

**PROCEDURE FOR REQUESTING AND RECEIVING  
AN EXCEPTION FROM THE APPLICATION  
OF THE  
NERC DEFINITION OF BULK ELECTRIC SYSTEM**

**1.0 — INTRODUCTION**

**1.1. — Purpose**

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## 1.0 INTRODUCTION

### 1.1. Purpose

The NERC definition of the Bulk Electric System uses specific terms and thresholds that, in most cases, should appropriately identify Elements and groups of Elements that are appropriately classified as part of the Bulk Electric System. Conversely, the BES Definition should, in most cases, exclude Elements that are not part of the Bulk Electric System. In certain cases, however, it is anticipated that the BES Definition will classify certain Elements as part of the Bulk Electric System that are not necessary for the Reliable Operation of the interconnected bulk transmission system and that it will classify certain Elements as non-Bulk Electric System that are necessary for the Reliable Operation of the interconnected bulk power transmission system.

This Appendix to the Rules of Procedure of the North American Electric Reliability Corporation (~~NERC~~) provides the procedure (~~“Exception Procedure”~~) by which an entity may request and receive an Exception from the application of the ~~NERC definition of the Bulk Electric System (“BES”)~~. BES Definition. Such an Exception ~~herein~~ may have the effect of either including within the BES an Element or Elements that would otherwise be excluded by application of the ~~NERC definition of the BES (“BES Definition”)~~ or excluding from the BES an Element or Elements that would otherwise be included by application of the BES Definition. This Appendix is intended to implement authorization granted by FERC to allow such Exceptions from the BES Definition.<sup>1</sup>

An entity must request and obtain an Exclusion Exception pursuant to an Exception Request under this Exception Procedure before any Element that is included in the BES by application of the BES Definition shall be excluded from the BES.- Likewise, an entity must request and obtain an Inclusion Exception pursuant to an Exception Request under this Exception Procedure before any Element that is excluded from the BES by application of the BES Definition shall be included in the BES.

~~An entity unable to determine~~During the pendency of an Exception Request, the status of an Element by(s) that is the subject of an Exception Request shall remain as it is determined based on application of the BES Definition-also may submit an Exception Request under this Exception Procedure to obtain. This status will continue until all appeals to all Applicable Governmental Authorities are completed. An entity that is planning a determination connection of whether thea new Element is or is not within the BES- for which it believes an Exception would be appropriate may request an Exception prior to commercial operation of the Element.

The ~~owner~~Owner of the Element to which the Exception Request applies (~~“Owner”~~) or, with respect to an Element owned by another Registered Entity, any ~~applicable~~-Regional Entity,

<sup>1</sup>

Revision to Electric Reliability Organization Definition of Bulk Electric System, 133 FERC ¶ 61,150 (“Order No. 743-”) (2010), Order on Reh’g, Revision to Electric Reliability Organization Definition of Bulk Electric System, 134 FERC ¶61,210 (“Order No. 743-A-”) (2011).

Planning ~~Coordinator, Authority~~ (“PA”), Reliability Coordinator ~~or~~ (“RC”), Transmission Operator (“TOP”), Transmission Planner (“TP”) or Balancing Authority (“BA”) that has (or will have upon inclusion of the Elements in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may submit an Exception Request for the Element as provided in this Exception Procedure.

## ~~1.2. Authority~~

~~This Appendix is a NERC Rule of Procedure and an Electric Reliability Organization Rule. - As such, this Appendix has been approved by (i) the NERC Board of Trustees and (ii) FERC or other Applicable Governmental~~ Entity in Canada or Mexico. Authority. Any future revisions to this Appendix must be adopted in accordance with Article XI, section 2 of the NERC *Bylaws* and Section 1400 of the NERC *Rules of Procedure*, including approval by the NERC Board of Trustees and by FERC, in order to become effective.

Applicable Governmental ~~Entities~~ Authorities in Canada or Mexico may adopt this Exception Procedure in its entirety or in part with its own deviation<sup>2</sup>, ensuring there will be no adverse impact on the interconnected transmission system. - Cross-border Regional Entities shall implement this Exception Procedure in a manner consistent with their memoranda of understanding, legislation, or governing contracts with applicable entities and Applicable Governmental Authorities concerning compliance monitoring and enforcement activities in particular states and provinces.

## ~~1.3 Obligations of Canadian and Mexican Entities and Cross-Border Regional Entities~~

~~A Registered Entity that is a Canadian Entity or a Mexican Entity seeking an Exception shall work with the Regional Entity, NERC, and Applicable Governmental Authorities in Canada or Mexico, as appropriate, to the extent permitted under applicable~~ federal, state or provincial laws, and without being obligated to authorize the disclosure of information prohibited by applicable federal, state or provincial law from disclosure to FERC or other Applicable Governmental Authorities in the U.S., in order to comply with the requirements of

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<sup>2</sup>-Canadian jurisdictions and relevant governmental authority should adopt the same or similar technical principles as exception criteria and follow the NERC process or any other its process ~~agreed with the and submit it to~~ NERC and/or applicable Cross-Border RE. - If and when there are any deviation(s) from the these principles or process, the application it must:

- (a) describe the deviations from the technical principles and process along with justifications, and
- (b) demonstrate and confirm that any of the following element Element or path are not excluded as part of the exception process, which
  - i. transfer bulk power within (intra) or between (inter) two Balancing Authority Areas; —and
  - ii. are monitored facilities included in an Interconnection Reliability Operating Limit —(IROL)
  - iii. excluded element Element (s) are not necessary for the operation of transmission system.

this Exception Procedure or similar procedure adopted ~~as per~~pursuant to section 1.2~~-.2~~. A Canadian Entity or a Mexican Entity shall not be required to subject itself to United States federal or state laws not otherwise applicable to the entity in order to utilize this Exception Procedure to obtain an Exception.

## 2.0. DEFINITIONS

—For purposes of this Appendix, the following terms shall be defined as set forth in this Section 2.0. Capitalized terms used in this Appendix that are not defined in this Section 2.0 shall have the meanings as defined in, as applicable, (i) the NERC *Glossary of Terms Used in Reliability Standards*, ~~or~~ (ii) Section 1.0 of the NERC *Uniform Compliance Monitoring and Enforcement Program*, Appendix 4C to the NERC *Rules of Procedure*, ~~or~~ (iii) ~~Section 1501 of the NERC Rules of Procedure.~~ (iii) page 20 of the Organization Registration and Certification Manual, or (iv) Section 1501 of the NERC *Rules of Procedure*. [Note: FYI, consistent with what has been posted in the “Definitions and Capitalization” package, this lead-in paragraph would be replaced with the following text: “For purposes of this Appendix, capitalized terms shall have the definitions set forth in Appendix 2 to the Rules of Procedure. For ease of reference, the definitions of the following terms that are used in this Appendix are also set forth below.”]

**2.1- Acceptance of the Exception Request- (or Acceptance):** The determination by a Regional Entity that an eligible (in accordance with Section 4.1) Exception Request contains all the Required Information ~~in order to be reviewed for substance.~~ so that it can undergo substantive review.

**2.2- Approval of the Exception Request- (or Approval):** The determination by NERC that an Exception Request meets the criteria to receive ~~an~~the requested Exception.

**2.3- BES:** ~~The~~ Bulk Electric System.

**2.4- BES DEFINITION: Definition:** The NERC definition of the Bulk Electric System: as set forth in the NERC *Glossary of Terms Used in Reliability Standards*.

**2.5- Canadian Entity:** -A Registered Entity that is organized under Canadian federal or provincial law.

**2.6- Classified National Security Information:-** Required Information that has been determined to be protected from unauthorized disclosure pursuant to Executive Order No. 12958, as amended, and/or the regulations of the NRC at 10 C.F.R. §95.35; or pursuant to any comparable provision of Canadian federal or provincial law.

**2.7- Disapproval of the Exception Request- (or Disapproval):** The determination by NERC that an Exception Request does not meet the criteria to receive ~~an~~the requested Exception.

**2.8- Eligible Reviewer:-** A person who has the required security clearances or other qualifications, or who otherwise meets the applicable criteria, to have access to Confidential

Information, Classified National Security Information, NRC Safeguards Information or Protected FOIA Information, as applicable to the particular information to be reviewed.

~~**2.9 Exception:** A determination that (i) an Element that falls within the BES Definition should be excluded from the BES, or (ii) an Element that falls outside the BES Definition should be included in the BES, in either case based on application of the technical criteria in this Appendix.~~

~~**2.10 Exception**~~

~~**2.9 Exception:** Either an Inclusion Exception or and Exclusion Exception.~~

~~**2.10 Exception Procedure:** -The procedure set forth in this Appendix.~~

~~**2.11 Exception Request:** -A request made by a Submitting Entity in accordance with this Appendix for an Exception.~~

~~**2.12 Exception Request Form:** -The form adopted by each Regional Entity, in accordance with a template approved provided by NERC, for use by Submitting Entities in submitting an Exception Requests; provided, that the Exception Request- Form must include Section III.B as adopted by NERC.~~

~~**2.13 Exclusion Exception:** A determination that an Element that falls within the BES Definition should be excluded from the BES.~~

~~**2.14 FERC:** -The United States Federal Energy Regulatory Commission.~~

~~**2.14 15 FOIA:** -The U.S. Freedom of Information Act, 5 U.S.C. §552.~~

~~**2.15 16 Inclusion Exception:** A determination that an Element that falls outside the BES Definition should be included in the BES.~~

~~**2.17 Lead Submitting Entity:** - The entity that submits Exception Request information that is common to a group of Submitting Entities that are submitting Exception Requests jointly.~~

~~**2.16 18 Mexican Entity:** A Registered Entity that is organized under Mexican law.~~

~~**2.19 NRC:** - The United States Nuclear Regulatory Commission.~~

~~**2.17 20 NRC Safeguards Information:** Required Information that is subject to restrictions on disclosure pursuant to 42 U.S.C. §2167 and the regulations of the NRC at 10 C.F.R. §73.21-73.23; or pursuant to comparable provisions of Canadian federal or provincial law.~~

~~**2.18 21 Owner:** -The Ownerowner(s) of an Element or Elements that is or may be determined to be part of the BES as a result of either the application of the BES Definition or an~~

Exception, or another entity, such as an operator, authorized to act on behalf of the ~~Owner~~owner of the ~~Element or Elements~~ in the context of an Exception Request.

~~2.19 Part A Required Information:~~ Required Information that is to be provided in Part A of a Submitting Entity's Exception Request.

~~2.20 Part B Required Information:~~ Required Information that is to be provided in Part B of a Submitting Entity's Exception Request.

~~2.21-22~~ **Protected FOIA Information:** Required Information, held by a governmental entity, that is subject to an exemption from disclosure under FOIA (~~[5 U.S.C. §552(e)]~~), under any similar state or local statutory provision, or under any comparable provision of Canadian federal or provincial law, which would be lost were the Required Information to be placed into the public domain.

~~2.22-23~~ **Recommendation:** Regional Entity's report to NERC containing the Regional Entity's evaluation concerning whether or to what extent an Exception Request should be approved.

~~2.23 Registered Entity:~~ An entity that is registered for a reliability function in the NERC Compliance Registry.

~~2.24~~ **Rejection of the Exception Request (or Rejection):** The determination by the Regional Entity that an Exception Request is not an eligible (in accordance with Section 4.1) Exception Request or does not contain all the Required Information in order to be reviewed for substance.

~~2.25~~ **Required Information:** Information required to be provided in an Exception Request, as specified in Section 4.0 of this Appendix.

~~2.26~~ **Submitting Entity: Scope of Responsibility:** The registered functions of a PA, RC, TOP, TP or BA and the geographical or electric region in which the PA, RC, TOP, TP or BA operates to perform its registered functions, or with respect to a Regional Entity, its Regional Entity Region.

~~2.27~~ **Submitting Entity:** The entity that submits an Exception Request ~~Form.~~

~~2.28~~ **Technical Review Panel:** A panel established pursuant to Section 5.3 of this Appendix.

### 3.0. BASIS FOR APPROVAL OF AN EXCEPTION

#### ~~3.1~~ **Grounds for an Exception**

##### (a) Exclusion Exception

An entity may request and obtain ~~approval~~ Approval from NERC for an Exclusion Exception on the grounds that ~~application of the terms of the BES Definition, evaluated in the context or environment of the Element or Elements(s) for which the Exception Request is filed: [This draft presumes there will be a separate *Technical Principles for Demonstrating BES Exceptions* document, which is currently being drafted and posted for comment separately by the BES SDT; if not, the detailed criteria could be included here. In any case the details would be stated again on the form(s) to be completed by the Submitting Entity.]~~

(i) ~~\_\_\_\_\_ would exclude from the BES an Element(s) that . . . ; or~~

~~\_\_\_\_\_ would include within the BES an Element(s) that . . . ; or~~ based on application of the BES Definition but is not necessary for the Reliable Operation of the interconnected bulk power transmission system as evidenced by Required Information provided pursuant to **Detailed Information to Support an Exception Request** (Section III.B of the Exception Request Form).

~~\_\_\_\_\_ (iii) \_\_\_\_\_ would be inconclusive regarding whether the subject Element or Elements are part of the BES.~~

#### (b) Inclusion Exception

An entity may request and obtain Approval from NERC for an Inclusion Exception on the grounds that the Element(s) for which the Exception Request is filed is not included within the BES based on application of the BES Definition but is necessary for the Reliable Operation of the interconnected bulk power transmission system as evidenced by Required Information provided pursuant to **Detailed Information to Support an Exception Request** (Section III.B of the Exception Request Form).

### 3.2. Burden

The burden to provide a sufficient basis for ~~approval~~ Approval of an Exception Request in accordance with the provisions of this ~~Appendix~~ Exception Procedure is on the ~~entity submitting the Exception Request (“the Submitting Entity”)~~. It is the responsibility of the Regional Entity, subject to oversight by NERC as provided in this ~~Appendix, to~~ Exception Procedure, to evaluate the request and make an initial recommendation as to whether a Recommendation to NERC regarding its Approval. No single piece of evidence provided as part of an Exception Request has met the criteria for approval or response to a question will be solely dispositive in the determination of whether an Exception Request shall be approved or disapproved.

## **4.0. FORM, CONTENTS, AND SUBMISSION OF AN EXCEPTION REQUEST**

### 4.14.1. Eligible Submitting Entities

The Owner of an Element may submit an Exception Request for either an Inclusion Exception or an Exclusion Exception regarding that Element. A Regional Entity, PA, RC, TOP, TP, or BA that has (or will have upon inclusion in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may submit an Exception Request for the inclusion in the BES of an Element or Elements owned by a Registered Entity , provided that before doing so, (i) the Submitting Entity conferred with the Owner about the reasons for an Exception, and (ii) could not reach agreement regarding the submission of such an Exception Request. (If the Owner agrees with submitting an Exception Request, the Owner should be the Submitting Entity.) Only a Regional Entity may submit an Exception Request for the inclusion in the BES of an Element or Elements owned by an Owner that is not a Registered Entity. Only an Owner or a Regional Entity may submit an Exception Request for the exclusion from the BES of an Element. When a Regional Entity requests an Exception, the Regional Entity shall submit its Exception Request to NERC, in which case, NERC will perform the duties and responsibilities of the “Regional Entity” specified in this Appendix.

With respect to an Element that crosses a boundary between Regional Entities, (1) the Submitting Entity will submit the Exception Request to both (or all) Regional Entities, which will cooperate to process the Exception Request pursuant to section 5.1 below, or (2) the Regional Entities must jointly submit an Exception Request to NERC (neither Regional Entity shall be allowed to submit such Exception Request unilaterally).

#### **4.2. Separate Submissions for Each Exception Request**

———A separate Exception Request shall be submitted for each Element or set of connected Elements for which the Submitting Entity seeks an Exception. The scope of an Exception Request shall cover the terminal connections of the Element or set of Elements as identified in the Exception Request. Where the ~~entity~~ Submitting Entity seeks Exception from the BES Definition for multiple, similar Elements (either at the same location or at different locations within the geographic boundaries of a Regional Entity) on the same basis, the Exception Requests for all such Elements may be included in one ~~submission~~ Exception Request with all such Elements or sets of connected Elements separately identified. A single Exception Request may not be submitted for separate Elements within the geographic boundaries of more than one Regional Entity.

Multiple ~~entities~~ Submitting Entities may jointly file Exception Requests for similarly situated similar Elements for which they are requesting Exceptions on the same basis ~~under Section 3.1.~~ In such a situation, the ~~entities~~ Submitting Entities will submit a package comprised of a complete Exception Request Form for ~~one entity (the “a Lead Entity”)~~, and an Exception Request Form for each other ~~entity~~ Submitting Entity that (1) provides the ~~entity’s~~ Submitting Entity’s differing individual information to the extent such is required (e.g., contact information, identification, and location of Element(s), etc.), and (2) otherwise references the pertinent portions of the complete Exception Request Form filed by the Lead Entity (e.g., status under application of the ~~terms of the~~ BES Definition, basis for an Exception under Section 3.1, etc. ~~).~~). For any Exception Request filed by multiple ~~entities~~ Submitting Entities as provided in this Section, the Lead Entity shall be considered the “Submitting Entity” for purposes of the Regional Entity’s and NERC’s notices and actions in accordance with the remainder of this Appendix.

Exception Procedure. However, any Owner nonetheless may take any action otherwise appropriate for a Submitting Entity (e.g., respond to a Recommendation, submit an appeal, etc.).

~~A Regional Entity, Planning Coordinator, Reliability Coordinator or Balancing Authority may submit an Exception Request with respect to an Element or Elements owned by another Registered Entity (the “Owner”), provided that before doing so, (i) the entity confers with the Owner about the reasons for an Exception, and (ii) the Owner disagreed with submitting such an Exception Request. If a Regional Entity seeks an Exception, the Regional Entity shall submit its Exception Request to NERC, in which case, NERC will perform the duties and responsibilities of the “Regional Entity” specified in this Appendix.~~

### ~~4.24.3. Withdrawal of an Exception Request~~

~~A Submitting Entity may withdraw an Exception Request at any time prior to NERC Approval or disapproval of the Exception Request.~~

## **4.4. Form and Format of Exception Request**

~~—An Exception Request shall consist of two parts, each three sections, all of which must be submitted to the applicable Regional Entity, with a copy to the Owner if different than the Submitting Entity. If the Submitting Entity is not the Owner [i.e., is a Regional Entity, PA, RC, TOP, TP, or BA that has (or will have upon inclusion of the Element in the BES) the Elements covered by an Exception Request within its Scope of Responsibility], it shall at the same time provide a copy of the Exception Request to the Owner (or if the Owner is unknown, to the operator of the Element(s)) to which the Exception Request applies, in a secure electronic form using the Exception Request Form.~~

~~(i) Part A of the Exception Request is the identification of the Element(s) for which a Submitting Entity is requesting an Exception and of its status under the application of the terms of the BES Definition. Part A Required Information must be submitted as part of the Exception Request Form.~~

~~(ii) Part B of the Exception Request contains the detailed material to support an Exception Request and includes the documents, drawings, and other information necessary to provide the details and justification for the requested Exception. In accordance with the *[Technical Principles for Demonstrating BES Exceptions document]*, certain Part B Required Information must be submitted with the Exception Request Form, and additional Part B Required Information must be available at a location for review by the Regional Entity beginning on the date the Exception Request is submitted.~~

~~(iii) A Regional Entity may also require a Submitting Entity to submit all or a portion of the additional Part B Required Information to the Regional Entity, provided that (A) the information can be filed in a secure manner that does not compromise the confidentiality of any Confidential Information, Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information, and (B) the Submitting~~

~~Entity shall not be required to file with a Regional Entity any Part B Required Information if the Submitting Entity is not assured of such security, or to the extent that such filing is prohibited by law; provided that the information shall still be available at a location for review as provided in Section 4.2(ii). The Regional Entity is under no obligation to issue a Recommendation regarding an Exception Request without documentation sufficient to grant such an approval.~~

~~4.34.5. Required Information to be Included in the Exception Request~~

~~4.35.1. Part A Section I of an Exception Request shall contain the Part A Required Information specified in this Section 4.35.1 and shall be submitted to. At the Regionalsame time the Submitting Entity usingsubmits the Exception Request Form. Consistent with the summary nature of the Part A Required Information to the Regional Entity, the Submitting Entity shall submit a copy of Section I to each PA, RC, TOP, TP, and BA that has (or will have upon inclusion in the BES) the Elements covered by an Exception Request Form provides checklistswithin its Scope of responses to be selected by the Submitting Entity and/or limited space for narrative descriptions for the Part A Required Information listed below. Responsibility. Failure to provide all Part ASection I Required Information willmay result in rejectionRejection of the Exception Request as incomplete. The Part A Required Information shall consist of the following information:~~

1. Name and address of ~~entity submitting the Exception Request (“Submitting Entity”)~~.
2. Submitting Entity NERC Compliance Registry ID (if yet assigned).
3. Name of the Owner, if different than the Submitting Entity, ~~and certification by the Submitting Entity that it conferred with the Owner regarding the reason for the requested Exception, but that the Owner disagreed with submitting such an Exception Request.~~
4. Owner’s NERC Compliance Registry ID (if yet assigned).
5. Exception Request submittal date.
6. Whether the Exception Request is an original Exception Request or an amended Exception Request; and if it is an amended Exception Request, the identification number(s) of the original Exception Request and any previous amendments.
7. ~~Name, mailing address, phone number, facsimile number and E-mail address of the Submitting Entity’s technical contact person for~~ Whether the Exception Request.
8. ~~To the extent known by the Submitting Entity, name, mailing address, phone number, facsimile number and E-mail address of the Owner’s technical contact~~

~~person for the Exception Request, if the Owner is different from the Submitting Entity.~~

~~9. Status under the BES Definition of the Element(s) for which the Exception is being requested. [On the form, this would be a checklist of the various parts of the BES Definition, submitted in conjunction with perhaps some space for specific, relevant details. "Unable to determine status" would be one option.] Requests by other Submitting Entities. If so, the names of the other Submitting Entities.~~

~~10. The type(s) of Element(s) for which the Exception is being requested.~~

~~11. Identification and location(s) of Element(s) for which the Exception is being requested.~~

~~12.8. Whether the Submitting Entity is filing a similar Exception Request(s) with one or more other Regional Entities, and if yes, the name(s) of the other Regional Entity(ies).~~

9. The type(s) of Element(s) for which the Exception is being requested.

10. Status, based on application of the BES Definition, of the Element(s) for which the Exception is being requested.

4.35.2 Part B, Section II of an Exception Request shall contain the ~~Part B~~ Required Information specified in this Section 4.35.2. ~~Failure to include all Part B~~ At the same time the Submitting Entity submits the Exception Request Form to the Regional Entity, the Submitting Entity shall submit a copy of Section II to each PA, RC, TOP, TP, and BA that has (or will have upon inclusion of the Element(s) in the BES) the Elements covered by an Exception Request within its Scope of Responsibility. Failure to provide all Section II Required Information may result in rejection ~~Rejection~~ of the Exception Request. ~~The information provided should be comprehensive, as opposed to the summary information provided on Part A, and should include any supporting documents, as required by the /incomplete.~~

Section II Required Information will not be publicly posted or disclosed to third parties except for persons involved in reviewing the Exception Request.

1. Identification and location(s) of Element(s) for which the Exception is being requested.

2. Name, title, phone number, facsimile number, and E-mail address of the Submitting Entity's technical ~~criteria document~~ contact person for the Exception Request.

3. Certification by the Submitting Entity (if other than Owner) that it conferred with the Owner regarding the reason for the requested Exception, but could not reach agreement regarding the submission of an Exception Request.

4. To the extent known by the Submitting Entity, name, mailing address, phone number, facsimile number, and E-mail address of the Owner's technical contact person for the Exception Request, if the Owner is different from the Submitting Entity.
- ~~4.5.~~ Identification of PA, RC, TOP, TP, and BA that has (or will have upon inclusion in the BES) the Elements covered by the Exception Request within its Scope of Responsibility, and certification by the Submitting Entity that it has sent copies of Sections I and II to each such entity.
6. A statement of the basis, ~~consistent with Section 3.1 of this Appendix,~~ on which the Submitting Entity contends the Exception Request should be approved, ~~with supporting documentation for such basis and if the Submitting Entity is not the Owner,~~ a statement of the basis of the Submitting Entity's reason for submitting the Exception Request.
7. A statement, signed and dated by an authorized representative of the Submitting Entity's senior management stating that the representative has read the Exception Request on behalf of the Submitting Entity and that the Submitting Entity believes Approval of the Exception Request is warranted.

**4.5.3** Section III of an Exception Request shall contain the **Detailed Information to Support an Exception Request** as specified on the Exception Request Form. Failure to include all Section III Required Information may result in Rejection of the Exception Request. The Submitting Entity may designate all or part of the Section III Required Information as ~~required by the [technical criteria document], or an explanation of the reason for the inability to determine the subject Element's or Elements' status by application of the terms of the BES Definition~~ Confidential Information.

1. If the Exception Request is supported, in whole or in part, by Classified National Security Information, NRC Safeguards Information, and/or Protected FOIA Information, Section III shall include a statement identifying which of these categories each such item of information falls into and explaining why each such item of information is Classified National Security Information, NRC Safeguards Information, and/or Protected FOIA Information.
2. If the Submitting Entity is prohibited by law from disclosing any Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information to any person who is not an Eligible Reviewer (such as, for example, the restriction on access to Classified National Security Information specified in Section 4.1 of Executive Order No. 12958, as amended), ~~the Exception Request~~ Section III shall identify the Classified National Security Information, NRC Safeguards Information and/or Protected FOIA Information that is subject to such restrictions on disclosure and shall identify the criteria which a person must meet in order to be an Eligible Reviewer of the Classified

National Security Information, NRC Safeguards Information and/or Protected FOIA Information.

4. ~~A statement, signed and dated by a responsible, authorized representative of the Submitting Entity's senior management stating that the representative has read the Exception Request on behalf of the Submitting Entity and that the Submitting Entity believes approval of the Exception Request is warranted pursuant to the criteria in Section 3.1 of this Appendix.~~

~~5.4.3.3~~ The Owner of the Element(s) to which the Exception Request applies, if different than the Submitting Entity, may file a response to supplement, correct or disagree with all or any part of an Exception Request ~~Form~~. Any PA, RC, TOP, TP, and BA that has (or will have upon inclusion of the Element(s) in the BES) the Elements covered by an Exception Request within its Scope of Responsibility may also provide input to the RE regarding the request. If in order to evaluate an Exception Request, the Owner, PA, RC, TOP, TP or BA wishes to obtain any Required Information in Section III of the Exception Request, the Owner PA, RC, TOP, TP or BA may submit to the Regional Entity a request stating its reason for wanting to review such information, and the Regional Entity may provide such information if the Regional Entity believes such review may assist the Regional Entity's review; if any of such Section III Required Information has been designated Confidential Information, prior to being provided the Confidential Information, the Owner, PA, RC, TOP, TP or BA shall execute a confidentiality agreement in a form established by the Regional Entity. Any response provided pursuant to this section 4.5.4 must be submitted to the Regional Entity with copies to the Submitting Entity and the Owner, if different from the Submitting Entity, within forty-five (45) days after receiving a copy of the date the Exception Request Form was submitted to the Regional Entity.

#### **4.46 Access to Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information Included in Required Information**

~~4.46.1.~~ Upon reasonable advance notice from a Regional Entity, and subject to Section 4.46.2, a Submitting Entity or Owner must provide the Regional Entity ~~(#a)~~ with access to Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information included in the ~~Part B Required Information~~ Exception Request, and ~~(#b)~~ with access for purposes of making a physical review and inspection ~~to~~ of the Element or Elements for which an Exception Request has been submitted.

~~4.46.2.~~ If the Submitting Entity or Owner is prohibited by law from disclosing any Confidential Information, Classified National Security Information, NRC Safeguards Information, or Protected FOIA Information to any person who is not an Eligible Reviewer (such as, for example, the restriction on access to Classified National Security Information specified in Section 4.1 of Executive Order No. 12958, as amended), then such Confidential Information, Classified National Security Information, NRC Safeguards Information, or Protected FOIA Information shall only be reviewed by a representative or

representatives of the Regional Entity (which may include contractors), who are Eligible Reviewers.

———~~4.46.3.~~ The Regional Entity, as applicable, will work cooperatively with the Submitting Entity and/or Owner to provide necessary levels of protection for information identified in Section 1500 of the NERC Rules of Procedure and to access Protected FOIA Information in a way that does not waive or extinguish the exemption of the Protected FOIA Information from disclosure. If the Regional Entity shares any Confidential Information with a third party it shall do so subject to restrictions in applicable law under appropriate confidentiality agreements.

## **5.0 REVIEW, ACCEPTANCE OR REJECTION, AND RECOMMENDATION REGARDING EXCEPTION REQUESTS**

The Regional Entity's Evaluation of the Exception Request will consist of two stages:

- (a) During the first stage, the Regional Entity shall conduct an initial screening to determine whether to accept or reject the Exception Request; and
- (b) During the second stage, the Regional Entity shall conduct a substantive review to determine its Recommendation to NERC as to whether or not the Exception Request should be approved.

If the Regional Entity determines at any time that for a specified period of time, the Regional Entity will be unable to complete initial screenings of Exception Requests within the time provided by Section 5.1.3(a) and/or substantive reviews of Exception Requests within the time provided in Section 5.2.2, the Regional Entity, based on consultation with NERC, shall establish an alternative time period objective and work plan for completing initial screenings and substantive reviews of Exception Requests during the specified period of time. The alternative time period objective and work plan shall be publicized by posting on the Regional Entity's website.

### **5.1. Initial Screening of Exception Request for Acceptance or Rejection**

———~~5.1.1.-1.~~ Upon receipt of an Exception Request, the Regional Entity (i) will assign a unique identifier to the Exception Request, and (ii) will review the Exception Request to determine that the Exception Request is for an exception from an eligible (in accordance with Section 4.1) Submitting Entity for an Exception from the application of the ~~terms of the~~ BES Definition and that all Required Information has been provided, ~~as required by the [Technical Criteria Document].~~ If the Exception Request indicates that the Submitting Entity has submitted a similar Exception Request to one or more other Regional Entities, the Regional Entities shall coordinate their actions undertaken pursuant to this Section 5.0. -If the Exception Request is for an Element that crosses boundaries between or among Regional Entities, the Regional Entities shall cooperatively determine a lead Regional Entity to assess the request in a single process yielding a single Recommendation to NERC.

**5.1.2.** ~~—~~ The unique identifier assigned to the Exception Request will be in the form of XXXX-YYYY-NERCID-ExceptionZZZZZ, where “XXXX” is the year in which the Exception Request is received by the Regional Entity (e.g., “2011”); “YYYY” is the acronym for the Regional Entity within whose geographic boundaries the relevant Element or Elements are located<sup>3</sup>; NERCID is the Submitting Entity’s NERC Compliance Registry ID (or an abbreviation of its name if an ID is not yet assigned); and “ZZZZZ” is the sequential number of the Exception Requests received by the Regional Entity in that year. If the Exception Request is amended or resubmitted, “-AZ” will be added to the end of the identifier, where “Z” is the number of the amendment to the Exception Request.

**5.1.3.** ~~(a)~~ The Regional Entity will typically complete its initial screening of the Exception Request Form and any ~~responsive document filed by an Owner~~ Owner’s response submitted pursuant to Section 4.5.4 no later than either sixty (60) ~~calendar~~ days after receiving the Exception Request or, if the Submitting Entity is not the Owner, thirty (30) ~~calendar~~ days after receiving any ~~responsive document from the Owner~~ Owner’s response, whichever is later.

~~(b) If the Regional Entity determines at any time that for a specified period of time, the Regional Entity will be unable to complete initial screenings of Exception Requests within the time provided by Section 5.1.3(a) after receipt and substantive reviews of Exception Requests within six months after receipt, the Regional Entity, based on consultation with NERC, shall establish an alternative time period objective and work plan for completing initial screenings and substantive reviews of Exception Requests during the specified period of time. The alternative time period objective and work plan shall be publicized by posting on the Regional Entity’s Website.~~

**5.1.4.** If, based on its initial screening, the Regional Entity determines the Exception Request is from an eligible (in accordance with Section 4.1) Submitting Entity for an Exception from the ~~application of the terms of the BES Definition (or for a determination of undeterminable status),~~ and that all Part A Required Information has been provided, ~~and that the Part B Required Information provides the types and scope of information required to be submitted in accordance with Section 4.2(ii) of this Appendix~~, the Regional Entity shall accept the Exception Request as complete and send a notice of such Acceptance to the Submitting Entity, with a copy to the Owner, if different than the Submitting Entity, and to NERC.

**5.1.5.** ~~(a)~~ If the Regional Entity determines, ~~(A)~~ based on its review of the Part A Required Information provided by the Submitting Entity Exception Request, that the Exception Request (i) is not from an eligible (in accordance with Section 4.1) Submitting Entity for an Exception from ~~the~~ application of the ~~terms of the~~ BES Definition ~~(of for a determination of~~

<sup>3</sup> The acronyms to be used are: FRCC (Florida Reliability Coordinating Council); MRO (Midwest Reliability Organization); NPCC (Northeast Power Coordinating Council); RFC (Reliability *First* Corporation); SERC (SERC Reliability Corporation); SPP (Southwest Power Pool Regional Entity); TRE (Texas Regional Entity/Texas Reliability Entity); and WECC (Western Electricity Coordinating Council), and NERC in cases where the Exception Request is submitted to NERC.

~~otherwise undeterminable status),<sup>2</sup> and/or (ii) does not contain all Part A Required Information, and/or (B) based on its review of the Part B Required Information provided by the Submitting Entity that the Exception Request does not provide the types and scope of information required in accordance with Section 4.2(ii) of this Appendix Required Information, the Regional Entity shall reject the Exception Request as incomplete and send a notice of such Rejection to the Submitting Entity, with a copy to the Owner, if different than the Submitting Entity, and to NERC.<sup>3</sup> To the extent feasible, if an Exception Request Form is missing Part A or Part B information that the Regional Entity believes may be readily available to the Submitting Entity Required Information, the Regional Entity shall not reject the Exception Request until (1) it has contacted the Submitting Entity to request that the Exception Request Form be supplemented with such information, and (2) the Submitting Entity has failed to submit such information within a reasonable period of time.—the missing Required Information, and (2) the Submitting Entity has failed to submit such Required Information within thirty (30) days or such additional period of time as the Regional Entity may allow at its discretion based on the circumstances, and (3) the Regional Entity has received the opinion from a Technical Review Panel pursuant to Section 5.3. When a Submitting Entity submits supplemental Required Information in response to a request under this section 5.1.5(a), the time for the Regional Entity to perform its initial screening will be extended for fifteen (15) days after receipt of the supplemental Required Information.~~

~~-(b)- If the Regional Entity rejects the Exception Request in accordance with Section 5.1.5 (a), the Regional Entity’s notice shall explain the reason for the Rejection and identify any Part A Required Information or Part B Required Information that was not provided in the Exception Request Form. The Regional Entity shall at the same time provide the Submitting Entity (and Owner if different) a copy of the Technical Review Panel’s opinion. The Submitting Entity may (i) at any time after a Rejection, submit an amended Exception Request to the Regional Entity correcting any deficiencies, or (ii), within thirty (30) days after receipt of the Rejection, ask appeal to NERC to direct Reconsideration of the Exception Request in accordance with Section 87.0 of this Appendix Exception Procedure to reverse the Rejection and to direct the Regional Entity to proceed with a substantive review of the Exception Request.~~

~~————5.1.6. The Regional Entity may either accept the Exception Request in its entirety, reject the Exception Request in its entirety, or if the Exception Request is for more than one Element, may accept it with respect to a subset of the Elements and reject it with respect to the remainder based on the similarity of the evidence presented for the Exception Request.~~

## **5.2 Substantive Review of Exception Request for Approval or Disapproval**

~~————5.2.1— After Acceptance of an Exception Request, the Regional Entity shall conduct a substantive review to evaluate whether or to what extent the Exception Request meets the criteria for an Exception specified in Section 3.1 of this Appendix. should be approved. As part of its substantive review, depending on the circumstances of the Exception Request, the Regional Entity may request access to and review the Part B Required Information, including any Confidential Information, Classified National Security Information, NRC Safeguards Information, and Protected FOIA Information that is necessary to support the Exception Request; may conduct one or more physical inspections of the relevant Element(s) and its (their) context~~

and surrounding Elements and Facilities; may request additional information from the Submitting Entity ~~or~~, Owner, or applicable PAs, RCs, BAs, TOPs and TPs; and may engage in further discussions concerning possible revisions to the Exception Request.

~~5.2.2. The~~ 5.2.2. Upon Acceptance of the Exception Request, the Regional Entity and Submitting Entity (and Owner, if different) shall confer to establish milestones in order to complete ~~its~~the substantive review of the Exception Request ~~and~~within six months after Acceptance of the Exception Request or within an alternative time period under Section 5.0, at the conclusion of which the Regional Entity shall issue a notice (in accordance with Sections 5.2.4 ~~or 5.2.5~~3) stating its Recommendation that the Exception Request be approved or disapproved, ~~within six months after acceptance of the Exception Request or within an alternative time period as specified in~~. Such notice shall include the Regional Entity's evaluation of whether and to what extent the Exception Request should be approved in its entirety or be disapproved in its entirety, or, if the Exception Request is for more than one Element, to be approved with respect to a work plan established under Section 5.1.3(b), ~~subset of the Elements and disapproved with respect to the remainder of the Elements~~. In ~~addition~~the case of extraordinary circumstances, the Regional Entity and Submitting Entity (and Owner, if different) may agree to extend the period of substantive review for individual Exception Requests ~~by issuing a notice to the Submitting Entity, with a copy to the Owner if different than the Submitting Entity and to NERC, stating~~; the revised date by which the Regional Entity will issue its Recommendation concerning the Exception Request: shall be stated in a notice issued by the Regional Entity.

~~5.2.3. The~~ 5.2.3. Upon completion of its substantive review of the Exception Request, the Regional Entity shall issue a Recommendation to NERC, with a copy to the Submitting Entity and to the Owner if different than the Submitting Entity, including ~~its~~the Regional Entity's evaluation of whether and to what extent ~~the~~ Exception Request ~~meets the criteria~~qualifies to be approved in its entirety or be disapproved in its entirety, or if the Exception Request is for more than one Element, to be approved with respect to a subset of the Elements and disapproved with respect to the remainder ~~of the Elements~~. The Recommendation shall set forth the basis on which the Regional Entity arrived at its Recommendation. ~~With the Recommendation, the Regional Entity will also send NERC copies of the Exception Request Form and all other information supplied~~considered by the ~~Submitting~~Regional Entity ~~and Owner if different than the Submitting Entity~~. in arriving at its Recommendation.

5.2.4 The Regional Entity shall not recommend Disapproval of the Exception Request in whole or in part without first submitting the Exception Request for review to a Technical Review Panel and receiving its opinion, in accordance with Section 5.3.

### 5.3 Technical Review Panel

Each Regional Entity shall establish provisions for a Technical Review Panel consisting of not less than five (5) individuals. Panel members shall comply with Subsection 7 of Section 403 of the NERC Rules of Procedure, shall not have participated in the review of the Exception Request, and shall have the required technical background to evaluate Exception Requests. When the Regional Entity intends either pursuant to Section 5.1.5.(a) to reject an Exception Request, in

whole or in part, or pursuant to Section 5.2.2 to issue a Recommendation of Disapproval, in whole or in part, the Technical Review Panel must first review the Regional Entity's proposed determinations and provide an opinion, a copy of which shall be provided to the Submitting Entity (and Owner if different) in the event the Regional Entity decides to reject or disapprove, as applicable, the Exception Request. The Regional Entity will not be bound by the opinion of the Technical Review Panel, but such evaluation shall become part of the record associated with the Exception Request and shall be provided to NERC.

## 6.0 SUPPLEMENTATION OF AN EXCEPTION REQUEST PRIOR TO A RECOMMENDATION

—A Submitting Entity or Owner at any time prior to the Regional Entity issuing its Recommendation- may supplement a pending Exception Request that is under review by a Regional Entity, either at the request of the Regional Entity or at the Submitting Entity's or Owner's own decision initiative, for the purpose of providing additional or revised Required Information.- The Submitting Entity or Owner shall submit a written explanation of what Required Information is being added or revised and the purpose of the supplementation. Supplementing a pending Exception Request may, in the Regional Entity's discretion, extend/reset the time period for the Regional Entity's initial screening or substantive review, as applicable, of the Exception Request.

## 7.0 RECONSIDERATION APPEAL OF REJECTION OF AN EXCEPTION REQUEST APPLICATION BASED ON ITS COMPLETENESS

AThe Submitting Entity, or Owner if different than the Submitting Entity, may submit to the NERC Director of Compliance Operations, with a copy to the Regional Entity and Owner if different, information that the entity believes demonstrates that the insufficiencies in an Exception Request Form identified in the notice of Rejection by at the Regional Entity pursuant to Section 5.1.5 are incorrect and or otherwise do not warrant Rejection of the Exception Request, and that the Exception Request should be considered on its merits by a accepted and proceed to substantive review. An entity's A Submitting Entity's submission to NERC under this Section 7.0 shall be in writing and, shall (i) provide the Exception Request which received the rejection Rejection (using the identifier assigned to the Exception Request pursuant to Section 5.1.2), (ii) provide a copy of the Regional Entity's notice of Rejection of the Exception Request, and (iii) and shall set forth a description of the errors that the entity Submitting Entity believes are in the notice- of Rejection. The entity's Submitting Entity's submission must provide a clear and compelling demonstration (1) demonstrate that it is eligible (in accordance with Section 4.1) to submit the Exception Request is for an Exception as provided by Section 3.1 and (2) that all Part A-Required Information and Part B-Required Information for such an the Exception Request has been provided. Within forty five (45) calendar days after receiving the submission, NERC will review the entity's Submitting Entity's submission and the reports submitted by the Regional Entity or Regional Entities pursuant to Section 5.1.5 with respect to the Exception Request, and if NERC determines that the Submitting Entity is eligible (in accordance with Section 4.1) to submit the Exception Request is for an Exception pursuant to Section 3.1 (or for a determination of undeterminable status), that all Part A-Required Information has been provided, and that the Part B-Required Information provides the types and scope of information required Exception Request should proceed to be submitted in accordance with Section 4.2(ii) of this Appendix substantive review, NERC shall direct, within forty-five (45) days after receiving the submission, issue a decision directing the Regional Entity to reconsider its rejection and to proceed to a substantive review of the Exception Request in accordance with Section 5.2.- NERC will send a written notice to the entity Submitting Entity, the Owner if different, and the Regional Entity stating either that NERC has determined to direct reconsideration by either

~~directs~~ the Regional Entity to proceed to a substantive review or that NERC ~~has determined~~does not to direct reconsideration by the Regional Entity, as applicablesuch a review.

## 8.0 APPROVAL OR DISAPPROVAL OF AN EXCEPTION REQUEST

Following the ~~submission~~date of ~~the~~ the Regional Entity's Recommendation to NERC, a Submitting Entity or Owner will have thirty (30) ~~calendar~~ days to submit a comment in support of or opposition to the Recommendation. ~~For no more than ninety days after receiving the Recommendation or seventy five days after receiving a comment on the Recommendation, whichever is longer, a~~ A team of three ~~NERC Reliability Assessment and Performance Analysis personnel~~persons with the required technical background to evaluate Exception Requests shall review the ~~Exception Request Form~~Recommendation and supportingaccompanying materials, the Recommendation and any comments, and provided by the Regional Entity pursuant to Section 5.2.3, the Technical Review Panel opinion (if any), and any comment submitted by the Submitting Entity or Owner. This review shall be completed within ninety (90) days after NERC receives the Recommendation. NERC may choose to ask the Regional Entity, Submitting Entity and Owner, if different than the Submitting Entity, to appear at a NERC office for interviews or discussion regarding any questions. By the end of such In lieu of appearing in person at a NERC office, appearances may be, upon the mutual agreement of NERC, the Regional Entity, the Submitting Entity and/or Owner, conducted by a conference call, teleconferencing, or webinar. By the end of the ninety-day review period, the team shall issue a decision on behalf of NERC either to Approveapprove or to Disapprovedisapprove the Exception Request. -If the Exception Request concerns more than one Element, ~~NERC~~the review team's decision may Approveapprove the Exception Request in its entirety, Disapprovedisapprove the Exception Request in its entirety, or Approveapprove some portion of the Exception Request and Disapprovedisapprove the remaining portion. -The decision shall be in writing ~~and identify, shall be based on the team's independent consideration of the full record, and state~~ the basis for the decision. -If the decision of the team was not unanimous, the ~~writing~~written decision shall note that fact and include the basis on which the minority disagreed. ~~The decision of the review team shall be the decision of NERC with respect to Approval or Disapproval of the Exception Request.~~

Documentation used to substantiate the ~~conclusions of NERC~~decision related to an Exception Request shall be retained by ~~the~~ NERC for a minimum of six (6) years or as long as the Exception is in effect, whichever is longer, unless a different retention period is otherwise identified, for the purposes of future audits of this procedure.

## 9.0 APPEAL OF APPROVAL OR DISAPPROVAL OF AN EXCEPTION REQUEST

### ~~9.1~~

A Submitting Entity or Owner aggrieved by NERC's approvalApproval or disapprovalDisapproval of an Exception Request or termination of an Exception may, within ~~twenty one (21) calendar~~thirty (30) days following receiptthe date of NERC's decision, ~~file an appeal with the NERC Board of Trustees by sending a letter to NERC's General Counsel stating the desire to do so, with copies to the other parties to the Exception Request process. The appeal~~

~~shall state the basis challenge such determination pursuant to Section 1703 of the objection to NERC's decision.~~

~~9.2—NERC, the Regional Entity(ies), the NERC Rules of Procedure. If neither a Submitting Entity and the/or Owner are encouraged to resolve any disagreements informally, and the entities involved may make use of alternative dispute resolution procedures at any time during the course of the matter, and in connection therewith to agree to toll the time challenges, within such period for consideration of the appeal.~~

~~9.3—A panel appointed by the NERC Board of Trustees for that purpose shall decide the appeal within ninety (90) days. The panel shall consist of at least three appointees, one of whom must be a member of the NERC staff, who are knowledgeable about the types of Elements for, NERC's determination with respect to any Element to which the Exception Request was made and do not have a direct financial or business interest in the outcome of the appeal. The panel may request additional information from the Regional Entity(ies), the Submitting Entity and the Owner.~~

~~9.4—The panel will provide a written decision regarding the appeal, including a basis for its decision, and NERC shall notify the Regional Entity(ies), the Submitting Entity and the Owner, that the appeal was granted or denied and the Exception applies, such determination shall provide a copy become effective with respect to such Element on the thirty-first day following the date of the written NERC decision of the panel.~~

~~9.5—The Submitting Entity and/or the Owner, if aggrieved by the decision of the panel may request that the NERC Board of Trustees Compliance Committee review the decision by filing its request for review and a statement of reasons with NERC's Chief Reliability Officer within 14 days of the panel decision. Within forty five (45) days after receiving the request for review, the Board of Trustees Compliance Committee will provide a written decision regarding the appeal, including a basis for its decision; provided that the Board of Trustees Compliance Committee may, in its discretion, decline to review the decision of the panel, in which case the decision of the panel shall be the final NERC decision.~~

~~9.6—A record of the appeals process shall be maintained by NERC.~~

~~9.7—A Submitting Entity or Owner aggrieved by the decision of the Board of Trustees Compliance Committee may appeal to FERC or the Applicable Canadian Governmental Authority within 21 days after notification of the final appellate decision.~~

## ~~10.0~~ 10.0 IMPLEMENTATION PERIOD FOR EXCEPTIONS

### 10.1 Inclusion Exceptions

In the case of an Element not included in the BES by application of the BES Definition but for which an Inclusion Exception is approved, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any NERC Reliability Standards applicable to the newly included Element. The Regional Entity and Owner

shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity Board or a Board-appointed committee shall specify a reasonable implementation schedule.

## 10.2 Denials of Exception Requests for Exclusion

(a) In the case of a newly-constructed or installed Element which is included in the BES by application of the BES Definition but for which an Exception Request for an Exclusion Exception was submitted at least twelve (12) months before commercial operation of the Element, but which Exception Request is either still pending or has been disapproved at the time of commercial operation, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any NERC Reliability Standards applicable to the newly constructed or installed Element. The Regional Entity and Owner shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity Board or a Board-appointed committee shall specify a reasonable implementation schedule.

(b) In the case of an Element which is included in the BES based on application of the current BES Definition but was not included in the BES under the BES Definition in effect immediately prior to the current BES Definition, and for which an Exception Request for an Exclusion Exception was submitted no more than twelve (12) months after the current BES Definition became effective, but which Exception Request has been rejected or disapproved, the Owner shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any NERC Reliability Standards applicable to the newly included Element. The Regional Entity and Owner shall confer to agree upon such schedule. If the Regional Entity and Owner are unable to agree on the implementation plan, the Regional Entity Board or a Board-appointed committee shall specify a reasonable implementation schedule.

## 11.0 TERMINATION OF AN APPROVED EXCEPTION

~~1011.1~~ An Exception Request typically will be ~~granted~~approved without a specified date of termination, but will be subject to ~~periodic~~ review to verify continuing justification for the Exception.

~~10.2 Registered Entities~~11.2 Submitting Entity(ies) shall notify the appropriate Regional Entity, with a copy to NERC, within ninety (90) days after learning of any change of condition which would affect the ~~Part A or Part B Required Information regarding an Element(s) to which an Exception applies~~ basis stated by NERC in its decision pursuant to Section 8.0 approving the Exception Request. NERC shall review such notification and determine whether to direct the Regional Entity to perform a substantive review (pursuant to Section 5.2) to verify continuing justification for the Exception and to issue a Recommendation to NERC.

~~1011.3 Registered Entities~~Submitting Entity(ies) shall ~~self~~<sup>4</sup> certify periodically ~~to the~~ appropriate Regional Entity that the basis for ~~Elements~~ an Element being included or excluded in the BES through the Exception ~~remain~~remains valid and in connection with each certification, shall provide the Regional Entity with any changes to ~~Part A~~Section I or Section II Required

<sup>4</sup> ~~Self~~The certification shall consider the effect on the basis for the Exception ~~resulting from system~~of changes such as load growth and topological changes, as well as the effect on system limits and impacts as a result of the contingencies listed in Table 1 of ~~the~~each applicable NERC TPL ~~standards~~Reliability Standard.

Information. ~~Such self~~ The certification shall be due on the first day of the first quarter twenty--four (24) months after the date on which the Exception Request was approved, and every twenty ~~four months~~ (24) months thereafter, ~~soas~~ long as the Exception remains in effect. If such certification is not provided, the Exception ~~will terminate~~ is subject to termination ninety (90) days after ~~such~~ the date the certification was due.

~~10.4~~ NERC and, and the Regional Entity shall send the Submitting Entity and FERC shall be notified of necessary changes to the BES list consistent with the notification provisions described in this section NERC written notice of such termination.

11.4 If the Regional Entity obtains information through means other than those described in Sections 11.2 and 11.3 that indicates an Exception may no longer be warranted, the Regional Entity shall provide such information to NERC. NERC shall review the information and determine whether to direct the Regional Entity to perform a substantive review (pursuant to Section 5.2) to verify continuing justification for the Exception and to issue a Recommendation to NERC.

11.5 If the Regional Entity's Recommendation following a substantive review pursuant to Section 11.2 or 11.4 is that the Exception shall be terminated, NERC shall (i) issue a written notice to the Submitting Entity and Owner, if different, that the Exception is under review for possible termination, (ii) allow the Submitting Entity and/or Owner, as applicable, thirty (30) days from the date of the notice to submit comments or information to NERC to show that the Exception continues to be justified and should remain in effect, and (iii) cause the Recommendation to be reviewed in accordance with Section 8.0 of this Appendix. If the conclusion of the review is that the Exception should be terminated, NERC shall send a written notice to the Submitting Entity and Owner, if different, stating that the Exception is terminated and the reasons for the termination. When an Element will be included in the BES as a result of the termination of an Exclusion Exception under this Section, an implementation plan detailing the schedule for complying with any NERC Reliability Standards applicable to the newly included Element will be developed in accordance with Section 10.1 as if it were an inclusion exception.

11.6 Upon request by the Regional Entity, the Submitting Entity(ies) and/or Owner if different shall provide within thirty (30) calendar days the most recent versions of any Section III Required Information so requested.