These definitions will be posted and balloted along with the standard, but will not be restated in the standard. Instead, they will be included in a separate "Definitions" section containing definitions relevant to all standards that NERC develops.

DEFINITIONS

Cascading Outages: The uncontrolled successive loss of system elements triggered by an incident at any location.

Delayed Fault Clearing: Fault clearing consistent with correct operation of a breaker failure protection group and its associated breakers, or of a backup protection group with an intentional time delay.

Facility: A set of electrical equipment that operates as a single bulk electric system element (e.g., a line, a generating unit, a shunt compensator, transformer, etc.)

Facility Rating: The maximum or minimum voltage, current, frequency, real or reactive power flow through a facility that does not violate an applicable rating of any equipment comprising the facility.

Equipment Rating: The maximum and minimum voltage, current, frequency, real and reactive power flows on individual equipment apparatus under steady state, short-circuit and transient conditions, as permitted or assigned by the equipment owner.

Normal Clearing: A protection system operates as designed and the fault is cleared in the time normally expected with proper functioning of the installed protection systems.

Performance-reset Period: The time period in which performance is measured, evaluated, and then reset.

System Operating Limit: The maximum or minimum permissible value (e.g., MW, MVAR, MVA, current, frequency, voltage) on a facility or a limited group of facilities without violating applicable facility ratings and reliability criteria, as determined through system studies and/or operational experience. System operating limits may result from voltage, thermal or stability limits associated with one or more facilities. (Stability and voltage limits may be reflected as a permissible loading level.) System operating limits may refer to limits in both real-time operations and planning studies.

Transfer Capability: The measure of the ability of the interconnected electric system to reliably move or transfer electric power from one area to another over all transmission lines (or paths) between those areas under specified system conditions. The determination of transfer capability must adhere to applicable system operating limits.

In this standard, the terms *Reliability Authority, Planning Authority, Generator Owner, Transmission Operator, Transmission Planner* and *Transmission Service Provider* refer to the entities performing these functions as defined in NERC's Functional Model.

600 — DETERMINE FACILITY RATINGS, SYSTEM OPERATING LIMITS, AND TRANSFER CAPABILITIES

Purpose: To determine Facility Ratings, System Operating Limits, and Transfer Capabilities necessary to plan and operate the bulk electric system within predefined Facility and operating limits.

Effective Period: This standard shall become effective upon the date of NERC Board of Trustees adoption.

Applicability: This standard applies to entities performing various electric system functions, as identified in the version 2 of NERC's Functional Model. NERC is now developing standards and procedures for the identification and certification of such entities. Until that identification and certification is complete, these standards apply to the existing entities (such as control areas, transmission owners and operators, and generation owners and operators) that are currently performing the defined functions.

601 Facility Ratings Methodology

(a) Requirement

(1) Transmission Owners and Generator Owners shall document the methodology used for rating their Facilities and their jointly owned Facilities.

(2) The methodology required in 601(a)(1) shall state that Facility Ratings shall not exceed the applicable ratings of the individual equipment that comprises the Facility.

(3) The methodology required in 601(a)(1) shall identify the assumptions used to determine Facility Ratings, including the method by which ratings of major bulk electric system equipment types, including, but not limited to, generators, transmission lines, transformers, terminal equipment, series and shunt compensation devices that comprise the Facilities are determined and references to industry rating practices or other standards (e.g., IEEE, ANSI, CSA), when applied.

(b) Measures

(1) The methodology required in 601(a)(1) shall be made available for inspection by the Compliance Monitor, Transmission Operator, Reliability Authority, Transmission Planner, and Planning Authority for the areas in which the Facilities are located within 15 business days of receipt of a request.

(2) The methodology required in 601(a)(1) shall contain all items listed in 601(a)(2) and 601(a)(3).

(c) Regional Differences

(1) None.

(d) Compliance Monitoring Process

(1) Subsequent to the initial compliance review, compliance shall be:

(i) Self-certified at least once every three years.

(ii) Verified by information submittal to the Compliance Monitor, either on or off site, at least once every ten years.

(iii) Verified at any time as the result of a complaint by any impacted party.

(2) The responsible entity shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation by information submittal to the Compliance Monitor, either on or off site.

(3) The Performance-reset Period shall be twelve months from the last noncompliance to 601(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(e) Levels of Noncompliance

(1) Level one: The Facility Ratings methodology does not contain 601(a)(2) or does not address one of the items listed in 601(a)(3).

(2) Level two:

(i) The Facility Ratings methodology does not contain 601(a)(2) and does not address one of the items listed in 601(a)(3); or

(ii) The Facility Ratings methodology does not address two of the applicable equipment types listed in 601(a)(3).

(3) Level three:

(i) The Facility Ratings methodology does not contain 601(a)(2) and does not address two or more of the items listed in 601(a)(3); or

(ii) The Facility Ratings methodology does not address three or more of the applicable equipment types listed in 601(a)(3).

(4) Level four: The Facility Ratings methodology was not made available for inspection by the Compliance Monitor, Transmission Operator, Reliability Authority, Transmission Planner, and Planning Authority within 15 business days of receipt of a request by any of these entities.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference), but no financial penalties shall be enforced. Noncompliance sanctions shall consist of letters, issued in accordance with the matrix.

602 Establish and Communicate Facility Ratings

(a) Requirement

(1) The Transmission Owner and Generator Owner shall establish Facility Ratings for their Facilities.

(2) The Transmission Owner and Generator Owner shall provide Facility Ratings for their Facilities to their associated Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator.

(b) Measures

(1) Responsible entities shall establish their Facility Ratings consistent with their ratings methodology, described in 601(a).

(2) Responsible entities shall provide Facility Ratings associated with existing Facilities, new Facilities, modifications to existing Facilities, and re-ratings of existing Facilities to the Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator on a schedule established by the Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator.

(c) Regional Differences

(1) None.

(d) Compliance Monitoring Process

(1) The Compliance Monitor shall request annual verification from the Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator that each is being provided Facility Ratings in accordance with its respective schedule.

(2) At least once every three years, the Compliance Monitor shall verify by information submittal, either on or off site, that randomly selected Facility Ratings were developed consistent with the Facility Ratings methodology.

(3) Upon complaint from any impacted party, the Compliance Monitor shall assess the responsible entity's performance under this requirement by information submittal, either on or off site.

(4) The Performance-reset Period shall be twelve months from the last noncompliance to 602(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(e) Levels of Noncompliance

(1) Level one: Some, but not all requested Facility Ratings associated with existing Facilities were provided to the Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator in accordance with their respective schedules.

(2) Level two: Some, but not all Facility Ratings associated with new Facilities, modifications to existing Facilities, and re-ratings of existing Facilities were provided to the Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator in accordance with their respective schedules.

(3) Level three: Facility Ratings provided were not developed consistent with the Facility Ratings methodology.

(4) Level four: No Facility Ratings were provided to the Reliability Authority, Planning Authority, Transmission Planner, or Transmission Operator in accordance with their respective schedules.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference). In cases where financial penalties are assigned for noncompliance, these penalties shall be the fixed dollar sanctions listed in the matrix, not the per MW sanctions.

603 System Operating Limits Methodology

(a) Requirement

(1) The Reliability Authority, Transmission Operator, Planning Authority, and Transmission Planner shall document the methodology used for determining System Operating Limits for the areas for which they are responsible.

(2) The methodology required in 603(a)(1) shall state that System Operating Limits shall not violate the applicable Facility Ratings.

(3) The methodology required in 603(a)(1) shall require that System Operating Limits be established such that operation within the System Operating Limits shall provide system performance consistent with that prescribed in 603(a)(3)(i)–603(a)(3)(iv) below:

(i) Pre-contingency

A) The system is in a steady state condition. All Facilities are within their pre-contingency thermal and voltage limits. The system is stable. Curtailment of load or transfers is not required to maintain the system within the System Operating Limits.

B) In the determination of System Operating Limits for planning purposes, the steady state condition used shall be consistent with the planned system condition, including planned maintenance.

C) In the determination of System Operating Limits for operations, the steady state condition used shall be appropriate for the time horizon for which the System Operating Limits are being determined.

(ii) Contingencies

A) The following single contingencies must be evaluated:

(a.) Single line to ground or 3-phase fault, with Normal Clearing, on any faulted Facility.

(b.) Loss of any Facility without a fault.

(c.) Single pole block, with Normal Clearing, in a monopolar or bipolar HVdc system.

(iii) Response to the first contingency on the planned system:

A) For the single contingencies specified in 603(a)(3)(ii), the system performance in the post-contingency time frame shall be:

(a.) All Facilities are operating within their applicable post-contingency thermal, frequency and voltage limits.

(b.) Cascading outages do not occur.

(c.) Uncontrolled separation of the system does not occur.

(d.) The system demonstrates transient, dynamic and voltage stability

(e.) Planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the faulted Facility or by the affected area, may occur in certain areas, provided this does not adversely impact the overall security of the interconnected transmission systems.

(f.) System adjustment or reconfiguration is permitted through manual or automatic control or protection actions.

(g.) To prepare for the next contingency, system adjustments are permitted, including changes to generation and the transmission system topology when determining limits.

(iv) Response to Subsequent Contingencies (operations studies only):

A) For the single contingencies specified in 603(a)(3)(ii), the system performance in the post-contingency time frame shall be:

(a.) All Facilities are operating within their applicable post-contingency thermal, frequency and voltage limits.

(b.) Cascading outages do not occur.

(c.) Uncontrolled separation of the system does not occur.

(d.) The system demonstrates transient, dynamic and voltage stability.

(e.) Planned or controlled interruption of electric supply to radial customers or some local network customers connected to or supplied by the faulted Facility or by the affected area, may occur in certain areas provided this does not adversely impact the overall security of the interconnected transmission systems.

(f.) Interruption of load or system reconfiguration is permitted through manual or automatic control or protection actions.

(g.) To prepare for the next contingency, system adjustments are permitted, including changes to generation, load and the transmission system topology when determining limits.

(4) The methodology required in 603(a)(1) shall include a description of how the following are addressed in the determination of System Operating Limits, at a minimum:

(i) Applicable contingencies.

(ii) The accuracy and level of detail of system models.

(iii) Special protection systems or remedial action plans.

(iv) Transmission system configuration, generation dispatch and load level.

(v) Any reliability margins used in the determination of System Operating Limits to address uncertainty in the conditions listed in 603.1.4.1.–1.4.4.

(b) Measures

(1) The methodology required in 603(a)(1) shall be made available for inspection by the Compliance Monitor, Reliability Authority, Transmission Operator, Transmission Planner, and Planning Authority for the areas in which the Facilities are located within 15 business days of receipt of a request.

(2) The methodology required in 603(a)(1) shall address all items listed in 603(a)(2)–603(a)(4).

(c) Regional Differences

(1) The following Regional Difference shall apply only in the Northeast Power Coordinating Council (NPCC). The NPCC methodology required in 603(a)(1) shall require that System Operating Limits be established for following two system conditions, in addition to those listed in 603(a)(3)(i)–603(a)(3)(iv):

(i) Normal Transfer Capability

System Operating Limits shall be established such that operation within the System Operating Limit shall provide system performance consistent with that prescribed in 603(a)(3)(i)–603(a)(3)(iv) above. In addition to the single Facility contingencies listed in 603(a)(3)(ii)(A)(a)–603(a)(3)(ii)(A)(c), the following multiple Facility contingencies must also be evaluated when establishing System Operating Limits:

A) Simultaneous permanent phase to ground faults on different phases of each of two adjacent transmission circuits on a multiple circuit tower, with Normal Clearing. If multiple circuit towers are used only for station entrance and exit purposes, and if they do not exceed five towers at each station, then this condition is an acceptable risk and therefore can be excluded.

B) A permanent phase to ground fault on any transmission circuit, transformer, or bus section with Delayed Fault Clearing.

C) Simultaneous permanent loss of both poles of a direct current bipolar facility without an AC fault.

D) The failure of a circuit breaker associated with a special protection system to operate when required following: loss of any element without a fault; or a permanent phase to ground fault, with Normal Clearing, on any transmission circuit, transformer or bus section.

(ii) Emergency Transfer Capability.

System Operating Limits shall be established such that operation within the System Operating Limit shall provide system performance consistent with that prescribed in 603(a)(3)(i)–603(a)(3)(iv) above.

(d) Compliance Monitoring Process

(1) Subsequent to the initial compliance review, compliance shall be:

(i) Self-certified at least once every three years.

(ii) Verified by information submittal to the compliance monitor, either on or off site, at least once every ten years.

(iii) Verified at any time as the result of a complaint.

(2) The responsible entity shall demonstrate compliance to the Compliance Monitor, within the first year that this standard becomes effective or the first year the entity commences operation, by information submittal to the Compliance Monitor, either on or off site.

(3) The Performance-reset Period shall be twelve months from the last noncompliance to 603(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(e) Levels of Noncompliance

(1) Level one: The System Operating Limits methodology did not contain the requirement that System Operating Limits not violate applicable Facility Ratings.

(2) Level two: The System Operating Limits methodology did not contain the requirement that System Operating Limits be established such that operation within the limits shall meet the performance requirements listed in 603(a)(3).

(3) Level three: The System Operating Limits methodology did not contain the item listed in either 603(a)(2) or 603(a)(3), and any two items listed in 603(a)(4).

(4) Level four: The System Operating limits methodology was not made available for inspection by the Compliance Monitor, Reliability Authority, Transmission Operator, Transmission Planner, or Planning Authority within 15 business days of receipt of a request.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference), but no financial penalties shall be enforced. Noncompliance sanctions shall consist of letters, issued in accordance with the matrix.

604 Establish and Communicate System Operating Limits

(a) Requirement

(1) The Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator shall establish System Operating Limits for the areas for which they are responsible.

(2) The Reliability Authority, Planning Authority, Transmission Planner, and Transmission Operator shall provide System Operating Limits for the area for which they are responsible to associated Transmission Operators, Planning Authorities, Transmission Service Providers, Transmission Planners, and Reliability Authorities.

(b) Measures

(1) Responsible entities shall establish their System Operating Limits consistent with their System Operating Limit methodology, described in 603(a).

(2) Reliability Authorities and Transmission Operators shall provide System Operating Limits to Transmission Service Providers and Transmission Operators within their reliability area for the time horizon for which they are responsible (e.g., the current day, next day, etc.) on a schedule established by the Transmission Operators and Transmission Service Providers.

(3) Planning Authorities and Transmission Planners shall provide System Operating Limits to Transmission Service Providers, Transmission Operators, Transmission Planners, and Reliability Authorities within their reliability area for the time horizon for which they are responsible on a schedule established by the Transmission Operator, Transmission Service Provider, Transmission Planner, and Reliability Authority.

(c) Regional Differences

(1) None.

(d) Compliance Monitoring Process

(1) The Compliance Monitor shall request annual verification from the entities performing the Reliability Authority, Transmission Service Provider, and Transmission Operator that each is being provided System Operating Limits in accordance with its respective schedule.

(2) At least once every three years, the Compliance Monitor shall verify by information submittal, either on or off site, that randomly selected System Operating Limits are developed consistent with the System Operating Limits methodology.

(3) Upon complaint from any impacted party, the Compliance Monitor shall assess the responsible entity's performance under this requirement by information submittal, either on or off site.

(4) The Performance-reset Period shall be twelve months from the last noncompliance to 604(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(d) Levels of Noncompliance

(1) Level one: (Not specified)

(2) Level two: Some, but not all System Operating Limits within their reliability area for the time horizon for which they are responsible were provided upon request to them in accordance with their respective schedules.

(3) Level three: System Operating Limits provided were not developed consistent with System Operating Limits methodology.

(4) Level four: No System Operating Limits were provided to the Reliability Authority, Planning Authority, Transmission Planner, Transmission Operator, or Transmission Service Provider in accordance with their respective schedules.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference). In cases where financial penalties are assigned for noncompliance, these penalties shall be the fixed dollar sanctions listed in the matrix, not the per MW sanctions.

605 Transfer Capability Methodology

(a) Requirement

(1) The Reliability Authority and Planning Authority shall document the methodology they use to determine Transfer Capabilities.

(2) The methodology required in 605(a)(1) shall state that Transfer Capabilities shall adhere to all applicable System Operating Limits.

(3) The methodology required in 605(a)(1) shall include a description of how the following are addressed*:*

(i) Transmission system topology.

(ii) System demand.

(iii) Generation dispatch.

(iv) Current and projected transmission uses.

(v) Any reliability margins applied to reflect uncertainty associated with projected system conditions listed in 605(a)(3)(i).

(b) Measures

(1) Responsible entities shall make the methodology required in 605(a)(1) available for inspection by the Compliance Monitor, associated Reliability Authorities, and Planning Authorities within 15 business days of receipt of a request.

(2) The methodology required in 605(a)(1) shall address all items listed in 605(a)(2) and 605(a)(3).

(c) Regional Differences

(1) None.

(d) Compliance Monitoring Process

(1) Subsequent to the initial compliance review, compliance shall be:

(i) Self-certified at least once every three years.

(ii) Verified by information submittal to the Compliance Monitor, either on or off site, at least once every ten years.

(iii) Verified at any time as the result of a complaint.

(2) The responsible entity shall demonstrate compliance to the Compliance Monitor within the first year that this standard becomes effective or the first year the entity commences operation, by information submittal to the Compliance Monitor, either on or off site.

(3) The Performance-reset Period shall be twelve months from the last noncompliance to 605(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(e) Levels of Noncompliance

(1) Level one: The Transfer Capability methodology does not contain the item listed in 605(a)(2) or address one of the items listed in 605(a)(3).

(2) Level two:

(i) The Transfer Capability methodology does not contain the item listed in 605(a)(2) and does not address one of the items listed in 605(a)(3); or

(ii) The Transfer Capability methodology does not address two of the items listed in 605(a)(3).

(3) Level three:

(i) The Transfer Capability methodology does not contain the item listed in 605(a)(2) and does not address two or more of the items listed in 605(a)(3); or

(ii) The Transfer Capability methodology does not address three or more of the equipment types listed in 605(a)(3).

(4) Level four: The Transfer Capability methodology was not made available for inspection by the Compliance Monitor, Reliability Authority or Planning Authority within 15 business days of receipt of a request.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference), but no financial penalties shall be enforced. Noncompliance sanctions shall consist of letters, issued in accordance with the matrix.

606 Establish and Communicate Transfer Capabilities

(a) Requirement

(1) The Reliability Authority and Planning Authority shall establish and provide interregional and intraregional Transfer Capabilities requested by associated Reliability Authorities, Planning Authorities, Transmission Operators, Transmission Service Providers, Transmission Planners, and NERC and its Regions.

(b) Measures

(1) Responsible entities shall develop their Transfer Capabilities consistent with their Transfer Capability methodology, required in 605(a)(1).

(2) Responsible entities shall supply Transfer Capability values as requested to Reliability Authorities, Planning Authorities, Transmission Operators, Transmission Service Providers, Transmission Planners, and NERC and its Regions on a schedule established by the Reliability Authorities, Planning Authorities, Transmission Operators, Transmission Service Providers, Transmission Planners, and NERC and its Regions.

(c) Regional Differences

(1) None.

(d) Compliance Monitoring Process

(1) The Compliance Monitor shall request annual verification from the Reliability Authority, Planning Authority, Transmission Service Provider, Transmission Planner, Transmission Operator, and NERC and its Regions that each is being provided Transfer Capabilities in accordance with its respective schedules.

(2) At least once every three years, the Compliance Monitor shall verify by information submittal, either on or off site, that randomly selected Transfer Capabilities are developed consistent with the Transfer Capability methodology.

(3) Upon complaint from any impacted party, the Compliance Monitor shall assess the responsible entity's performance under this requirement by information submittal, either on or off site.

(4) The Performance-reset Period shall be twelve months from the last noncompliance to 606(a). Responsible entities found noncompliant shall keep data until the deficiencies determined in the findings of noncompliance are resolved.

(e) Levels of Noncompliance

(1) Level one: (Not specified).

(2) Level two: Some, but not all requested Transfer Capabilities within their reliability area for the time horizon for which they are responsible were provided upon request to Reliability Authority, Planning Authority, Transmission Service Provider, Transmission Planner, Transmission Operator, and NERC and its Regions in accordance with their respective schedules.

(3) Level three: Transfer Capabilities provided are not developed consistent with the Transfer Capability methodology.

(4) Level four: No requested Transfer Capabilities within their reliability area for the time horizon for which they are responsible were provided to Reliability Authority,

Planning Authority, Transmission Service Provider, Transmission Planner, Transmission Operator, and NERC and its Regions in accordance with their respective schedules.

(f) Sanctions

(1) Sanctions for noncompliance shall be applied consistent with the NERC compliance and enforcement matrix (attached to the end of this standard for reference). In cases where financial penalties are assigned for noncompliance, these penalties shall be the fixed dollar sanctions listed in the matrix, not the per MW sanctions.

Sanctions Matrix

The following matrix of compliance sanctions was developed by the NERC Compliance Subcommittee as part of the NERC Compliance Enforcement Program and has been approved by the NERC Board of Trustees.

Levels of noncompliance are described in this matrix. The matrix is divided into four levels of increasing noncompliance vertically and the number of violations in a defined period at a given level horizontally.

Note that there are three sanctions that can be used: a letter, a fixed fine, and a $/MW fine.

Letter

This sanction is used to notify company executives, regional officers, and regulators that an entity is noncompliant. The distribution of the letter varies depending on the severity of the noncompliance. The intent of a letter sanction is to bring noncompliance to the attention of those who can influence the actions of an organization to become compliant.

- Letter (A) — Letter to the entity's vice president level or equivalent informing the entity of noncompliance, with copies to the data reporting contact, and the entity's highest ranking Regional Council representative.
- Letter (B) — Letter to the entity's chief executive officer or equivalent, with copies to the data reporting contact, the entity's highest ranking Regional Council representative, and the vice president over the area in which noncompliance occurred.
- Letter (C) — Letter to the entity's chief executive officer and chairman of the board, with copies to the NERC president, regulatory authorities having jurisdiction over the noncompliant entity (if requested by such regulatory authorities), the data reporting contact, the entity's highest ranking Regional Council representative, and the vice president over the area in which noncompliance occurred.

Fixed Dollars

This sanction is to be used when a letter sanction is not sufficient and a stronger message is desired to encourage compliance. Fixed dollars are typically assigned as a one-time fine that is ideal for measures involving planning-related standards. Many planning actions use forward-looking assumptions; if such assumptions prove wrong in the future, yet are made in good faith using good practices, entities should not be harshly penalized for the outcome.

Dollar per MW

Dollar/MW sanctions are intended to be used primarily for operationally based standards. The 'MW' can be load, generation, or flow on a line. The reasonableness of the sanction must be considered when assessing $/MW penalties. NERC's goal is for the industry to achieve compliance, as opposed to collecting large financial penalties.

<table>
<tr><th>Occurrence Period Category</th><th colspan="4">Number of Violations in Occurrence Period at a Given Level</th></tr>
<tr><td>1st Period of Violations (Fully Compliant Last Period)</td><td>1</td><td>2</td><td>3</td><td>4 or more</td></tr>
<tr><td rowspan="2">2nd Consecutive Period of Violations</td><td rowspan="2"></td><td>1</td><td>2</td><td>3 or more</td></tr>
<tr><td colspan="3">$ Sanction from Table; Letter (C) only if Letter (B) previously sent</td></tr>
<tr><td rowspan="2">3rd Consecutive Period of Violations</td><td colspan="2" rowspan="2"></td><td>1</td><td>2 or more</td></tr>
<tr><td colspan="2">$ Sanction from Table; Letter (C) only if Letter (B) previously sent</td></tr>
<tr><td rowspan="2">4th or greater Consecutive Period of Violations</td><td colspan="3" rowspan="2"></td><td>1</td></tr>
<tr><td>$ Sanction from Table; Letter (C)</td></tr>
</table>

Level of Non-Compliance	Sanctions Associated with Noncompliance			
Level 1	Letter (A)	Letter (A)	Letter (B) and $1,000 or $1 Per MW	Letter (B) and $2,000 or $2 Per MW
Level 2	Letter (A)	Letter (B) and $1,000 or $1 Per MW	Letter (B) and $2,000 or $2 Per MW	Letter (B) and $4,000 or $4 Per MW
Level 3	Letter (B) and $1,000 or $1 Per MW	Letter (B) and $2,000 or $2 Per MW	Letter (B) and $4,000 or $4 Per MW	Letter (B) and $6,000 or $6 Per MW
Level 4	Letter (B) and $2,000 or $2 Per MW	Letter (B) and $4,000 or $4 Per MW	Letter (B) and $6,000 or $6 Per MW	Letter (B) and $10,000 or $10 Per MW

Interpreting the Tables:

- These tables address penalties for violations of the same measure occurring in consecutive compliance reporting periods.
- If a participant has noncompliant performance in consecutive compliance reporting periods, the sanctions applied are more punitive.