Standard Authorization Request Form

Name of Proposed Standard	Certification of the Balancing Authority Function
Request Date	October 7, 2002
Authorized for Posting	November 20, 2002
SAR ID#	BA_CERTIFICATION_01_04

SAR Requestor Information		***SAR Type***	
Name	Organization Certification Task Force	☒	1. New Standard
Primary Contact	Gerry Burrows	☐	2. Revision to existing Standard or
Telephone	816-654-1183	☐	3. Withdrawal of existing Standard
e-mail	gerry.burrows@kcpl.com	☐	4. Urgent Action

Purpose/Industry Need of Standard

To ensure that each entity that wants to be recognized as a Balancing Authority has the capability of performing the responsibilities assigned to the Balancing Authority function.

Brief Description of New Standard or Revision to Existing Standard

Each entity that wants to be recognized as a Balancing Authority shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Balancing Authority Function.

Detailed Description of New Standard or Revision to Existing Standard

Summary

The primary steps in the Balancing Authority Certification Process, and the entity responsible for each step, are as follows:

- Initiation of Process – Entity seeking certification (the "Applicant")
- Provision of criteria, process, documentation, etc. – Region
- Formation of Certification Review Team – Region
- Data collection – Region
- Data review – Region (Review Team)
- Site visit – Region (Review Team)
- Recommendation – Region (Review Team)
- Certification and Authority to operate – Region
- Notification of authority to operate – NERC

Balancing Authority Certification Process

1. Single BA in Single Region:

An entity seeking certification as a Balancing Authority (the "Applicant") will initiate the certification process by making a formal request to the Regional Manager in the Region where the Applicant plans to operate a Balancing area. A copy of the request will also be sent to the NERC Director-Compliance.

Single BA in Multiple Regions

An entity seeking certification as a Balancing Authority (the "Applicant") in multiple Regions will initiate the certification process by making a formal request to one of the Regional Managers of a Region where the Applicant plans to operate a Balancing area and copy all other Regional Managers of those Regions in which the Applicant will operate. A copy of the request will also be sent to the NERC Director-Compliance.

2. Single BA in a Single Region

The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and the awarding of certification.

Single BA in multiple Regions

In situations where a BA crosses Regional boundaries, all affected Regions shall participate in the certification process. The affected Regions shall identify one of the affected Regions as the Lead Region. The Lead Region shall be responsible for coordinating the formal review process and the awarding of certification in concurrence with the other affected Regions.

3. A timeline, including specific milestones, shall be agreed to by the Applicant and the Regional or Lead Regional Council. The NERC Balancing Authority Certification Procedure and certification recommendation is expected to be completed within nine months of the date that the initial

request was received by the Regional Manager.

4. The Region or Lead Region will notify all appropriate parties and provide each with the necessary information regarding the Balancing Authority's request for certification, the certification process, and the duties expected from each entity.

5. The Applicant must register in the NERC Master Registry. Registration stays on hold until certification is granted or denied.

6. NERC/Regional Staff will begin the process of making any necessary modeling/software changes. The Applicant and Region will supply necessary information to NERC.

7. The Region or Lead Region will provide questionnaires and related documents that will be used by all entities involved in the certification process. These questionnaires and related documents will be used to address the Applicant's capabilities and actions as they relate to established Balancing Authority requirements. The following list of entities will be recipients of the questionnaires and related documents as each is a source of certification information and data:

- Applicant (i.e. entity seeking Balancing Authority certification)
- Its Reliability Authority and Interchange Authority(ies)
- Generators and Load Serving Entities within the Applicant's Balancing Area
- Balancing Authorities adjacent to the applicant

8. The Region or Lead Region will provide expectations and standards regarding confidentiality and retention of all data reporting, completed questionnaires and forms, reports and recommendations associated with the documentation it provides and receives.

9. The Region or Lead Region will assemble a Certification Review Team charged with the responsibility of determining if the Applicant meets NERC's Balancing Authority Criteria. The Region or Lead Region and the Applicant will agree on the Review Team members before the commencement of the review process. The Review Team will subject themselves to confidentiality agreements for any data or information that is made available to them through the certification review process.

10. The Review Team will consist of a minimum of three individuals. The selected individuals will represent at least three of the categories listed below:

- Interchange Authority
- Balancing Authority
- Reliability Authority
- Transmission Operator
- Generator
- Load Serving Entity
- Regional Staff member
- Regional Compliance Committee member
- Regional Operating Committee member
- Representative from NERC Staff
- Representative from another NERC Region

- Representative from an RTO, when applicable

Review team members cannot be employees of the applicant or any of its affiliates.

Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. These representatives will be selected by the individual Regions that they represent and not by the Lead Region. Regional representation is still subject to Applicant approval. Remaining review team members must represent at least two of the remaining categories.

In the alternative, the Region(s) may elect, with applicant agreement, to engage a completely independent review team.

11. The Review Team will report its initial findings to the Applicant and to the Region(s) based on the information obtained through the initial application and questionnaires. The review Team will request any additional information before making an on-site visit.

12. The Review Team will conduct at least one on-site visit to the Applicant's control center facility. During the visit, the Review Team will:

- Review with the Applicant the data collected through the questionnaires,
- Interview the Applicant's operations and management personnel,
- Inspect the Applicant's facilities and equipment, and
- Review all necessary documents and data.

13. The Review Team will identify any deficiencies (to both the Applicant and to the Region(s)) that must be resolved prior to the review team making their final recommendation. The Review Team will review any follow-up work required by the Applicant until a certification recommendation is made.

14. The Review Team will formulate a certification recommendation based on: data collected and validated from the questionnaires; and from observations and information collected during an on-site visit to the Applicant's facility. The Review Team will support its recommendation through the production of an evaluation review template and a formal report. All members of the review team will have an equal voice in the certification recommendation.

15. Single BA in Single Region

The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved or disapproved by the Region.

Single BA in multiple Regions

The certification recommendation will be presented to the appropriate Regional committee(s) of all the affected Regions by the Review Team. The certification recommendation is then approved or disapproved by all of the affected Regions. The Lead Region will be responsible for verifying the Regional approvals prior to awarding certification.

16. The Region or Lead Region will notify the Applicant of the certification decision. The Region or Lead Region (in consultation with the affected Regions) may award or deny the Applicant's certification as a Balancing Authority. As an alternative, the Region or Lead Region (in consultation with the affected Regions) may grant 'pending certification' to the applicant. The pending certification shall be granted for a period of time not longer than 180 days. Pending certification, does not grant operation as a Balancing Authority. If the Applicant fails to meet the conditions set by the Region(s), within the granted timeframe, the Applicant's certification will be deemed to be the same as denied. If the Applicant meets the conditions set by the Region(s),

within the granted timeframe, the Region or Lead Region (in consultation with the affected Regions) must respond to the Applicant's notification of completion of requirements within 30 days.

17. After the Region or Lead Region has approved the Applicant as a Balancing Authority, they will notify NERC Staff, who in turn, will notify all of the necessary entities as to the date that the Applicant may begin its Balancing Authority operation. Balancing Authority operation shall not begin before the agreed upon date and must commence operation within 12 months of certification. Failure to begin operation within the 12-month period will require the applicant to re-apply for certification.

18. If the Region or Lead Region denies certification, it shall provide the Applicant with a written report containing specific reasons for the denial. If the Applicant disagrees with the Region's(s') decision, it can initiate the Regional ADR process within 60 days of the date of the written denial. If the Applicant fails to initiate the ADR process within the 60-day time limit as identified in the previous step, it may reapply for certification after 90 days from the date of written denial.

De-certification Process

This section describes the process that will be used for the de-certification of a Balancing Authority when the entity does not wish to continue performing the Balancing Authority function and has arranged for a replacement entity to assume its Balancing Authority responsibilities.

1. The Balancing Authority requesting de-certification notifies the Region(s) it operates in that it wishes to be decertified and names the Balancing Authority(ies) that will be assuming its Balancing Authority responsibilities. If the Balancing Authority(ies) assuming the responsibilities is in a different Region, then a Lead Region will be designated and all Regions will be involved in the process.

2. The Region or Lead Region contacts the Balancing Authority(ies) that is to assume the additional Balancing Authority responsibilities to begin the certification process.

3. After the Region or Lead Region has certified the Balancing Authority(ies) assuming additional responsibilities, the Region or Lead Region will notify the Balancing Authority desiring de-certification and NERC staff of the date the Balancing Authority will cease operation.

4. NERC will notify the appropriate entities of this date.

Balancing Authority Certification Criteria

Introduction

These Criteria establish the requirements for certification as a NERC Balancing Authority. They are based on NERC Reliability Standards, NERC Operating Policies and Planning Standards, and the NERC Functional Model. NERC Policies and Standards applicable to the Balancing Authority function must be adhered to until they are replaced by Reliability Standards or retired.

Definition of the Balancing Authority Function

Integrates resource plans ahead of time, and maintains load-interchange-generation balance within its metered boundary and supports system frequency in real-time.

Certification Criteria

1. **Confirmation by Regional Council.** To be recognized as a NERC-Certified Balancing Authority, the entity must be reviewed and confirmed by the Regional Council(s) in which the entity operates.

2. **Agreements.** Agreements[1] must be in place defining the responsibilities and authority of the Balancing Authority with respect to the Reliability Authority, Interchange Authorities, Transmission Operators, Transmission Service Provider, Generators, Load Serving Entities, adjacent BAs, and all other applicable functional entities within its Balancing Area. Agreements shall address both normal and emergency operations.

3. **Personnel**

3.1. Must have NERC-certified system operators performing the Balancing Authority responsibilities 24 hours a day, 7 days a week.

4. **Data Acquisition and System Analysis**

4.1. Procedure and tools in place to ensure resources/demand balance in compliance to NERC Standards.

4.2. Procedure and tools in place for providing frequency control.

4.3. Procedure in place describing the interchange schedule implementation process.

4.4. The organization must have the ability to monitor and control its metered boundary with regards to data such as:

4.4.1. ACE

4.4.2. Interchange

4.4.3. Frequency

4.5. Process/procedure in place for obtaining generation commitment information and load forecast.

4.6. Process/procedure in place to provide day-ahead hourly dispatch pattern to the Reliability Authority.

4.7. Process/procedure and tools in place identifying the analysis and approval process for interchange transactions into and out of the balancing area with respect to the ramping requirements of generation.

4.8. Process/procedure in place for data acquisition to ensure resources/demand balance in compliance to NERC Standards.

4.9. Process/procedure in place for data acquisition and performance of analyses with regards to contingency reserves, load-following, frequency response, and other applicable Balancing Authority Interconnected Operating Services.

4.10. Process/procedure in place for calculating and reporting performance of NERC

[1] An agreement is defined as a contract or other document delineating an arrangement that expresses assent by two or more parties to the same object. This arrangement determines a course of action to be followed by all parties involved in the situation. The key components of the agreement must identify the ability, intent, and authority of the parties. The requirement for these agreements can be satisfied in a variety of ways, including but not limited to: contracts, designation of authority documents, policies, procedures.

Standards.

4.11. Process/procedure in place for providing data for all required NERC and Regional surveys.

4.12. Process/procedure to perform energy accounting for inadvertent accumulations.

5. Emergency Operations

5.1. Process/procedure in place that defines the responsibilities and actions of the Balancing Authority with regards to emergency operations.

5.2. Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.

Reliability Functions

The Standard will Apply to the Following Functions (Check all that apply)		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority Area. This is the highest reliability authority.
☒	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☐	Planning Authority	Plans the bulk electric system
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☐	Transmission Owner	Owns transmission facilities
☐	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☐	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☐	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
☐	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability and Market Interface Principles (check all that apply)	
1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.	☒
2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand	☒
3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably	☒
4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented	☒
5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems	☒
6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions	☒
7. The reliability of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis	☒
The proposed Standard must comply with all of the following Market Interface Principles	☒
Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
An Organization Standard shall not give any market participant an unfair competitive advantage	
An Organization Standard shall neither mandate nor prohibit any specific market structure	
An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

Related Standards, Function Certification Requirements or Business Practices

Standard No.	***Explanation***

Related SARs

SAR ID	***Explanation***

Regional Differences

These Regional differences have been identified by individuals or groups through comments received in the SAR postings. The intent is not to comment on these differences at this time, but rather after these comments have been forwarded to the Standard Drafting Team for their inclusion in the Standard. Ample opportunity will be available to comment during the Standard development process.

Region	***Explanation***
ECAR	
ERCOT	Add Qualified Scheduling Entities to the list of possible Certification Review Team members in step 10 of the Certification Process.
FRCC	FRCC requires their own confidentiality agreement in addition to the NERC agreement. In addition, FRCC's Security Process (Reliability Plan) has other requirements for tools, etc. that must be met.
MAAC	
MAIN	
MAPP	
NPCC	Differences for Markets vs. regulated areas may impact this SAR.
SERC	
SPP	
WSCC	WECC has additional data and Reliability Management System confidentiality agreements that may or may not be included

SAR DT Members

Gerry Burrows, Chairman

Pat Everly, Secretary

Larry Alderink

Don Badley

Alan Boesch

Lucius Burris

David Little

Norb Mizwicki

Don Reichenbach

Richard Sikes

Steven Wallace

Joe Willson

Daniel Zaragoza

Standard Authorization Request Form

Name of Proposed Standard	Certification of the Interchange Authority Function
Request Date	October 7, 2002
Authorized for Posting	November 20, 2002
SAR ID#	IA_CERTIFICATION_01_03

SAR Requestor Information		***SAR Type***	
Name	Organization Certification Task Force	☒	1. New Standard
Primary Contact	Gerry Burrows	☐	2. Revision to existing Standard or
Telephone	816-654-1183	☐	3. Withdrawal of existing Standard
e-mail	gerry.burrows@kcpl.com	☐	4. Urgent Action

Purpose/Industry Need of Standard

To ensure that each entity that wants to be recognized as an Interchange Authority has the capability of performing the responsibilities assigned to the Interchange Authority function.

Brief Description of New Standard or Revision to Existing Standard

Each entity that wants to be recognized as an Interchange Authority shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Interchange Authority Function.

Detailed Description of New Standard or Revision to Existing Standard

Summary

The primary steps in the Interchange Authority Certification Process, and the entity responsible for each step, are as follows:

- Initiation of Process – Entity seeking certification (the "Applicant")
- Provision of criteria, process, documentation, etc. – Region
- Formation of Certification Review Team – Region
- Data collection – Region
- Data review – Region (Review Team)
- Site visit – Region (Review Team)
- Recommendation – Region (Review Team)
- Certification and Authority to operate – Region
- Notification of authority to operate – NERC

Interchange Authority Certification Process

1. Single IA in a Single Region

An entity seeking certification as an Interchange Authority (the "Applicant") will initiate the certification process by making a formal request to the Regional Manager in the Region where the Applicant plans to operate. A copy of the request will also be sent to the NERC Director-Compliance.

Single IA in multiple Regions

An entity seeking certification as an Interchange Authority (the "Applicant") in multiple Regions will initiate the certification process by making a formal request to one of the Regional Managers of a Region where the Applicant plans to operate and copy all other Regional Managers of those Regions within which the Applicant will operate. A copy of the request will also be sent to the NERC Director-Compliance.

2. Single IA in a Single Region

The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding of certification.

Single IA in multiple Regions

In situations where an IA crosses Regional boundaries, all affected Regions shall participate in the certification process. The affected Regions shall identify one of the affected Regions as the Lead Region. The Lead Region shall be responsible for coordinating the formal review process and the awarding of certification in concurrence with the other affected Regions.

3. A timeline, including specific milestones, shall be agreed to by the Applicant and the Regional or

Lead Regional Council. The NERC Interchange Authority Certification Procedure and certification recommendation is expected to be completed within nine months of the date when the initial request was received by the Regional Manager.

4. The Region or Lead Region will notify all appropriate parties and provide each with the necessary information regarding the Interchange Authority's request for certification, the certification process, and the duties expected from each entity.

5. The Applicant must register in the NERC Master Registry. Registration stays on hold until certification is granted or denied.

6. NERC/Regional Staff will begin the process of making any necessary modeling/software changes. The Applicant and Region will supply necessary information to NERC.

7. The Region or Lead Region will provide questionnaires and related documents that will be used by all entities involved in the certification process. These questionnaires and related documents will be used to address the Applicant's capabilities and actions as they relate to established Interchange Authority requirements. The following list of entities will be recipients of the questionnaires and related documents as each is a source of certification information and data:

- Applicant (i.e. entity seeking Interchange Authority certification)
- Balancing Authorities and Transmission Service Providers it intends to operate with.
- Reliability Authorities
- Other Interchange Authorities

8. The Region or Lead Region will provide expectations and standards regarding confidentiality and retention of all data reporting, completed questionnaires and forms, reports and recommendations associated with the documentation it provides and receives.

9. The Region or Lead Region will assemble a Certification Review Team charged with the responsibility of determining if the Applicant meets NERC's Interchange Authority Criteria. The Region or Lead Region and the Applicant will agree on the Review Team members before the commencement of the review process. The Review Team will subject themselves to confidentiality agreements for any data or information that is made available to them through the certification review process.

10. The Review Team will consist of a minimum of three individuals. The selected individuals will represent at least three of the categories listed below:

- Interchange Authority
- Balancing Authority
- Reliability Authority
- Transmission Operator
- Transmission Service Provider
- Purchasing Selling Entity
- Regional Compliance Committee member
- Regional Operating Committee member
- Representative from NERC Staff
- Representative from Regional Staff

- Representative from another NERC Region
- Representative from an RTO, when applicable

Review team members cannot be employees of the applicant or any of its affiliates.

Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. These representatives will be selected by the individual Regions that they represent and not by the Lead Region. Regional representation is still subject to Applicant approval. Remaining review team members must represent at least two of the remaining categories.

In the alternative, the Region may elect, with applicant agreement, to engage a completely independent review team.

11. The Review Team will report its initial findings to the Applicant and to the Region(s) based on the information obtained through the initial application and questionnaires. The review Team will request any additional information before making an on-site visit.

12. The Review Team will conduct at least one on-site visit to the Applicant's facility. During the visit, the Review Team will:

- Review with the Applicant the data collected through the questionnaires,
- Interview the Applicant's operations and management personnel,
- Inspect the Applicant's facilities and equipment, and
- Review all necessary documents and data.

13. The Review Team will identify any deficiencies (to both the Applicant and to the Region) that must be resolved prior to the review team making their final recommendation. The Review Team will review any follow-up work required by the Applicant until a certification recommendation is made.

14. The Review Team will formulate a certification recommendation based on: data collected and validated from the questionnaires; and from observations and information collected during an on-site visit to the Applicant's facility. The Review Team will support its recommendation through the production of an evaluation review template and a formal report. All members of the review team will have an equal voice in the certification recommendation.

15. Single IA in a single Region

The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved or disapproved by the Region.

Single IA in multiple Regions

The certification recommendation will be presented to the appropriate Regional committee(s) of all the affected Regions by the Review Team. The certification recommendation is then approved or disapproved by all of the affected Regions. The Lead Region will be responsible for verifying the Regional approvals prior to awarding certification.

16. The Region or Lead Region will notify the Applicant of the certification decision. The Region or Lead Region (in consultation with the affected Regions) may award or deny the Applicant's certification as an Interchange Authority. As an alternative, the Region or Lead Region (in consultation with the affected Regions) may grant 'pending certification' to the applicant. The pending certification shall be granted for a period of time not longer than 180 days. Pending certification, does not grant operation as an Interchange Authority. If the Applicant fails to meet

the conditions set by the Region(s), within the granted timeframe, the Applicant's certification will be deemed to be the same as denied. If the Applicant meets the conditions set by the Region(s), within the granted timeframe, the Region or Lead Region (in consultation with the affected Regions) must respond to the Applicant's notification of completion of requirements within 30 days.

17. After the Region or Lead Region has approved the Applicant as an Interchange Authority, the Region or Lead Region will notify NERC Staff, who in turn, will notify all of the necessary entities as to the date that the Applicant may begin its Interchange Authority operation. Interchange Authority operation shall not begin before the agreed upon date and must commence operation within 12 months of certification. Failure to begin operation within the 12-month period will require the applicant to re-apply for certification.

18. If the Region or Lead Region denies certification, it shall provide the Applicant with a written report containing specific reasons for the denial. If the Applicant disagrees with the Region's(s') decision, it can initiate the Regional ADR process within 60 days of the date of the written denial. If the Applicant fails to initiate the ADR process within the 60-day time limit as identified in the previous step, it may reapply for certification after 90 days from the date of written denial.

De-certification Process

This section describes the process that will be used for the de-certification of an Interchange Authority when the entity does not wish to continue performing the Interchange Authority function and has arranged for a replacement entity to assume its Interchange Authority responsibilities.

1. The Interchange Authority requesting de-certification notifies the Region(s) it operates in that it wishes to be decertified and names the Interchange Authority(ies) that will be assuming its Interchange Authority responsibilities. If the Interchange Authority(ies) assuming the responsibilities is in a different Region, then a Lead Region will be designated and all Regions will be involved in the process.

2. The Region or Lead Region contacts the Interchange Authority(ies) that is to assume the additional Interchange Authority responsibilities to begin the certification process.

3. After the Region or Lead Region has certified the Interchange Authority(ies) assuming additional responsibilities, the Region or Lead Region will notify the Interchange Authority desiring de-certification and NERC staff of the date the Interchange Authority will cease operation.

4. NERC will notify the appropriate entities of this date.

Interchange Authority Certification Criteria

Introduction

These Criteria establish the requirements for certification as a NERC Interchange Authority. They are based on NERC Reliability Standards, NERC Operating Policies and Planning Standards, and the NERC Functional Model NERC Policies and Standards applicable to the Interchange Authority function must be adhered to until they are replaced by Reliability Standards or retired.

Definition of the Interchange Authority Function

Authorizes valid transactions and ensures balanced Interchange Schedules.

Certification Criteria

1. **Confirmation by Regional Council.** To be recognized as a NERC-Certified Interchange Authority, the entity must be reviewed and confirmed by the Regional Council(s) in which the entity operates.

2. **Agreements.** Agreements[1] must be in place defining the responsibilities and authority of the Interchange Authority with respect to all applicable Reliability Authorities, Balancing Authorities, Transmission Service Providers, and all other functional entities with which it provides a service. Agreements shall address both normal and emergency operations.

3. **Personnel**

3.1. Must have NERC-certified system operators performing the Interchange Authority responsibilities 24 hours a day, 7 days a week.

4. **Organization**

4.1. Documentation identifying that the organization has signed the NERC Confidentiality Agreement.

4.2. Documentation identifying that the Interchange Authority personnel are aware of their obligations and responsibilities under the NERC Confidentiality Agreement.

4.3. Documentation identifying the code of conduct for personnel performing the Interchange Authority responsibilities.

4.4. Documentation identifying that the Interchange Authority personnel are aware of their obligations and responsibilities under the code of conduct.

5. **Data Acquisition and System Analysis**

5.1. Process/procedure and tools in place for ensuring valid and balanced interchange schedules.

5.2. Process/procedure and tools in place for authorizing the implementation of interchange transactions.

5.3. Process/procedure and tools in place for communicating the implementation, cancellation, or curtailment of scheduled interchange transactions.

5.4. Process/procedure and tools in place for providing interchange transaction information for the reliability assessment.

5.5. Process/procedure and tools in place for the accounting of scheduled interchange transactions for specific Balancing Authorities.

5.6. Process/procedure and tools in place for compliance with all applicable NERC reliability standards.

6. **Emergency Operations**

[1] An agreement is defined as a contract or other document delineating an arrangement that expresses assent by two or more parties to the same object. This arrangement determines a course of action to be followed by all parties involved in the situation. The key components of the agreement must identify the ability, intent, and authority of the parties. The requirement for these agreements can be satisfied in a variety of ways, including but not limited to: contracts, designation of authority documents, policies, procedures.

6.1.	Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.

Reliability Functions

The Standard will Apply to the Following Functions (Check all that apply)		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority Area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☒	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☐	Planning Authority	Plans the bulk electric system
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☐	Transmission Owner	Owns transmission facilities
☐	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☐	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☐	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
☐	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability and Market Interface Principles (check all that apply)	
1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.	☒
2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand	☒
3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably	☒
4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented	☐
5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems	☒
6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions	☒
7. The reliability of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis	☐
The proposed Standard must comply with all of the following Market Interface Principles	☒
Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
An Organization Standard shall not give any market participant an unfair competitive advantage	
An Organization Standard shall neither mandate nor prohibit any specific market structure	
An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

Related Standards, Function Certification Requirements or Business Practices

Standard No.	***Explanation***

Related SARs

SAR ID	***Explanation***

Regional Differences

Region	*Explanation*
ECAR	
ERCOT	
FRCC	FRCC requires their own confidentiality agreement in addition to the NERC agreement. In addition, FRCC's Security Process (Reliability Plan) has other requirements for tools, etc. that must be met. Also, NERC can not set a requirement for the IA will preempt any state jurisdictional requirements.
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WSCC	WECC has additional data and Reliability Management System confidentiality agreements that may or may not be included.

SAR DT Members

Gerry Burrows, Chairman

Pat Everly, Secretary

Larry Alderink

Don Badley

Alan Boesch

Lucius Burris

David Little

Norb Mizwicki

Don Reichenbach

Richard Sikes

Steven Wallace

Joe Willson

Daniel Zaragoza

Standard Authorization Request Form

Name of Proposed Standard	Certification of the Reliability Authority Function
Request Date	October 7, 2002
Authorized for Posting	November 20, 2002
SAR ID#	RA_CERTIFICATION_01_03

SAR Requestor Information		***SAR Type***	
Name	Organization Certification Task Force	☒	1. New Standard
Primary Contact	Gerry Burrows	☐	2. Revision to existing Standard or
Telephone	816-654-1183	☐	3. Withdrawal of existing Standard
e-mail	gerry.burrows@kcpl.com	☐	4. Urgent Action

Purpose/Industry Need of Standard

To ensure that each entity that wants to be recognized as a Reliability Authority has the capability of performing the responsibilities assigned to the Reliability Authority function.

Brief Description of New Standard or Revision to Existing Standard

Each entity that wants to be recognized as a Reliability Authority shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Reliability Function.

Detailed Description of New Standard or Revision to Existing Standard

Summary

The primary steps in the Reliability Authority Certification Process, and the entity responsible for each step, are as follows:

- Initiation of Process – Entity seeking certification (the "Applicant")
- Provision of criteria, process, documentation, etc. – Region
- Formation of Certification Review Team – Region
- Data collection – Region
- Data review – Region (Review Team)
- Site visit – Region (Review Team)
- Recommendation – Region (Review Team)
- Certification and Authority to operate – Region
- Notification of authority to operate – NERC

Reliability Authority Certification Process

1. Single RA in a Single Region

An entity seeking certification as a Reliability Authority (the "Applicant") will initiate the certification process by making a formal request to the Regional Manager in the Region where the Applicant plans to operate a Reliability area. A copy of the request will also be sent to the NERC Director-Compliance.

Single RA in Multiple Regions

An entity seeking certification as a Reliability Authority (the "Applicant") in multiple Regions will initiate the certification process by making a formal request to one of the Regional Managers of a Region where the Applicant plans to operate a Reliability area and copy all other Regional Managers of those Regions within which the Applicant will operate. A copy of the request will also be sent to the NERC Director-Compliance.

2. Single RA in a Single Region

The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and the awarding of certification.

Single RA in multiple Regions

In situations where a RA crosses Regional boundaries, all affected Regions shall participate in the certification process. The affected Regions shall identify one of the affected Regions as the Lead Region. The Lead Region shall be responsible for coordinating the formal review process and the awarding of certification in concurrence with the other affected Regions.

3. A timeline, including specific milestones, shall be agreed to by the Applicant and the Regional or Lead Regional Council. The NERC Reliability Authority Certification Procedure and certification recommendation is expected to be completed within nine months of the date when the initial request was received by the Regional Manager.

4. The Region or Lead Region will notify all appropriate parties and provide each with the necessary information regarding the Reliability Authority's request for certification, the certification process, and the duties expected from each entity.

5. The Applicant must register in the NERC Master Registry. Registration stays on hold until certification is granted or denied.

6. NERC/Regional Staff will begin the process of making any necessary modeling/software changes. The Applicant and Region will supply necessary information to NERC.

7. The Region or Lead Region will provide questionnaires and related documents that will be used by all entities involved in the certification process. These questionnaires and related documents will be used to address the Applicant's capabilities and actions as they relate to established Reliability Authority requirements. The following list of entities will be recipients of the questionnaires and related documents as each is a source of certification information and data:

- Applicant (i.e. entity seeking Reliability Authority certification)
- Balancing Authorities and Transmission Operators within the Applicant's Reliability Area
- Reliability Authorities adjacent to the applicant
- Other Regional Council(s), when applicable

8. The Region or Lead Region will provide expectations and standards regarding confidentiality and retention of all data reporting, completed questionnaires and forms, reports and recommendations associated with the documentation it provides and receives.

9. The Region or Lead Region will assemble a Certification Review Team charged with the responsibility of determining if the Applicant meets NERC's Reliability Authority Criteria. The Region or Lead Region and the Applicant will agree on the Review Team members before the commencement of the review process. The Review Team will subject themselves to confidentiality agreements for any data or information that is made available to them through the certification review process.

10. The Review Team will consist of a minimum of three individuals. The selected individuals will represent at least three of the categories listed below:

- Interchange Authority
- Balancing Authority
- Reliability Authority
- Transmission Operator
- Regional Compliance Committee member
- Regional Operating Committee member
- Representative from NERC Staff
- Representative from Regional Staff
- Representative from another NERC Region

- Representative from an RTO, when applicable

Review team members cannot be employees of the applicant or any of its affiliates.

Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. These representatives will be selected by the individual Regions that they represent and not by the Lead Region. Regional representation is still subject to Applicant approval. Remaining review team members must represent at least two of the remaining categories.

In the alternative, the Region(s) may elect, with applicant agreement, to engage a completely independent review team.

11. The Review Team will report its initial findings to the Applicant and to the Region(s) based on the information obtained through the initial application and questionnaires. The review Team will request any additional information before making an on-site visit.

12. The Review Team will conduct at least one on-site visit to the Applicant's control center facility. During the visit, the Review Team will:

- Review with the Applicant the data collected through the questionnaires,
- Interview the Applicant's operations and management personnel,
- Inspect the Applicant's facilities and equipment, and
- Review all necessary documents and data.

13. The Review Team will identify any deficiencies (to both the Applicant and to the Region(s)) that must be resolved prior to the review team making their final recommendation. The Review Team will review any follow-up work required by the Applicant until a certification recommendation is made.

14. The Review Team will formulate a certification recommendation based on: data collected and validated from the questionnaires; and from observations and information collected during an on-site visit to the Applicant's facility. The Review Team will support its recommendation through the production of an evaluation review template and a formal report. All members of the review team will have an equal voice in the certification recommendation.

15. Single RA in Single Region

The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved or disapproved by the Region.

Single RA in multiple Regions

The certification recommendation will be presented to the appropriate Regional committee(s) of all the affected Regions by the Review Team. The certification recommendation is then approved or disapproved by all of the affected Regions. The Lead Region will be responsible for verifying the Regional approvals prior to awarding certification.

16. The Region or Lead Region will notify the Applicant of the certification decision. The Region or Lead Region (in consultation with the affected Regions) may award or deny the Applicant's certification as a Reliability Authority. As an alternative, the Region or Lead Region (in consultation with the affected Regions) may grant 'pending certification' to the applicant. The pending certification shall be granted for a period of time not longer than 180 days. Pending certification, does not grant operation as a Reliability Authority. If the Applicant fails to meet the conditions set by the Region(s), within the granted timeframe, the Applicant's certification will be deemed to be the same as denied. If the Applicant meets the conditions set by the Region(s),

within the granted timeframe, the Region or Lead Region (in consultation with the affected Regions) must respond to the Applicant's notification of completion of requirements within 30 days.

17. After the Region or Lead Region has approved the Applicant as a Reliability Authority, ~~they~~ the Region or Lead Region will notify NERC Staff, who in turn, will notify all of the necessary entities as to the date that the Applicant may begin its Reliability Authority operation. Reliability Authority operation shall not begin before the agreed upon date and must commence operation within 12 months of certification. Failure to begin operation within the 12-month period will require the applicant to re-apply for certification.

18. If the Region or Lead Region denies certification, it shall provide the Applicant with a written report containing specific reasons for the denial. If the Applicant disagrees with the Region's(s') decision, it can initiate the Regional ADR process within 60 days of the date of the written denial. If the Applicant fails to initiate the ADR process within the 60-day time limit as identified in the previous step, it may reapply for certification after 90 days from the date of written denial.

De-certification Process

This section describes the process that will be used for the de-certification of a Reliability Authority when the entity does not wish to continue performing the Reliability Authority function and has arranged for a replacement entity to assume its Reliability Authority responsibilities.

1. The Reliability Authority requesting de-certification notifies the Region(s) it operates in that it wishes to be decertified and names the Reliability Authority(ies) that will be assuming its Reliability Authority responsibilities. If the Reliability Authority(ies) assuming the responsibilities is in a different Region, then a Lead Region will be designated and all Regions will be involved in the process.

2. The Region or Lead Region contacts the Reliability Authority(ies) that is to assume the additional Reliability Authority responsibilities to begin the certification process.

3. After the Region or Lead Region has certified the Reliability Authority(ies) assuming additional responsibilities, the Region or Lead Region will notify the Reliability Auth[illegible]e-certification and NERC staff of the date the Re[illegible] Authority will cease operation.

Change 'notice' to 'notify'

4. NERC will ~~notice~~ notify the appropriate entities of this date.

Reliability Authority Certification Criteria

Introduction

These Criteria establish the requirements for certification as a NERC Reliability Authority. They are based on NERC Reliability Standards, NERC Operating Policies and Planning Standards, and the NERC Functional Model. NERC Policies and Standards applicable to the Reliability Authority function must be adhered to until they are replaced by Reliability Standards or retired.

Definition of the Reliability Authority Function

Ensures the reliability of the bulk power transmission system within its Reliability Authority Area.

Certification Criteria

1. Confirmation by Regional Council. To be recognized as a NERC-Certified RELIABILITY AUTHORITY, the entity must be reviewed and confirmed by the Regional Council(s) in which the entity operates.

2. Agreements. Agreements[1] must be in place defining the responsibilities and authority of the RELIABILITY AUTHORITY with respect to all Balancing Authorities, Interchange Authorities, Transmission Operators, Transmission Service Provider and all other applicable functional entities within the reliability area and with other Reliability Authorities. Agreements shall address both normal and emergency operations.

3. Personnel

3.1. Must have NERC-certified system operators performing the Reliability Authority responsibilities 24 hours a day, 7 days a week.

4. Organization

4.1. Documentation identifying that the organization has signed the NERC Confidentiality Agreement.

4.2. Documentation identifying that the Reliability Authority personnel are aware of their obligations and responsibilities under the NERC Confidentiality Agreement.

4.3. Documentation identifying the code of conduct for personnel performing the Reliability Authority responsibilities.

4.4. Documentation identifying that the Reliability Authority personnel are aware of their obligations and responsibilities under the code of conduct.

5. Data Acquisition and System Analysis

5.1. Must have the ability to monitor its reliability area with real-time data. (e.g., demand, volts, VArs, frequency, interchange tie flows, reserves, ACE, equipment status, transmission line flows, etc.)

5.2. Process/procedure in place to receive day-ahead hourly dispatch pattern from the Balancing Authority.

5.3. Process/procedure in place to receive interchange transaction information from the Interchange Authority.

5.4. Process/procedure in place for collecting transmission owners' equipment ratings.

5.5. Process/procedure and tools in place to perform real-time and contingency reliability analyses.

5.6. Process/procedure and tools in place to coordinate and approve transmission outages from a reliability perspective.

5.7. Process/procedure and tools in place to collect and analyze generation outages from a reliability perspective.

5.8. Process/procedure in place with other Reliability Authorities to coordinate day-ahead analyses and to implement real-time actions.

[1] An agreement is defined as a contract or other document delineating an arrangement that expresses assent by two or more parties to the same object. This arrangement determines a course of action to be followed by all parties involved in the situation. The key components of the agreement must identify the ability, intent, and authority of the parties. The requirement for these agreements can be satisfied in a variety of ways, including but not limited to: contracts, designation of authority documents, policies, procedures.

5.9. Process/procedure in place defining the analysis and approval process for interchange transactions into, out of, and through the reliability area.

5.10. Process/procedure and tools in place to develop real-time operating reliability limits.

5.11. Process/procedure in place that define the actions to be taken for maintaining reliability.

5.12. Process/procedure and tools in place for compliance with all applicable NERC reliability standards.

6. Emergency Operations

6.1. Process/procedure in place that defines the coordination and implementation of emergency operations within or on an area-wide basis.

6.2. Process/procedure in place that defines the coordination and implementation of system restoration operations within or on an area-wide basis.

6.3. Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.

7. Security

7.1. Process/procedure in place for collection and dissemination of information with regards to physical and cyber security in accordance with NERC reliability standards.

Reliability Functions

The Standard will Apply to the Following Functions (Check all that apply)		
☒	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☐	Planning Authority	Plans the bulk electric system
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☐	Transmission Owner	Owns transmission facilities
☐	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☐	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☐	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
☐	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability and Market Interface Principles (check all that apply)	
1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.	☒
2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand	☐
3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably	☒
4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented	☒
5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems	☒
6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions	☒
7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis	☒
The proposed Standard must comply with all of the following Market Interface Principles	☒
Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
An Organization Standard shall not give any market participant an unfair competitive advantage	
An Organization Standard shall neither mandate nor prohibit any specific market structure	
An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

Related Standards, Function Certification Requirements or Business Practices

Standard No.	***Explanation***

Related SARs

SAR ID	***Explanation***

Regional Differences

Region	*Explanation*
ECAR	
ERCOT	
FRCC	FRCC requires their own confidentiality agreement in addition to the NERC agreement. In addition, FRCC's Security Process (Reliability Plan) has other requirements for tools, etc. that must be met. Also, NERC can not set a requirement for the RA will preempt any state jurisdictional requirements. FRCC contracts with an agent to perform the services of the Reliability Authority for its Region. FRCC plans to continue this practice in the future, and is unclear how the steps in the Certification Process would apply to the FRCC region. FRCC may want to serve on the Review Team but under Step 10 of the Certification Process, this would not be permitted without a Regional Difference. (Step 10 includes the following language: "Review team members cannot be employees of the applicant or any of its affiliates.") A regional difference may be required to accommodate having FRCC serve on the review team in the situation where FRCC is applying for certification as an RA.
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WSCC	WECC Reliability Coordinator Empowerment agreements may, or may not, come into play here - this is a placeholder for further development if necessary. The Certification Process should include making changes to the TDF for the WECC Region.

SAR DT Members
Gerry Burrows, Chairman
Pat Everly, Secretary
Larry Alderink
Don Badley
Alan Boesch
Lucius Burris
David Little
Norb Mizwicki
Don Reichenbach
Richard Sikes
Steven Wallace
Joe Willson
Daniel Zaragoza

Standard Authorization Request Form

Name of Proposed Standard	Certification of the Transmission Operator Function
Request Date	October 7, 2002
Authorized for Posting	November 20, 2002
SAR ID#	TOP_CERTIFICATION_01_03

SAR Requestor Information		***SAR Type***	
Name	Organization Certification Task Force	☒	1. New Standard
Primary Contact	Gerry Burrows	☐	2. Revision to existing Standard or
Telephone	816-654-1183	☐	3. Withdrawal of existing Standard
e-mail	gerry.burrows@kcpl.com	☐	4. Urgent Action

Purpose/Industry Need of Standard

To ensure that each entity that wants to be recognized as a Transmission Operator has the capability of performing the responsibilities assigned to the Transmission Operator function.

Brief Description of New Standard or Revision to Existing Standard

Each entity that wants to be recognized as a Transmission Operator shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Reliability Function.

Detailed Description of New Standard or Revision to Existing Standard

Summary

The primary steps in the Transmission Operator Certification Process, and the entity responsible for each step, are as follows:

- Initiation of Process – Entity seeking certification (the "Applicant")
- Provision of criteria, process, documentation, etc. – Region
- Formation of Certification Review Team – Region
- Data collection – Region
- Data review – Region (Review Team)
- Site visit – Region (Review Team)
- Recommendation – Region (Review Team)
- Certification and Authority to operate – Region
- Notification of authority to operate – NERC

Transmission Operator Certification Process

1. Single TOP in a Single Region

An entity seeking certification as a Transmission Operator (the "Applicant") will initiate the certification process by making a formal request to the Regional Manager in the Region where the Applicant plans to operate. A copy of the request will also be sent to the NERC Director-Compliance.

Single TOP in Multiple Regions

An entity seeking certification as a Transmission Operator (the "Applicant") in multiple Regions will initiate the certification process by making a formal request to one of the Regional Managers of a Region where the Applicant plans to operate and copy all other Regional Managers of those Regions within which the Applicant will operate. A copy of the request will also be sent to the NERC Director-Compliance.

2. Single TOP in a Single Region

The NERC Region in which the Applicant plans to operate will be responsible for conducting the formal review process and awarding of certification.

Single TOP in multiple Regions

In situations where a TOP crosses Regional boundaries, all affected Regions shall participate in the certification process. The affected Regions shall identify one of the affected Regions as the Lead Region. The Lead Region shall be responsible for coordinating the formal review process and the awarding of certification in concurrence with the other affected Regions.

3. A timeline, including specific milestones, shall be agreed to by the Applicant and the Regional or Lead Regional Council. The NERC Transmission Operator Certification Procedure and certification recommendation is expected to be completed within nine months of the date when the initial request was received by the Regional Manager.

4. The Region or Lead Region will notify all appropriate parties and provide each with the necessary information regarding the Transmission Operator's request for certification, the certification process, and the duties expected from each entity.

5. The Applicant must register in the NERC Master Registry. Registration stays on hold until certification is granted or denied

6. NERC/Regional Staff will begin the process of making any necessary modeling/software changes. The Applicant and Region will supply necessary information to NERC.

7. The Region or Lead Region will provide questionnaires and related documents that will be used by all entities involved in the certification process. These questionnaires and related documents will be used to address the Applicant's capabilities and actions as they relate to established Transmission Operator requirements. The following list of entities will be recipients of the questionnaires and related documents as each is a source of certification information and data:

- Applicant (i.e. entity seeking Transmission Operator certification)
- Its Balancing Authorities and Reliability Authorities
- Its Transmission Service Provider(s)
- All Adjacent Transmission Operators

8. The Region or Lead Region will provide expectations and standards regarding confidentiality and retention of all data reporting, completed questionnaires and forms, reports and recommendations associated with the documentation it provides and receives.

9. The Region or Lead Region will assemble a Certification Review Team charged with the responsibility of determining if the Applicant meets NERC's Transmission Operator Criteria. The Region or Lead Region and the Applicant will agree on the Review Team members before the commencement of the review process. The Review Team will subject themselves to confidentiality agreements for any data or information that is made available to them through the certification review process.

10. The Review Team will consist of a minimum of three individuals. The selected individuals will represent at least three of the categories listed below:

- Interchange Authority
- Balancing Authority
- Reliability Authority
- Transmission Operator
- Regional Compliance Committee member
- Regional Operating Committee member
- Representative from NERC Staff
- Representative from Regional Staff
- Representative from another NERC Region

- Representative from an RTO, when applicable

Review team members cannot be employees of the applicant or any of its affiliates.

Review processes that involve an entity that is performing a function across Regional boundaries shall have a review team that consists of at least one member from each of the affected Regions. These representatives will be selected by the individual Regions that they represent and not by the Lead Region. Regional representation is still subject to Applicant approval. Remaining review team members must represent at least two of the remaining categories.

In the alternative, the Region may elect, with applicant agreement, to engage a completely independent review team.

11. The Review Team will report its initial findings to the Applicant and to the Region(s) based on the information obtained through the initial application and questionnaires. The review Team will request any additional information before making an on-site visit.

12. The Review Team will conduct at least one on-site visit to the Applicant's control center facility. During the visit, the Review Team will:

- Review with the Applicant the data collected through the questionnaires,
- Interview the Applicant's operations and management personnel,
- Inspect the Applicant's facilities and equipment, and
- Review all necessary documents and data.

13. The Review Team will identify any deficiencies (to both the Applicant and to the Region(s)) that must be resolved prior to the review team making their final recommendation. The Review Team will review any follow-up work required by the Applicant until a certification recommendation is made.

14. The Review Team will formulate a certification recommendation based on: data collected and validated from the questionnaires; and from observations and information collected during an on-site visit to the Applicant's facility. The Review Team will support its recommendation through the production of an evaluation review template and a formal report. All members of the review team will have an equal voice in the certification recommendation.

15. Single TOP in Single Region

The certification recommendation from the Review Team will be presented to the appropriate Regional committee(s). The certification recommendation is made by the review team and then approved or disapproved by the Region.

Single TOP in multiple Regions

The certification recommendation will be presented to the appropriate Regional committee(s) of all the affected Regions by the Review Team. The certification recommendation is then approved or disapproved by all of the affected Regions. The Lead Region will be responsible for verifying the Regional approvals prior to awarding certification.

16. The Region or Lead Region will notify the Applicant of the certification decision. The Region or Lead Region (in consultation with the affected Regions) may award or deny the Applicant's certification as a Transmission Operator. As an alternative, the Region or Lead Region (in consultation with the affected Regions) may grant 'pending certification' to the applicant. The pending certification shall be granted for a period of time not longer than 180 days. Pending certification, does not grant operation as a Transmission Operator. If the Applicant fails to meet the conditions set by the Region(s), within the granted timeframe, the Applicant's certification

will be deemed to be the same as denied. If the Applicant meets the conditions set by the Region or Lead Region(in consultation with the affected Regions), within the granted timeframe, the Region(s) must respond to the Applicant's notification of completion of requirements within 30 days.

17. After the Region or Lead Region has approved the Applicant as a Transmission Operator, the Region or Lead Region will notify NERC Staff, who in turn, will notify all of the necessary entities as to the date that the Applicant may begin its Transmission Operator operation. Transmission Operator operation shall not begin before the agreed upon date and must commence operation within 12 months of certification. Failure to begin operation within the 12-month period will require the applicant to re-apply for certification.

18. If the Region or Lead Region denies certification, it shall provide the Applicant with a written report containing specific reasons for the denial. If the Applicant disagrees with the Region's decision, it can initiate the Regional ADR process within 60 days of the date of the written denial. If the Applicant fails to initiate the ADR process within the 60-day time limit as identified in the previous step, it may reapply for certification after 90 days from the date of written denial.

De-certification Process

This section describes the process that will be used for the de-certification of a Transmission Operator when the entity does not wish to continue performing the Transmission Operator function and has arranged for a replacement entity to assume its Transmission Operator responsibilities.

1. The Transmission Operator requesting de-certification notifies the Region(s) it operates in that it wishes to be decertified and names the Transmission Operator (s) that will be assuming its Transmission Operator responsibilities. If the Transmission Operator (s) assuming the responsibilities is in a different Region, then a Lead Region will be designated and all Regions will be involved in the process.

2. The Region or Lead Region contacts the Transmission Operator (s) that is to assume the additional Transmission Operator responsibilities to begin the certification process.

3. After the Region or Lead Region has certified the Transmission Operator(s) assuming additional responsibilities, the Region or Lead Region will notify the Transmission Operator desiring de-certification and NERC staff of the date the Transmission Operator will cease operation.

4. NERC will notify the appropriate entities of this date.

Transmission Operator Criteria

Introduction

These Criteria establish the requirements for certification as a NERC Transmission Operator. They are based on existing NERC Reliability Standards, NERC Operating Policies and Planning Standards, and the NERC Functional Model. NERC Policies and Standards applicable to the Transmission Operator function must be adhered to until they are replaced by Reliability Standards or retired.

Definition of the Transmission Operator Function

Monitors and assesses local reliability, operates the transmission facilities, and executes switching orders

in support of the Reliability Authority.

Certification Criteria

1. **Confirmation by Regional Council.** To be recognized as a NERC-Certified Transmission Operator, the entity must be reviewed and confirmed by the Regional Council(s) in which the entity operates.

2. **Agreements.** Agreements must be in place defining the responsibilities and authority of the Transmission Operator with the Reliability Authorities, Transmission Service Providers, Distribution Providers, and all other applicable functional entities with which its facilities connect. Agreements shall address both normal and emergency operations.

3. **Personnel**

3.1. Must have NERC-certified system operators performing the Transmission Operator responsibilities 24 hours a day, 7 days a week.

4. **Organization**

4.1. Documentation identifying that the organization has signed the NERC Confidentiality Agreement.

4.2. Documentation identifying that the Transmission Operator personnel are aware of their obligations and responsibilities under the NERC Confidentiality Agreement.

5. **Data Acquisition and System Analysis**

5.1. Must have the ability to monitor its area with real-time data. (e.g., demand, volts, VArs, reactive reserve, equipment status, transmission line flows, etc.)

5.2. Process/procedures and tools in place for obtaining generation and transmission system information.

5.3. Process/procedures and tools in place to provide transmission system information, in real-time, to the appropriate authorities.

5.4. Process/procedures and tools in place for providing local network integrity by:

5.4.1. Performing reliability analyses, both real-time and contingency analyses.

5.4.2. Establishing thermal, voltage, and stability limits for real-time operations.

5.4.3. Operating the transmission system within the established thermal, voltage, and stability limits.

5.4.4. Implementing adjustments to dc ties.

5.4.5. Setting and coordinating transmission outage schedules

5.5. Process/procedures in place for coordinating with other transmission operators and their reliability authority.

5.6. Process/procedure in place for providing construction and maintenance plans to the Reliability Authority.

5.7. Process/procedure and tools in place for compliance with all applicable NERC reliability standards.

6. **Emergency Operations**

6.1. Process/procedure in place that defines the coordination and implementation of

emergency operations within its local area.

6.2. Process/procedure in place that defines the coordination and implementation of system restoration operations within its local area.

6.3. Plan in place that ensures continued operation during abnormal and emergency conditions due to the loss of facilities.

Reliability Functions

The Standard will Apply to the Following Functions (Check all that apply)		
☐	Reliability Authority	Ensures the reliability of the bulk transmission system within its Security Authority Area. This is the highest reliability authority.
☐	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
☐	Interchange Authority	Authorizes valid and balanced Interchange Schedules
☐	Planning Authority	Plans the bulk electric system
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☐	Transmission Owner	Owns transmission facilities
☒	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
☐	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
☐	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
☐	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required.
☐	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

Reliability and Market Interface Principles

Applicable Reliability and Market Interface Principles (check all that apply)	
1. Interconnected bulk electric systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions.	☒
2. The frequency of interconnected bulk electric systems shall be controlled within defined limits through the balancing of electric supply and demand	☐
3. Information necessary for planning and operation of interconnected bulk electric systems shall be made available to those entities responsible for planning and operating the systems reliably	☒
4. Plans for emergency operation and system restoration of interconnected bulk electric systems shall be developed, coordinated, maintained and implemented	☒
5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk electric systems	☒
6. Personnel responsible for planning and operating interconnected bulk electric systems shall be trained, qualified and have the responsibility and authority to implement actions	☒
7. The security of the interconnected bulk electric systems shall be assessed, monitored and maintained on a wide area basis	☒
The proposed Standard must comply with all of the following Market Interface Principles	☒
Interconnected The planning and operation of bulk electric systems shall recognize that reliability is an essential requirement of a robust North American economy	
An Organization Standard shall not give any market participant an unfair competitive advantage	
An Organization Standard shall neither mandate nor prohibit any specific market structure	
An Organization Standard shall not preclude market solutions to achieving compliance with that Standard	
An Organization Standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards	

Related Standards, Function Certification Requirements or Business Practices

Standard No.	***Explanation***

Related SARs

SAR ID	***Explanation***

Regional Differences

Region	*Explanation*
ECAR	
ERCOT	
FRCC	FRCC requires their own confidentiality agreement in addition to the NERC agreement. In addition, FRCC's Security Process (Reliability Plan) has other requirements for tools, etc. that must be met. Also, NERC can not set a requirement for the IA will preempt any state jurisdictional requirements. Linda Campbell for FRCC OC
MAAC	
MAIN	
MAPP	
NPCC	
SERC	
SPP	
WSCC	WECC has additional data and Reliability Management System confidentiality agreements that may or may not be included Ed Riley CAISO

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