its Protection System devices will function as intended. In addition, the duration of this issue was over 5 years, lasting from November 19, 2013, when the Entity was registered as a GO, until the present. In addition, during the noncompliance, the Entity’s Amistad Facility was designated as a Black Start resource through 2017, and the Entity’s Falcon Facility was designated as a Black Start resource through 2015. Neither Facility is designated in the 2018 Black Start plan.</p> <p>However, the risk posed by this issue was reduced by the following factors. First, the Entity was performing testing for several of the Protection System devices that would have been included in a PSMP. Second, the Entity’s Facilities have limited impact on the BPS and are limited to two hydroelectric Facilities, comprising two 31.556 MW generating units at the Amistad Facility and three 11 MW generating units at the Falcon Facility. From the beginning of the noncompliance through April 30, 2019, the average net production for the Amistad Facility was approximately 9.7 MW per hour and for the Falcon Facility was approximately 5.6 MW per hour. The Entity’s Facilities produce power intermittently and are not relied on in planning cases for reliability or capacity purposes during peak summer conditions. These Facilities are also not located inside a major load center, and a trip caused by a Protection System Misoperation or similar event would be unlikely to cause a loss of load or interfere with Transmission flows. No harm is known to have occurred.</p>						
Mitigation			<p>To mitigate the noncompliance, the Entity:</p> <ol style="list-style-type: none">adopted a PSMP that is consistent with the requirements of PRC-005-6;approved a documented internal compliance program, which includes a process for identifying applicable current and new NERC Reliability Standards;established a compliance committee, as described in the documented internal compliance program, which determines upcoming deadlines at regular meetings and implements the Entity’s process for identifying applicable Reliability Standards; andconducted training regarding the Entity’s process for compliance with PRC-005-6 and regarding the Entity’s overall compliance program. <p>Furthermore, the Entity submitted a Mitigation Plan to address the following actions that will be completed by December 1, 2019.</p> <ol style="list-style-type: none">complete a list of assets that need to be tested pursuant to the PSMP for the Falcon and Amistad Facilities;perform Protection System maintenance activities for the Falcon Facility;perform Protection System maintenance activities for the Amistad Facility; anddocument and review documentation of the completion of the maintenance activities for Amistad and Falcon Facilities. <p>The Entity requires until December 1, 2019, because it is still in the process of developing the list of Protection System devices that require maintenance activities, which will be necessary before obtaining maintenance services from a vendor.</p>						
Other Factors			<p>On August 22, 2014, in Southwestern Power Administration (SWPA) v. Federal Energy Regulatory Commission (FERC), the United States Court of Appeals for the District of Columbia Circuit unanimously ruled that FERC, and by extension, the North American Electric Reliability Corporation (NERC) and the Regional Entities it oversees, such as Texas RE, could not impose monetary penalties against</p>						

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TRE2016015853	PRC-005-1b	R2	High	Severe	11/19/2013 (when IBWC’s registration became effective)	10/05/2018 (when IBWC adopted version 1.0 of its PSMP)	Audit	12/1/2019 (approved completion date)	TBD
			federal governmental entities such as SWPA. The Entity is a federal governmental entity, and Texas RE is bound to follow SWPA v. FERC in the resolution of this matter. Therefore, Texas RE has assessed no monetary penalty for this violation.						
			Texas RE reviewed the Entity’s compliance history and determined that there were no relevant instances of noncompliance.						