Risk-Based Registration Implementation Guidance

December 15, 2015
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Preface

The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability of the Bulk Power System (BPS) in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC’s area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the electric reliability organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada. NERC’s jurisdiction includes users, owners, and operators of the BPS, which serves more than 334 million people.

The North American BPS is divided into several assessment areas within the eight Regional Entity (RE) boundaries, as shown in the map and corresponding table below.

The Regional boundaries in this map are approximate. The highlighted area between SPP and SERC denotes overlap as some load-serving entities participate in one Region while associated transmission owners/operators participate in another.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRCC</td>
<td>Florida Reliability Coordinating Council</td>
</tr>
<tr>
<td>MRO</td>
<td>Midwest Reliability Organization</td>
</tr>
<tr>
<td>NPCC</td>
<td>Northeast Power Coordinating Council</td>
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<td>RF</td>
<td>ReliabilityFirst</td>
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<td>SERC</td>
<td>SERC Reliability Corporation</td>
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<td>SPP RE</td>
<td>Southwest Power Pool Regional Entity</td>
</tr>
<tr>
<td>Texas RE</td>
<td>Texas Reliability Entity</td>
</tr>
<tr>
<td>WECC</td>
<td>Western Electricity Coordinating Council</td>
</tr>
</tbody>
</table>
Introduction

The NERC Rules of Procedure (ROP), Appendix 2, Appendix 5A, and Appendix 5B implement the Risk-Based Registration (RBR) design framework and reduce unnecessary burdens for industry stakeholders by preserving BPS reliability and avoiding causing or exacerbating instability, uncontrolled separation, or cascading failures.

This document addresses implementation issues and communicates expectations for the Regional Entities and NERC staff during the implementation of RBR. Specifically, this document covers the following:

- Regional Deactivation/deregistration of PurchasingSelling Entities (PSEs), Interchange Authorities (IAs), and Load-Serving Entities (LSEs) due to removal of these three functional registration categories from the NERC Compliance Registry (NCR);
- Regional Deactivation/deregistration or reclassification of Distribution Providers (DPs).
- NERC-led review panel
- Materiality considerations

NOTE: There is a distinction now between Deactivation and deregistration. **Deactivation** is where only a single functional registration is removed from an entity’s NERC Registration and the entity remains listed for other functions. **Deregistration** is when the entity is completely removed from the NERC Registry.

There has also been an addition regarding registration of an entity that was previously deregistered but due to changes would now meet the Statement of Compliance Registry Criteria and be eligible for **reactivation** and listing again on the NERC Registry. More information on this can be found in NERC ROP, Appendix 5A, Section V, c.1-7.
Disclaimer

The guidance provided in this document is for the use of the Regional Entities and NERC staff for the implementation of RBR and revisions to the NERC ROP. This guidance does not supersede existing registration practices and is intended to provide a consistent method for processing the changes in registration driven by the implementation of the RBR initiative. Additionally, this document will establish transparency and clarity of the RBR initiative implementation for industry stakeholders. This document focuses on the following areas, with forthcoming updates to address additional topics as warranted:

- Regional Deactivation/Deregistration of PSEs and IAs
- Regional Deactivation/Deregistration or Reclassification of DPs
- Regional Deactivation/Deregistration of LSEs.
- Materiality
- NERC-led Review Panel
- Common Registration Form
Chapter 1 – Regional Deactivation/Deregistration of PSEs and IAs

Review of Applicable Revisions to the NERC ROP
NERC ROP Section 302 – Essential Attributes for Technically Excellent Reliability Standards
In Section 302.1, NERC removed references to “Interchange Authorities” and “Purchasing-Selling Entities” from the list of functional classes to which Reliability Standards may apply, as a result of the elimination of the functional registration categories from Appendix 5B, Statement of Compliance Registry Criteria.

NERC ROP Appendix 5A – Organization Registration and Certification Manual
In Sections I and II, NERC clarified that the functional registration categories are defined in Appendix 5B, NERC Statement of Compliance Registry Criteria. In addition, NERC removed references to the “Purchasing-Selling Entity” and “Interchange Authority” entities from lists of functional registration categories as a result of the elimination of the functional registration categories from Appendix 5B, Statement of Compliance Registry Criteria.

NERC ROP Appendix 5B – Statement of Compliance Registry Criteria
NERC deleted the terms “Interchange Authority” and “Purchasing-Selling Entity.”

NERC Filed Language in Docket RR15-4-000
Deactivation for Functions Removed from the NERC Compliance Registry (NCR)
The functional categories that are proposed for removal from the NCR (i.e., Purchasing-Selling Entities and Interchange Authorities) would be required to take no action. NERC, in concert with the Regional Entities, would remove all such registrations and send a letter to the former entities. Other entities, such as DPs that are under 75 MW but are 25 MW or greater, would need to apply for Deactivation if they do not otherwise meet the other criteria for registration.

Deactivation/Deregistration of PSE and IA Regional Entity Steps
Effective on March 19, 2015, the PSE and IA functions will be removed from Appendix 5B (Statement of Compliance Registry Criteria) of the NERC ROP. Furthermore, Registered Entities who perform the PSE or IA Functions may be deactivated or deregistered as of March 19, 2015. Deactivation, as used in ROP Appendix 5A with respect to the registration processes, refers to removal of an entity from the NCR for a specific functional category. Deregistration occurs when all functions of an entity have been deactivated.

Understanding that the processing of any registration changes for an Entity will not happen instantaneously, the Regions will have 50 days following the effective date of the RBR order to process the Deactivations/deregistrations.

Note: The 50-day processing time frame may be extended at the request of the Regional Entity, with concurrence from NERC, if the Registered Entity is subject to any Open Enforcement Actions that are not expected to be closed within the 50-day time frame.

Regardless of the date the registration change is processed, the effective date of the change in registration status will be retroactively applied to the effective date of the Commission Order on Electric Reliability Organization RBR Initiative and Required Compliance Filing, issued March 19, 2015.

During this 50-day window, if any registered PSE or IA is scheduled for any compliance monitoring obligations (e.g., audit, self-certification, data submittal, etc.), the Regions should proactively discuss with those Registered
Entities the scope of the compliance monitoring activity, recognizing the forthcoming change in registration status for the PSE or IA functions.

NERC and the Regional Entities will follow the following steps to ensure the Deactivations/deregistrations are being carried out in a consistent manner:

1. The Regional Entity will identify all Registered Entities that are registered for either the PSE or IA functions.

2. For each registered entity identified in Step 1, the Regional Entity will identify any Open Enforcement Actions (OEs), Technical Feasibility Exceptions (TFEs),\(^\text{1}\) Coordinated Functional Registry (CFRs) and Joint Registration Organization (JROs). If any OEs are identified, the Regions will evaluate their resolutions on a case-by-case basis.

3. If there are no identified OEs per Step 2 or the Region has verified that identified OEs have been completed/processed, the Region will update its respective compliance systems (CDMS or Guidance Portal) to include the respective Deactivations or deregistrations. The Region will update its respective compliance systems in accordance with its current processes to make such changes. The Regions will sync such changes with NERC.

4. Upon notification of Deactivations/deregistrations by the Regions, NERC will send letters to the affected Registered Entities of such registration changes. NERC will update the NCR of such changes.

5. Once NERC has notified affected PSEs and IAs of such changes in registration, the Regions will take the following action for any TFEs, CFRs, and JROs identified in Step 2:

   a. TFEs – The Region will terminate any existing TFEs for applicable functions being removed from the NCR.
   
   b. CFR – The applicable CFR will be processed in accordance with the existing RE procedures.
   
   c. JRO – The applicable JRO will be processed in accordance with the existing RE procedures.

6. The Regions will inform all relevant internal compliance and enforcement RE staff of the registration changes (following any in-effect business processes).

Registration records for any Deactivated/deregistered Registered Entities will follow the data retention policy as currently in effect.

\(^{1}\) Appendix 4D to the Rules of Procedure (Procedure for Requesting and Receiving Technical Feasibility Exceptions (TFEs) to NERC Critical Infrastructure Protection Standards) states that TFEs are applicable only to specific Requirements of CIP Standards CIP-002 through CIP-009. For the purposes of this process, TFEs are only applicable to the entities currently registered for the Interchange Authority (IA) function as the CIP Standards are not applicable to the Purchasing Selling Entities (PSE).
Regional Deactivation/Deregistration Process Flow for Purchasing-Selling Entities (PSEs) and Interchange Authorities (IAs)

1. Regional Entity will identify all Registered Entities which are registered for either the PSE or IA Functions.

2. For each PSE and IA the Regional Entity will identify if there are any Open Enforcement Actions (OEA), Technical Feasibility Exceptions (TFE), Coordinated Functional Registry (CFR), and Joint Registration Organization (JRO).

3. Verify status of Open Enforcement Actions (OEA)

4. If there are no identified Open Enforcement Actions or the Region has verified that identified Open Enforcement Actions have been completed/processed, the Regional Entity will update and synchronize with NERC their respective compliance systems (CDMS or Guidance Portal) to identify the respective Deactivations or De-registrations.

5. NERC will send letters to the affected Registered Entities and will update the NERC Compliance Registry of such registration changes.

6. Once NERC has notified the PSEs and IAs of such changes in registration, the Regions will take the following action for any associated TFE’s, CFR’s and JRO’s.

   - Technical Feasibility Exceptions (TFE’s)
     - The Region will terminate any existing TFEs for the applicable Functions being removed from the NERC Compliance Registry.

   - Coordinated Functional Registry (CFR) & Joint Registration Organization (JRO)
     - The applicable CFR and/or JRO will be processed in accordance with the existing Regional procedures.

7. Regional Registration staff will inform all relevant Regional Compliance and Enforcement Regional staff of the registration changes.
Notice of Deactivation on the NERC Compliance Registry (NCR) of the Purchase-Selling Entity (PSE) Function

In accordance with Section 501.1.3.1 of the NERC Rules of Procedure, The North American Electric Reliability Corporation (NERC) provides notice that the PSE function of [Entity Name], NERC Compliance Registry ID Number [NCR ID#], has been deactivated on the NCR in accordance with Federal Energy Regulatory Commission (FERC or Commission) order, Docket No. RR15-4-000 as of March 19, 2015.

This deactivation only applies to the PSE function and does not apply to any other functions [Entity Name]((NCR ID#)) is currently registered for.

A deactivation from the NCR indicates that an entity is no longer subject to mandatory compliance with the applicable NERC Reliability Standards that have been approved by FERC as of the effective deactivation date. Continued voluntary compliance with NERC Reliability Standards by [Entity Name], is considered good operating practice by the industry and is recommended by NERC.

NERC retains the right to register [Entity Name] for any function at any time, in accordance with NERC’s Statement of Compliance Registry Criteria, as the criteria may be amended from time to time, if the facts and circumstances so warrant.

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Notice of Deactivation on the NCR of the IA Function (Notification Letter Template)

[DATE]

[PCC]
[Entity Name] [(NCR ID#)]
[Address01]
[Address02]
[PCC Email]

Dear [PCC],

Notice of Deactivation on the NERC Compliance Registry (NCR) of the Interchange Authority (IA) Function.

In accordance with Section 501.1.3.1 of the NERC Rules of Procedure\(^1\), The North American Electric Reliability Corporation (NERC) provides notice that the IA function of [Entity Name], NERC Compliance Registry ID Number [NCR ID#], has been deactivated on the NCR in accordance with Federal Energy Regulatory Commission (FERC or Commission) order, Docket No. RR15-4-000 as of March 19, 2015.

This deactivation only applies to the IA function and does not apply to any other functions [Entity Name] [(NCR ID#)] is currently registered for.

A deactivation from the NCR indicates that an entity is no longer subject to mandatory compliance with the applicable NERC Reliability Standards that have been approved by FERC as of the effective deactivation date. Continued voluntary compliance with NERC Reliability Standards by [Entity Name], is considered good operating practice by the industry and is recommended by NERC.

NERC retains the right to register [Entity Name] for any function at any time, in accordance with NERC’s Statement of Compliance Registry Criteria, as the criteria may be amended from time to time, if the facts and circumstances so warrant.

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Chapter 2 – Results

Summary of ROP changes to the DP Registration Criteria:

1. The peak load threshold for DPs has been raised from 25 MW to 75 MW for an entity that is directly connected to the BES.

2. An entity will be registered as a DP if it does not meet the criteria in No. 1 above but it 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:
   a. A required Under-Voltage Load Shedding (UVLS) program; and/or
   b. A required Special Protection System or Remedial Action Scheme; and/or
   c. A required transmission Protection System; or
   d. DP that is responsible for providing services related to Nuclear Plant Interface Requirements (NPIRs) pursuant to an executed agreement; or
   e. DP with field-switching personnel identified as performing unique tasks associated with the Transmission Operator’s restoration plan that are outside of their normal tasks.

An entity will be registered as a DP if it does not meet the criteria in No. 1 and 2 above but it is the responsible entity that owns, controls, or operates Under Frequency Load Shedding (UFLS) Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES. A DP designated as UFLS Only will only be accountable for a subset of the NERC Reliability Standards as described in Section III.b.2 of NERC ROP Appendix 5B, Statement of Compliance Registry Criteria.

Deactivation/Deregistration of DP and Establishing the DP (UFLS Only) Function Regional Entity Steps

Effective on March 19, 2015, the DP function will be modified in Appendix 5B (Statement of Compliance Registry Criteria) of the NERC ROP. Furthermore, Registered Entities who perform the DP functions may be deactivated, deregistered, or regionally classified as a DP with responsibilities limited to UFLS as of March 19, 2015. Deactivation, as used in ROP Appendix 5A with respect to the Registration process, refers to removal of an entity from the NCR for a specific functional category. Deregistration occurs when all functions of an entity have been deactivated.

Understanding that the processing of any registration changes for an entity will not happen instantaneously, the Regions will have 50 days to process the Deactivations or deregistrations or regionally classify applicable entities as DPs with responsibilities limited to UFLS.

Note: The 50-day processing time frame may be extended, at the request of the Regional Entity, with concurrence from NERC, if the registered entity is subject to any Open Enforcement Actions that are not expected to be closed within the 50-day time frame.

Regardless of the date the registration change is processed, the effective date of the change in registration status will be retroactively applied to March 19, 2015.

During this 50-day window, if any registered DP is scheduled for any compliance monitoring obligations (e.g., audit, self-certification, data submittal, etc.), the Regions should proactively discuss, with those respected Registered Entities, the scope of the compliance monitoring activity, recognizing the potential change in registration status for the DP function.
NERC and the Regional Entities, upon receiving a request from a Registered Entity, will follow the following steps in order to ensure that the Deactivations, deregistrations, or regional classification of applicable entities as DPs with responsibilities limited to UFLS are being carried out in a consistent manner.

1. Registered Entities qualifying for Deactivation or deregistration of the DP function or regional classification as DPs with responsibilities limited to UFLS have the responsibility to contact their respective Regional Entities, utilizing the normal registration process. These requests will be accepted by the respective Regional Entities following the effective date of the Commission Order on Electric Reliability Organization Risk-Based Registration Initiative and Required Compliance Filing, issued March 19, 2015.

2. The Regional Entity will reassess the registration of the DP against the approved criteria and determine if the entity is a viable candidate for Deactivation or deregistration of the DP function, or Regional classification as a DP with responsibilities limited to UFLS.

   Entities registered in more than one Region will need to send requests for changes in registration to all Regions where it is registered. NERC will not send notices of changes to the Registered Entity’s Primary Compliance Contact until it has received responses from all Regions where the entity is registered.

   The Regional Entity has 10 days to request additional information needed in its review of the request, and the requesting entity has 20 days to respond. The Regional Entities have 50 days to respond to the initial request for Deactivation.

   The Regional Entity may request an extension, with concurrence from NERC, for completing the Deactivation, deregistration, or Regional reclassification of the applicable entity as DP - UFLS Only. The Regional Entity is required to provide notice to the Registered Entity prior to the end of the time periods identified above, stating that the Regional Entity will not be able to complete the Deactivation, deregistration, or Regional reclassification of the applicable entity as DP - UFLS Only within the specified time period and will provide a revised schedule.

3. For each Registered Entity identified in Step 1 and verified in Step 2, the Regional Entity will identify any OEAs. If any OEAs are identified, the Regions will evaluate their resolutions on a case-by-case basis.

4. If there are no identified OEAs per Step 3 or the Region has verified that identified OEAs have been completed/processed, the Region will update its respective compliance systems (CDMS or Guidance Portal) to include the appropriate Deactivations or deregistrations of the DP function. The Region will update its respective compliance systems in accordance with its current processes to make such changes. The Regions will sync such changes with NERC.

5. For Registered Entities that are reclassified as DP – UFLS Only, the Regional Entity should make the appropriate changes to its Regional Registration Records to reflect the registered entity change in scope of responsibility and these changes communicated to the entity, Regional Compliance staff, and NERC.

6. Upon notification of Deactivations or deregistrations of the DP function by the Regions, NERC will send letters to the affected Registered Entities of such registration changes. NERC will update the NERC Compliance Registry of such changes.

   Note: It is the responsibility of the participating members of the CFR to amend such agreements to correctly identify any changes in registration status of the participating members.
7. Once NERC has notified affected DPs of such changes in registration, the Regions will take the following action for any associated CFRs and JROs:

**Although not likely, in some instances a DP that is eligible to be deactivated or whose applicable NERC Standard Requirements are being reduced may be the responsible registered entity for a JRO.**

- **CFR:**
  The applicable CFR will be processed in accordance with the existing ROP and RE procedures.
- **JRO:**
  The applicable JRO will be processed in accordance with the existing ROP and RE procedures.

8. The Regions will inform all relevant internal compliance and enforcement RE staff of the registration changes (following any in-effect business processes).

Compliance history for any Deactivated/deregistered Registered Entities will follow the data retention policy as currently in effect.
Regional Deactivation/Deregistration or Reclassification of DPs

Registered Entities qualifying for Deactivation, Deregistration or Regional classification as DPs with responsibilities limited to UFLS have the responsibility to contact their respective Regional Entities.

The Regional Entity will reassess the registration of the DP against the approved criteria and determine if the entity is a viable candidate for Deactivation, Deregistration or Regional classification as a DP with responsibilities limited to UFLS.

For each DP the Regional Entity will identify if there are any Open Enforcement Actions (OEA).

Verify status of Open Enforcement Actions (OEA)

If there are no identified Open Enforcement Actions or the Region has verified that identified Open Enforcement Actions have been completed/processed, the Regional Entity will update and synchronize with NERC their respective compliance systems (CDMS or Guidance Portal) to identify the respective Deactivations or De-registrations.

Registered Entities that are reclassified as “DP – UFLS Only” the Regional Entity should make the appropriate changes to its CMEP to reflect the Registered Entity change in scope of responsibility and these changes communicated to the entity and NERC.

NERC will send letters to the affected Registered Entities and will update the NERC Compliance Registry of such registration changes.

Once NERC has notified affected DP’s of such changes in registration, the Regions will take the following action for any associated CFR’s and JRO’s.

Coordinated Functional Registry (CFR) - The applicable CFR will be processed in accordance with the existing Regional procedures.

Joint Registration Organization (JRO) - The applicable JRO will be processed in accordance with the existing Regional procedures.

Regional Registration staff will inform all relevant Regional Compliance and Enforcement Regional staff of the registration changes.
Notice of Functional Registration change on NERC Compliance Registry (NCR)

The North American Electric Reliability Corporation (NERC), provides notice in accordance with Section 500 of the NERC Rules of Procedure\(^1\) and hereby confirms a Functional Registration change for [Entity Name], NERC Compliance Registry (NCR) ID Number [NCR ID#].

[Entity Name], [NCR ID#], is presently listed as a Registered Entity in the following Region(s) for the indicated functional categories with the listed Effective Registration Date(s):

<table>
<thead>
<tr>
<th>Region Name</th>
<th>Function</th>
<th>Effective Registration Date</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>[REGION NAME]</td>
<td>DP-UFLS(^2)</td>
<td>03/19/2015</td>
<td>Added</td>
</tr>
</tbody>
</table>

A listing on the NCR indicates that an entity is subject to mandatory compliance with the applicable NERC Reliability Standards that have been approved by the Federal Energy Regulatory Commission (FERC or Commission).

[Entity Name], [NCR ID#], is deactivated in the following Region(s) for the indicated functional categories as of the listed Deactivation Date(s):

<table>
<thead>
<tr>
<th>Region Name</th>
<th>Function</th>
<th>Effective Registration Date</th>
<th>Change</th>
<th>Deactivation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[REGION NAME]</td>
<td>DP</td>
<td>Effective Registration Date</td>
<td>Deactivated</td>
<td>03/19/2015</td>
</tr>
</tbody>
</table>

A deactivation from the NCR indicates that an entity is no longer subject to mandatory compliance with the applicable NERC Reliability Standards that have been approved by FERC. Continued voluntary compliance with NERC Reliability Standards relative to the deactivated

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\(^2\) Distribution Provider UFLS-Only
Chapter 3 – Regional Deactivation/Deregistration of LSEs

Deactivation/Deregistration of LSE Regional Entity Steps

Effective on October 15, 2015, the LSE function will be removed from Appendix 5B (Statement of Compliance Registry Criteria) of the NERC ROP. Furthermore, Registered Entities who perform the LSE function may be deactivated or deregistered with an effective date of October 15, 2015. Deactivation, as used in ROP Appendix 5A with respect to the registration processes, refers to removal of an entity from the NCR for a specific functional category. Deregistration occurs when all functions of an entity have been deactivated.

Understanding that the processing of any registration changes for an entity will not happen instantaneously, the Regions will have 50 days following the effective date of the RBR order\(^2\) to process the Deactivations/deregistrations.

Note: The 50-day processing time frame may be extended, at the request of the Regional Entity, with concurrence from NERC, if the registered entity is subject to any Open Enforcement Actions that are not expected to be closed within the 50-day time frame.

Regardless of the date the registration change is processed, the effective date of the change in registration status will be retroactively applied to the effective date of the Commission Order on Electric Reliability Organization RBR Initiative and Required Compliance Filing, issued on October 15, 2015.

During this 50-day window, if any registered LSE is scheduled for any compliance monitoring obligations (e.g., audit, self-certification, data submittal, etc.), the Regions should proactively discuss with those Registered Entities the scope of the compliance monitoring activity, recognizing the forthcoming change in registration status for the LSE function.

NERC and the Regional Entities will follow the following steps to ensure the Deactivations/deregistrations are being carried out in a consistent manner.

1. The Regional Entity will identify all Registered Entities that are registered for the LSE function.

2. For each registered entity identified in Step 1, the Regional Entity will identify any Open Enforcement Actions (OEAs), TFEs\(^3\), CFRs, and JROs. If any OEAs are identified, the Regions will evaluate their resolutions on a case-by-case basis.

3. Regional Entities that have LSE-only entities will have to determine if the registered LSE should be registered as a DP going forward (See ROP 5B, III.a.2).

4. If there are no identified OEAs per Step 2 or the Region has verified that identified OEAs have been completed/processed and the Regions have determined that no additional registration is required, the Region will update its respective compliance systems (CDMS or Guidance Portal) to include the respective Deactivations or deregistrations. The Region will update its respective compliance systems in accordance with its current processes to make such changes. The Regions will sync such changes with NERC.

\(^2\) Starting November 14, 2015

\(^3\) Appendix 4D to the Rules of Procedure (Procedure for Requesting and Receiving Technical Feasibility Exceptions (TFEs) to NERC Critical Infrastructure Protection Standards) states that TFEs are applicable only to specific Requirements of CIP Standards CIP-002 through CIP-009. For the purposes of this process, TFEs are only applicable to the entities currently registered for the Load-Serving Entities (LSE function).
5. Upon notification of Deactivations/deregistrations by the Regions, NERC will send letters to the affected Registered Entities of such registration changes. NERC will update the NERC Compliance Registry of such changes.

6. Once NERC has notified affected LSEs of such changes in registration, the Regions will take the following action for any TFEs, CFRs, and JROs identified in Step 2:
   a. TFEs – The Region will terminate any existing TFEs for applicable functions being removed from the NERC Compliance Registry.
   b. CFR – The applicable CFR update will be processed in accordance with the existing RE procedures.
   c. JRO – The applicable JRO update will be processed in accordance with the existing RE procedures.

7. The Regions will inform all relevant internal compliance and enforcement RE staff of the registration changes (following any in-effect business processes).

Registration records for any Deactivated/deregistered Registered Entities will follow the data retention policy as currently in effect.
Regional Deactivation/Deregistration or Reclassification of LSE

Regional Entity will identify all Registered Entities which are registered for the LSE Function.

For each LSE the Regional Entity will identify if there are any Open Enforcement Actions (OEA), Technical Feasibility Exceptions (TFE), Coordinated Functional Registry (CFR) and Joint Registration Organization (JRO).

Verify status of Open Enforcement Actions (OEA)

If there are no identified Open Enforcement Actions or the Region has verified that identified Open Enforcement Actions have been completed/processed, the Regional Entity will update and synchronize with NERC their respective compliance systems (CDMS or Guidance Portal) to identify the respective Deactivations or De-registrations.

Regional Entities that have ‘LSE only’ entities shall determine if the registered LSE should be registered as a DP going forward (See ROP 5B, III.a.2), and if necessary register the entity as a DP.

NERC will send letters to the affected Registered Entities and will update the NERC Compliance Registry of such registration changes.

Once NERC has notified the LSEs of such changes in registration, the Regions will take the following action for any associated TFE’s, CFR’s and JRO’s.

Technical Feasibility Exceptions (TFE’s)
- The Region will terminate any existing TFEs for the applicable Functions being removed from the NERC Compliance Registry.

Coordinated Functional Registry (CFR) & Joint Registration Organization (JRO) -
- The applicable CFR and/or JRO will be processed in accordance with the existing Regional procedures.

Regional Registration staff will inform all relevant Regional Compliance and Enforcement Regional staff of the registration changes.
Notice of Deactivation on the NERC Compliance Registry (NCR) of the
Load-Serving Entity (LSE) Function.

In accordance with Section 501.1.3.1 of the NERC Rules of Procedure (ROP), The North American Electric Reliability Corporation (NERC) provides notice that the LSE function of [Entity Name], NERC Compliance Registry ID Number [NCR ID#], has been deactivated on the NERC in accordance with Federal Energy Regulatory Commission (FERC or Commission) order, Docket No. RR15-4-001 as of October 15, 2015.

This deactivation only applies to the LSE function and does not apply to any other functions [Entity Name] ([NCR ID#]) is currently registered for. The Entity will remain responsible for funding in accordance with Section 1106.1-2 of the ROP regardless of registration. In addition LSEs are expected to provide necessary data to other reliability functions.

A deactivation from the NCR indicates that an entity is no longer subject to mandatory compliance with the applicable NERC Reliability Standards that have been approved by FERC as of the effective deactivation date. Continued voluntary compliance with NERC reliability Standards by [Entity Name], is considered good operating practice by the industry and is recommended by NERC.

NERC retains the right to register [Entity Name] for any function at any time, in accordance with NERC’s Statement of Compliance Registry Criteria, as the criteria may be amended from time to time, if the facts and circumstances so warrant.

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Chapter 4 – NERC-led Review Panel

Review of Applicable Revisions to the NERC ROP

NERC ROP Section 500 – Organization and Registration and Certification

Section 501.1
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.

NERC Filed Language in Docket RR15-4-0004

63. NERC proposes to establish a NERC-led, centralized review panel to evaluate requests for (1) Deactivation of, or decisions not to register, an entity; (2) requests to add an entity that does not meet (i.e., falls below) the Registry Criteria; (3) disputes regarding the application of the Registration Criteria; and (4) requests for a subset list of applicable Reliability Standards. NERC explains that the panel will help maintain consistency and oversight in registration among NERC and the Regional Entities. The NERC-led review panel would be comprised of a standing pool of individuals with relevant expertise from NERC and each of the Regional Entities. Once the review panel makes a decision, the decision would be posted publicly on the NERC website.

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

Registration Matters for Review

Section III.D of Appendix 5A states, “NERC shall establish a NERC-led, centralized review panel, comprised of a NERC lead with Regional Entity participants, to vet requests for Deactivation of, or decisions not to register, an entity that meets Sections I through IV of the Registry Criteria or requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria, as well as disputes regarding the application of Sections I through IV of the Registration Criteria and requests for a subset list of applicable Reliability Standards (which may specify the Requirements/sub-Requirements).”

Registered Entities are encouraged to work with their Regional Entity early on in the process, ideally before any requests are sent to NERC.

All requests for Deactivation of, or decisions not to register, an entity that meets Sections I through IV of the Registry Criteria or requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria, as well as disputes regarding the application of Sections I through IV of the Registration Criteria and requests for a subset list of applicable Reliability Standards (which may specify the Requirements/sub-Requirements) will be sent to NERC. The entity who bears the burden of proof with respect to application of the materiality test, or a subset list of applicable Reliability Standards (which may specify Requirements/sub-

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FERC Order on Electric Reliability Organization Risk Based Registration Initiative and Requiring Compliance Filing, paragraph 67. The Commission approves the review process for registration decisions. We find that the panel will help maintain consistency and oversight in registration among NERC and the Regional Entities and that NERC’s explanations and clarifications regarding the process in response to commenters are reasonable and add clarity to the process. The NERC-led review panel will issue a decision that will be made publicly available and will identify all factors that were applied and considered for that matter, providing appropriate transparency.
Requirements) must submit to NERC, in writing, details of the issues and identification of the Responding Entity, 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 scope of responsibility. NERC will send a notification to the Regional Entity(ies), the entity whose registration status or subset list treatment is at issue, and the referenced RC, BA, PA, and TOP acknowledging receipt of the notification of panel review.

**Validation Criteria**

Requesting Entity should complete the NERC-led review request form in its entirety and submit it with supporting documentation to NERC for initial validation. NERC will respond to the requester within 10 days of receipt of request. Furthermore, the response will provide a timeline for the review using reasonable efforts.

The response will take a form similar to:

“The NERC-led review request was [Accepted/Rejected] based on a determination that the information submitted...”

If Accepted:

...was a valid NERC-led review request”

If Rejected:

...was not from an eligible submitter,
...did not contain all required information, or
...was not for an NERC-led review of an eligible entity.”

NERC will create a directory on a secure File Transfer Protocol (FTP) site in which the Regional Entities, the submitting entity requesting the NERC-led panel review, applicable entities impacted by the request (RC, BA, PA, and TOP), and NERC will have access to retrieve information relating to the NERC-led review. This site will be the primary means of distributing confidential information for the request.

**Materiality**

The materiality assessment outlined in Chapter 5 will be used as the basis in determining the applicability of the request.

**Panel Members**

Panel members will consist of individuals from a standing pool of staff from NERC and each of the Regional Entities. Individuals will be selected by the Regional Entity senior executive and by the NERC senior executive. NERC shall select the panel members for each scheduled meeting from the standing pool. A NERC Registration Services group member will be a part of all selected panels. No one with a direct interest in a dispute may participate in the review process except as a party or witness.

The panel will typically be organized with the following members:

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5 By 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.

6 NERC ROP, 5A, III, D.5 The entity who bears the burden of proof with respect to application of the materiality test, or a subset 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, 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. NERC will send a Notification to the Regional Entity(ies), the entity whose registration status or subset list treatment is at issue, and the referenced RC, BA, PA and TOP acknowledging receipt of the notification of panel review.
Meeting Schedule
The NERC-led review panel will meet via webinar or in person on an as-needed bases as requests are received. The NERC Registration Services group will be responsible for scheduling the meetings. An agenda will be drafted for each meeting. Regional Entity panel members will be required to recuse themselves from agenda items from their respective Regions.

Review Panel Requirements
The timelines as outlined in Appendix 5A Section III and provided below shall be adhered to. The NERC-led review panel will render its decision within 60 days of the final submission to the panel. NERC may extend timelines for good cause shown.

Within 10 days of the request for a NERC-led review, the entity who bears the burden of proof with respect to application of the materiality test, or a subset 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, 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. NERC will send a notification to the Regional Entity(ies), the entity whose registration status or subset list treatment is at issue, and the referenced RC, BA, PA, and TOP acknowledging receipt of the notification of panel review. NERC will confirm whether, until completion of the review, the registered entity will remain on the NCR and will be responsible for compliance with approved Reliability Standards applicable to the function under review. NERC will provision access to impacted parties and panel members to the secure FTP site.

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.

Within 20 days of the NERC-led review panel review notification:
- The Regional Entity will provide a copy of its assessment directly to all parties, including NERC.
- The RC, BA, PA, and TOP may submit an assessment or opinion with technical justification with support or opposition to the request and if it does, it must provide a copy to all parties, as well as NERC.

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-led review panel notification.

Within five business days of making final decision, NERC will notify appropriate parties of proposed additions or changes to the NCR to the Regional Entity for review.
NERC-led Review Panel Determinations
The review comments take a form similar to: “The Review for [Approval/Disapproval] of changes to a Registered Entities Registration basis is based on consideration of the relevant facts and circumstances contained in the record.” Specifically, the following key facts and circumstances were considered:

For a recommendation for approval, the NERC led panel has listed the key facts and circumstances leading to the conclusion that the entity in the NERC led review request (1) qualifies for Deactivation or not to register; (2) is to be added to the NCR even though it does not meet the Registry Criteria; (3) resolves any dispute regarding the application of the Registration Criteria; (4) qualifies for a subset list of applicable Reliability Standards.

For a recommendation for disapproval, the NERC led panel has:

- Listed any key contra-indicating facts and circumstances leading to the conclusion that the Entity in the NERC led Review Request does not have sufficient basis for the request.

A summary listing will be posted on the NERC Registration website providing the following information: (1) entity name; (2) NCR number; (3) date NERC led Panel decision was made; (4) conclusion summary of the NERC led Review Panel (does or does not (1) qualifies for Deactivation or not to register; (2) to be added to the NCR even though it does not meet the Registry Criteria; (3) dispute regarding the application of the Registration Criteria is resolved; (4) qualifies for a subset list of applicable Reliability Standards.)

Detailed results including changes to applicable standards for the entity and NERC Led review decision documentation will be stored on the secured FTP site. This will allow document access to NERC Enforcement Staff, and the Regional Entities.

If a determination is made that changes an entity’s(ies) registration status or an entity is accepted for reduced set of standards, FERC will be notified of the determination and has 60 days to determine if a formal Commission review is warranted. This does not preclude an entity from appealing the NERC led review panel’s decision.

NERC will post the results of the determination to the NERC Registration website. The affected registered entity, Regional Entity, and NERC’s compliance and enforcement will be notified of the entity’s determination. All decisions will be publically posted on the NERC website and FERC will be notified.

Within 21 days of receipt of the determination, the entity may appeal the decision to the NERC Board of Trustees Compliance Committee (BOTCC).

Accordingly, to provide the Commission with an opportunity for review where no appeal occurs, NERC must provide notice to the Commission when a review panel decision is posted. Similar to the process for review of “find, fix and track” compliance posting as well as “compliance exception” postings, the Commission will review such matters and determine within 60 days of receiving notice from NERC whether any formal Commission review is warranted. If the Commission takes no action within 60 days, the Commission will consider the matter closed. We anticipate that Commission review of panel decisions would be a rare occurrence. However, we believe that this opportunity for Commission review provides an important “backstop” to ensure that individual registry matters processed under RBR are decided in a consistent matter with an overall view of providing for the reliability of the bulk electric system.
<table>
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<tr>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Requirements</th>
<th>Comments or Remarks</th>
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<td>Has the entity been part of a previous Registration Appeal, Exception Request, or Self-Determination? If yes, please explain.</td>
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<td>Are there any other NERC-led reviews submitted in conjunction with this request? If so, explain.</td>
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<td>Does the request include confidential information as defined in the NERC Rules of Procedure, Section 1500 and, if so, has it been clearly identified?</td>
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<td>Have copies of the NERC-led review request been sent to each RC, BA, PA, and TOP that has, or will have, the entity within the scope of their respective authority?</td>
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<td>Does the NERC-led Review Request cross Regional Entity boundaries? If so, explain.</td>
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<td>Are all elements of the entity completely located in the Region?</td>
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<td>Does the entity have the following Elements: Generator Resources Blackstart Resources Dispersed power-producing resources</td>
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<td>Do the diagram(s) supplied show the Protection Systems at the interface points associated with the Elements?</td>
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<td>Were the supporting statements for the submitted request from other entities provided? If so, explain.</td>
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<td>Were the data and studies needed to support the submittal provided?</td>
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<td>Does the NERC-led review request include consideration of technical justification, analysis, and recommendations supporting the request? If so, explain.</td>
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<td>Question</td>
<td>Answer</td>
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<td>Is the NERC-led review request based on an acceptable interconnection-wide base case that is suitably complete and detailed to reflect the electrical characteristics and system topology?</td>
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<td>Are all the assumptions used clearly documented?</td>
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<td>Addresses key performance measures of BES reliability through steady-state power flow analysis as necessary to support the entity’s request, consistent with the methodologies described in the Transmission Planning (TPL) standard and commensurate with the scope of the request?</td>
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<tr>
<td>Addresses key performance measures of BES reliability through transient stability analysis as necessary to support the entity’s request, consistent with the methodologies described in the Transmission Planning (TPL) standard and commensurate with the scope of the request?</td>
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<td>Does the Entity have any elements that are part of a monitored Facility of a permanent Flowgate in the Eastern Interconnection, a major transfer path within the Western Interconnection, a comparable monitored Facility in the ERCOT or Quebec Interconnections, or a monitored Facility in an Interconnection Reliability Operating Limit (IRO L)?</td>
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<td>Does the Entity have any elements that are part of a Nuclear Plant Off-Site Power Supply?</td>
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<td>Are there any effects on the Reliable Operation of the system of not requiring the Entity to comply with requirements assigned in the NERC Reliability Standards?</td>
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<td>Does the Entity have a Special Protection System/Remedial Action Scheme?</td>
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<td>Does the Entity have a role in meeting the Reliable Operation of the system, based on operating experience during normal and emergency conditions, as supported by data, studies, or event analyses?</td>
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<td>Does the Entity have elements necessary for Reliable Operation of the system with respect to such considerations as transfer capability, system stability, or voltage control?</td>
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<td>Does the Entity have elements in which flow exceeds their SOL for the cases studies</td>
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<td>Are there any aggregate effects of deactivating or reducing compliance responsibilities for this Entity (e.g., where multiple Entities considered individually are not necessary for the Reliable Operation of the system, but in aggregate the Entities are necessary)?</td>
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<td>Does the Entity have inter-regional transmission Elements?</td>
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**NERC-led Review Recommendation**

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<tr>
<th>The application contains sufficient information to support the NERC-led Review Request as described above under Support Information.</th>
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<tbody>
<tr>
<td>NERC-led Review Panel has reviewed the Request and issued a decision.</td>
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</table>
Chapter 5 – Materiality

Disclaimer
The guidelines for the registered entity materiality assessment evaluation are for the NERC-led review panel to use in their review and approval of submitted Registration materiality assessment requests. Requests for Deregistrations, deactivations, a subset list of Reliability Standards/Requirements for registered functions, decisions not to register an entity that meets Sections I through IV of the Registry Criteria, or requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria will be assessed on a consistent basis by the NERC-led review panel.

Introduction
Materiality assessments present an opportunity, in accordance with NERC Rules of Procedure, Appendix 5B, Statement of Compliance Registry Criteria, for a registered entity to further evaluate whether it has a material impact on the BES.

The expectation is that an entity would utilize the existing processes to determine its registration status in accordance with Appendix 5B of the ERO Rules of Procedure, Statement of Compliance Registry Criteria, prior to seeking any potential relief through a materiality assessment. The typical process flow is listed below.

• Application of the BES definition to determine entities that use, own, or operate Elements of the BES. The identified entities are classified as (i) owners, operators, and users of the BPS and (ii) candidates for Registration.
  ▪ In the event that the BES definition designates an Element as BES that an entity believes is not necessary for the reliable operation of the interconnected Transmission network, Appendix 5C of the ERO Rules of Procedure, Procedure for Requesting and Receiving an Exception from the Application of the NERC Definition of Bulk Electric System, may be utilized on a case-by-case basis to ensure that the appropriate Elements are classified as BES.

• Entities identified as candidates for Registration are considered for Registration under one or more of the appropriate Functional Entity types based on a comparison of the functions the entity normally performs and the criteria established by Appendix 5B of the ERO Rules of Procedure, Statement of Compliance Registry Criteria.

• If the registered entity believes that the functional registrations are not appropriate and seeks relief through either Deactivation, deregistration, or implementation of a subset list of Reliability Standards/Requirements for the applicable registered functions, a materiality assessment based on (but not limited to) the notes in Appendix 5B of the ERO Rules of Procedure, Statement of Compliance Registry Criteria, may be conducted with the results subject to evaluation by the applicable Regional Entity and the NERC-led review panel established by Appendix 5A of the ERO Rules of Procedure, Organization Registration and Certification Manual.

• The registered entity bears the burden of proof with respect to the materiality assessment and must submit to NERC, in writing, details of the issues and identification of the Responding Entity 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.

By 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.
Chapter Outline
This chapter is organized as follows:

- Considerations for evaluation of materiality assessments are presented as guidance for the Regional Entities and the NERC-led review panel. This chapter provides registered entities with the general information related to the level of analysis expected for each materiality assessment.

- A detailed list of considerations identifies factors the Regional Entities and the NERC-led review panel will use to evaluate materiality assessments. The detailed list includes general considerations applicable to all materiality assessments as well as considerations applicable to specific functional registrations. While these considerations do not provide a bright-line criteria determination, they ensure that similar materiality assessments are evaluated consistently against documented principles.

Materiality Assessments
The NERC-led review panel will take into account several considerations, including those presented in this document, to evaluate materiality assessments. At the request of the NERC-led review panel, the evaluation of materiality assessments may require some level of system analysis by the Regional Entity in addition to the information provided by the registered entity. These considerations provide specificity regarding the operational characteristics of the registered entity’s facilities and the impact of intentional or inadvertent operations, misoperations, or malicious use on the entity’s assets and/or the surrounding BPS.

The NERC-led review panel may request additional information if the initial submittal does not include sufficient information to evaluate the assessment. Also, the panel may choose to ask the Regional Entity, Submitting Entity, Owner, and/or a registered entity as deemed appropriate, to meet at the NERC office or by alternate means for interviews or discussion regarding any questions.

Considerations for Evaluation
The NERC-led review panel may exclude an organization that meets the criteria described in Appendix 5B of the ERO Rules of Procedure, Statement of Compliance Registry Criteria, as a candidate for registration if the NERC-led review panel believes based on a valid materiality assessment that reasonably demonstrates that the entity does not have a material impact on the reliability of the BES. Such decisions must be made in accordance with Section V of Appendix 5A to the NERC Rules of Procedure. In order to ensure a consistent approach to assessing materiality, a nonexclusive set of factors (“materiality test”) for consideration are identified below; however, only a subset of these factors may be applicable to particular functional registration categories:

Note: The “acceptable forms of supporting documentation” are examples of potential forms of technical justification and should not be considered an exhaustive list. Where examples are provided, they should be considered as a feasible starting point for establishing the technical basis for the request.

NERC recognizes that not all entities have the resources or the capability to perform planning studies and assessments to support a registration materiality assessment. Entities may choose to utilize a third party to assist with the development and compiling of supporting technical justification.

a. Does the registered entity have unique characteristics in relation to the electrical characteristics of the system, the system topology, critical Loads or facilities, or facilities associated with a major metropolitan area (e.g., New York City, Washington DC, etc.) that could potentially have an adverse reliability impact resulting from intentional or inadvertent operations, misoperations, or malicious use on the entity’s assets?
Chapter 5 – Materiality

Acceptable forms of supporting documentation: Copies of all applicable one-line breaker diagrams (identifying BES Elements and demarcation points identifying ownership, operational, and jurisdictional boundaries) and associated Operating Procedures/protocols that address the unique characteristics, which include how the entity would address the potential reliability concerns.

b. Does the entity have real-time authoritative control of BES Elements?

Acceptable forms of supporting documentation: Detailed explanation on the scope and degree of authoritative control that exists or does not exist (identifying BES Elements and demarcation points identifying ownership, operational and jurisdictional boundaries) and associated Operating Procedures/protocols that address the authoritative control, which include how the entity would address any potential reliability concerns.

c. 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?

Acceptable forms of supporting documentation: Copies of the applicable emergency Operation Plans and/or restoration plans of an associated Reliability Coordinator, Balancing Authority, Generator Operator or Transmission Operator.

d. 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 Reliability Standards issues on the system of the entity in question?

Acceptable forms of supporting documentation: Planning studies/assessments that model actual control settings and configurations, model the Year One horizon, address a range of system conditions in terms of load level and generation dispatch, and include an explanation of why the system conditions and contingencies studied are sufficient to address the most limiting system conditions relevant to the requested materiality review.

e. 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?

Acceptable forms of supporting documentation: Documentation supporting the completion of the BES Cyber Asset assessment performed in accordance with NERC Reliability Standard CIP-002-5.1 Cyber Security — BES Cyber System Categorization (Effective Date: April 1, 2016).

Consideration may be given based on remaining functional registrations where the entity will continue to be registered as a Transmission Owner and/or Distribution Provider, for example, with responsibilities and compliance obligations, associated with the identified BES cyber assets, as defined in the Critical Infrastructure Protection Reliability Standards.

f. Can the normal operation, Misoperation 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 of any associated Balancing Authority,
Generator Operator or Transmission Operator, or the automatic load shedding programs of a Planning Coordinator (PC) or Transmission Planner (TP) (UFLS, UVLS)?

**Acceptable forms of supporting documentation:** Planning studies/assessments that model actual control settings and configurations, model the Year One horizon, address a range of system conditions in terms of load level and generation dispatch, and include an explanation of why the system conditions and contingencies studied are sufficient to address the most limiting system conditions relevant to the requested materiality review.

Consideration may be given based on remaining functional registrations where the entity will continue to be registered as a Transmission Owner and/or Distribution Provider, for example, with responsibilities and compliance obligations, associated with the identified Protection Systems (including UFLS, UVLS, Special Protection System, Remedial Action Schemes and other Protection Systems protecting BES Facilities), as defined in the Protection and Control (PRC) Reliability Standards.

g. Will the aggregate effect of eliminating functional registrations and/or reducing the compliance obligations (i.e. subset list of Standards/Requirements) for an entity within a portion of the BES result in a potential Adverse Reliability Impact to that portion of the BES (e.g., where multiple entities considered individually are not necessary for the Reliable Operation of the system, but in aggregate the entities are material)?

**Acceptable forms of supporting documentation:** Planning studies/assessments that model actual control settings and configurations, model the Year One horizon, address a range of system conditions in terms of load level and generation dispatch, and include an explanation of why the system conditions and contingencies studied are sufficient to address the most limiting system conditions relevant to the requested materiality review.

h. Will the aggregate effect of eliminating functional registrations and/or reducing the compliance obligations (i.e. subset list of Standards/Requirements) for an entity across the BES result in a potential Adverse Reliability Impact to the BES (e.g., where all or many of a particular functional entity type would affect the Reliable Operation of the system during a wide-area disturbance)?

**Acceptable forms of supporting documentation:** Planning studies/assessments that model actual control settings and configurations, model the year one horizon, address a range of system conditions in terms of load level and generation dispatch, and include an explanation of why the system conditions and contingencies studied are sufficient to address the most limiting system conditions relevant to the requested materiality review.

i. Is the registered entity a participant in any of the following:
   1. JRO agreement;
   2. CFR agreement; or
   3. Operating, delegation, or third party agreements.

**Acceptable forms of supporting documentation:** Copies of all applicable agreements between the registered entity and all other applicable parties.

j. Is the registered entity currently registered under other functional registrations? If yes, provide a list of all current registered functions.
Acceptable forms of supporting documentation: A list of all current and previous registered functions.

k. Has the Submitting Entity received and provided supporting letters/data (agreement or disagreement) from 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? If yes, provide copies of the supporting documentation.

Acceptable forms of supporting documentation: Copies of all applicable supporting documentation from the applicable Regional Entity(ies), RC, BA, PA, and TOP.
Chapter 6 – Common Registration Form

The NERC Registration Functional Group has collaborated with the Regional Entities to develop a common registration form to ensure consistency during the registration process. The use of a common form will facilitate uniformity in the information being collected from registration candidates regardless of where they are located in North America. The common form and future IT interface is intended, among other things, to capture, without undue complexity, key factors relevant to an assessment of an entity’s inherent risk.

A data library has been created with all the information that will be collected on the form.

The Common Registration Form will be part of the 2016 Microsoft Dynamic CRM (xRM). Planning and development will start Q1 of 2016.