



March 16, 2010

**VIA ELECTRONIC FILING**

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

**Re:       *North American Electric Reliability Corporation***  
***Docket No. RR10-8-000***

Dear Ms. Bose:

On March 15, 2010, the North American Electric Reliability Corporation (“NERC”) submitted a Petition to the Federal Energy Regulatory Commission (“FERC”) requesting approval of amendments to the NERC Rules of Procedure regarding the Compliance and Certification Committee (“CCC”) Program and for approval of an amended CCC Charter. Attachment 1 to that filing, which contains the clean and redline version of the proposed changes to Section 500 – Organization Registration and Certification of the NERC Rules of Procedure included references to the NERC Compliance Registry, or “NCR”. However, in some places in Attachment 1, the references to “NCR” were inadvertently written as “NRC”. NERC wishes to clarify that the references to “NRC” were made in error and should instead have been written as “NCR”. NERC is submitting a revised Attachment 1 with this errata filing that should replace the version included in the March 15, 2010 filing.

Accordingly, NERC respectfully requests that FERC accept this errata filing and issue an order consistent with the comments provided herein.

Respectfully submitted,

*/s/ Holly A. Hawkins*  
Holly A. Hawkins  
*Attorney for North American Electric  
Reliability Corporation*

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 16th day of March, 2010.

*/s/ Holly A. Hawkins*  
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Holly A. Hawkins  
*Attorney for North American Electric*

## **Revised Attachment 1**

Clean and Redline Version of Section 500 –  
Organization Registration and Certification

## **SECTION 500 — ORGANIZATION REGISTRATION AND CERTIFICATION**

### **501. Scope of the Organization Registration and Organization Certification Programs**

The purpose of the Organization Registration Program is to clearly identify those entities that are responsible for compliance with the FERC approved reliability standards.

Organizations that are registered are included on the NERC Compliance Registry (NCR) and are responsible for knowing the content for complying with all applicable reliability standards. Registered organizations are not and do not become members of NERC or a Regional Entity, by virtue of being listed on the NCR. Membership in NERC is governed by Article II of NERC's bylaws; membership in a Regional Entity or regional reliability organization is governed by that entity's bylaws or rules.

The purpose of the Organization Certification Program is to ensure that the new entity (i.e., applicant to be an RC, BA, or TOP that is not already performing the function for which it is applying to be certified as) has the tools, processes, training, and procedures to demonstrate their ability to meet the requirements/sub requirements of all of the reliability standards applicable to the function(s) for which it is applying, thereby demonstrating the ability to become certified and then operational.

Organization Registration and Organization Certification may be delegated to Regional Entities in accordance with the procedures in this Section 500; the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into these rules as Appendix 5; and, approved Regional Entity delegation agreements or other applicable agreements.

1. **NERC Compliance Registry** — NERC shall establish and maintain the NCR of the bulk power system owners, operators, and users that are subject to approved reliability standards.
  - 1.1 (a) The NCR shall set forth the identity and functions performed for each organization responsible for meeting requirements/sub-requirements of the reliability standards including: Reliability Coordinators, Balancing Authorities, Transmission Operators, Transmission Owners, Generator Operators, Generator Owners, Transmission Service Providers, Planning Authorities, Transmission Planners, Resource Planners, Load-Serving Entities, Purchasing-Selling Entities, Interchange Authorities, Reserve Sharing Groups, and Distribution Providers. Bulk power system owners, operators, and users shall provide to NERC and the applicable Regional Entity information necessary to complete the registration.
    - (b) A generation or transmission cooperative, a joint-action agency or another organization may register as a Joint Registration Organization (JRO), in lieu of each of the JRO's members or related entities being

registered individually for one or more functions. Refer to Section 507.

(c) Multiple entities may each register using a Coordinated Functional Registration (CFR) for one or more reliability standard(s) and/or for one or more requirements/sub-requirements within particular reliability standard(s) applicable to a specific function pursuant to a written agreement for the division of compliance responsibility. Refer to Section 508.

1.2 In the development of the NCR, NERC and the Regional Entities shall consider the following factors in determining which organizations should be placed on the NCR:

1.2.1 Owners, operators and users of the bulk power system will generally be included on the NCR. The bulk power system includes, as defined by the Regional Entity, the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition;

1.2.2 A customer that receives electric service at retail and does not otherwise directly receive, sell, purchase, or transmit power over the bulk power system or own, operate, maintain, or control facilities or systems that are part of the bulk power system will not, in general, be considered a user of the bulk power system, unless the entity's actions or facilities have material impact on the bulk power system;

1.2.3 An entity directly connected to the bulk power system selling, purchasing, or transmitting electric energy over the bulk power system will generally be considered a user of the bulk power system, unless the entity's actions or facilities does not have a material impact on the bulk power system;

1.2.4 Notwithstanding the other considerations in this Section 1.2, if the consequences of an entity's actions or inactions could have a material impact on the bulk power system, that entity may be considered a user of the bulk power system; and,

1.2.5 Further guidance for registration criteria may be found in the NERC *Statement of Compliance Registry Criteria* document.

- 1.3 NERC and the Regional Entities shall use the following rules for establishing and maintaining the NCR based on the registration criteria as identified by NERC:
  - 1.3.1 NERC shall notify each organization that it is on the NCR. The entity is responsible for compliance with all the reliability standards applicable to the functions for which it is registered from the time it receives the registration notification from NERC.
  - 1.3.2 Any organization receiving such a notice may challenge its placement on the NCR according to the process in Appendix 5 *Organization Registration and Organization Certification Manual*, Section V.
  - 1.3.3 The Compliance Committee of the Board of Trustees shall promptly issue a written decision on the challenge, including the reasons for the decision.
  - 1.3.4 The decision of the Compliance Committee of the Board of Trustees shall be final unless, within 21 days of the date of the Compliance Committee of the Board of Trustees decision, the organization appeals the decision to the applicable governmental authority.
  - 1.3.5 Each entity identified on the NCR shall notify its corresponding Regional Entity(s) of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the entity's responsibilities with respect to the reliability standards. Failure to notify will not relieve the entity from any responsibility to comply with the reliability standards or shield it from any penalties or sanctions associated with failing to comply with the standards applicable to its associated registration.
- 1.4 For all geographical or electrical areas of the bulk power system, the registration process shall ensure that (1) no areas are lacking any entities to perform the duties and tasks identified in and required by the reliability standards to the fullest extent practical, and (2) there is no unnecessary duplication of such coverage or of required oversight of such coverage. In particular the process shall:
  - 1.4.1 Ensure that all areas are under the oversight of one and only one Reliability Coordinator.

- 1.4.2 Ensure that all Balancing Authorities and Transmission Operator entities<sup>1</sup> are under the responsibility of one and only one Reliability Coordinator.
  - 1.4.3 Ensure that all transmission facilities of the bulk power system are the responsibility and under the control of one and only one Transmission Planner, Planning Authority, and Transmission Operator.
  - 1.4.4 Ensure that all loads and generators are under the responsibility and control of one and only one Balancing Authority.
  - 1.5 NERC shall maintain the NCR of organizations responsible for meeting the requirements/sub-requirements of the reliability standards currently in effect on its Web site and shall update the NCR monthly.
2. **Entity Certification** — NERC shall provide for certification of all entities with primary reliability responsibilities requiring certification. This includes those entities that satisfy the criteria established in the NERC Provisional Certification Process. The NERC programs shall:
- 2.1 Evaluate and certify the competency of entities performing reliability functions. The entities presently expected to be certified include Reliability Coordinators, Transmission Operators, and Balancing Authorities.
  - 2.2 Evaluate and certify each applicant's ability to meet the requirements for certification.
  - 2.3 Maintain process documentation.
  - 2.4 Maintain records of currently certified entities.
  - 2.5 Issue a certification document to the applicant that successfully demonstrates its competency to perform the evaluated functions.
3. **Delegation and Oversight**
- 3.1 NERC may delegate the responsibilities of Organization Registration and Organization Certification to Regional Entities in accordance with requirements established by NERC. Delegation will be via the delegation agreement between NERC and the Regional Entity or other applicable agreement. The Regional Entity shall administer Organization

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<sup>1</sup> Some organizations perform the listed functions (e.g., balancing authority, transmission operator) over areas that transcend the footprints of more than one reliability coordinator. Such organizations will have multiple registrations, with each such registration corresponding to that portion of the organization's overall area that is within the footprint of a particular reliability coordinator.

Registration and Organization Certification Programs to meet NERC's programs goals and requirements subject to NERC oversight.

- 3.2 NERC shall develop and maintain a plan to ensure the continuity of Organization Registration and Organization Certification within the geographic or electrical boundaries of a Regional Entity in the event that no entity is functioning as a Regional Entity for that region, or the Regional Entity withdraws as a Regional Entity, or does not operate its Organization Registration and Organization Certification Programs in accordance with delegation agreements.
- 3.3 NERC shall develop and maintain a program to monitor and oversee the NERC Organization Registration and Organization Certification Programs activities that are delegated to each Regional Entity through a delegation agreement or other applicable agreement.
  - 3.3.1 This program shall monitor whether the Regional Entity carries out those delegated activities in accordance with NERC requirements, and whether there is consistency, fairness of administration, and comparability.
  - 3.3.2 Monitoring and oversight shall be accomplished through direct participation in the Organization Registration and Organization Certification Programs with periodic reviews of documents and records of both programs.

**502. Organization Registration and Organization Certification Program Requirements**

1. NERC shall maintain the Organization Registration and Organization Certification Programs.
  - 1.1 The roles and authority of Regional Entities in the programs are delegated from NERC pursuant to the Rules of Procedure through regional delegation agreements or other applicable agreements.
  - 1.2 Processes for the programs shall be administered by NERC and the Regional Entities. Materials that each Regional Entity uses are subject to review and approval by NERC.
  - 1.3 The appeals process for the Organization Registration and Organization Certification Programs are identified in Appendix 5 *Organization Registration and Organization Certification Manual*, Sections V and VI, respectively.
  - 1.4 The certification team membership is identified in Appendix 5 *Organization Registration and Organization Certification Manual*, Section IV.8.d.



2. To ensure consistency and fairness of the Organization Registration and Organization Certification Programs, NERC shall develop procedures to be used by all Regional Entities and NERC in accordance with the following criteria:
  - 2.1 NERC and the Regional Entities shall have data management processes and procedures that provide for confidentiality, integrity, and retention of data and information collected.
  - 2.2 Documentation used to substantiate the conclusions of the Regional Entity/ NERC related to registration and/or certification must be retained by the Regional Entity for (6) six years, unless a different retention period is otherwise identified, for the purposes of future audits of these programs.
  - 2.3 To maintain the integrity of the NERC Organization Registration and Organization Certification Programs, NERC, Regional Entities, certification team members, program audit team members (Section 506), and committee members shall maintain the confidentiality of information provided by an applicant or entities.
    - 2.3.1 NERC and the Regional Entities shall have appropriate codes of conduct and confidentiality agreements for staff, certification team, certification related committees, and certification program audit team members.
    - 2.3.2 NERC, Regional Entities, certification team members, program audit team members and committee members shall maintain the confidentiality of any registration or certification-related discussions or documents designated as confidential (see Section 1500 for types of confidential information).
    - 2.3.3 NERC, Regional Entities, certification team members, program audit team members and committee members shall treat as confidential the individual comments expressed during evaluations, program audits and report-drafting sessions.
    - 2.3.4 Copies of notes, draft reports, and other interim documents developed or used during an entity certification evaluation or program audit shall be destroyed after the public posting of a final, uncontested report.
    - 2.3.5 Information deemed by an applicant, entity, a Regional Entity, or NERC as confidential, including critical energy infrastructure information, shall not be released publicly or distributed outside of a committee or team.
    - 2.3.6 In the event that an individual violates any of the confidentiality rules set forth above, that individual and any member organization

with which the individual is associated will be subject to immediate dismissal from the audit team and may be prohibited from future participation in compliance program activities by the Regional Entity or NERC.

2.3.7 NERC shall develop and provide training in auditing skills to all individuals prior to their participation in certification evaluations. Training for certification team leaders shall be more comprehensive than the training given to industry experts, Regional Entity members and volunteers. Training for Regional Entity members and volunteers may be delegated to the Regional Entity.

2.4 An applicant that is determined to be competent to perform a function after completing all certification requirements shall be deemed certified by NERC to perform that function for which it has demonstrated full competency.

2.4.1 All NERC certified entities shall be included on the NCR.

**503. Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements**

1. **Delegation** — Recognizing the Regional Entity’s knowledge of and experience with their members, NERC may delegate responsibility for Organization Registration and Organization Certification to the Regional Entity through a delegation agreement.
2. **Registration** — The following Organization Registration activities shall be managed by the Regional Entity per the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into the Rules of Procedure as Appendix 5 *Organization Registration and Organization Certification Manual*.
  - 2.1 An Entity seeking registration shall contact the Regional Entity(ies) in which it operate to become registered and, if necessary, certified.
  - 2.2 Regional entities shall verify that all Reliability Coordinators, Balancing Authorities, and Transmission Operators meet the registration requirements of Section 501(1.4).
3. **Certification** — The following Organization certification activities shall be managed by the Regional Entity in accordance with an approved delegation agreement or another applicable agreement:

- 3.1 An entity seeking certification to perform one of the functions requiring certification shall contact the Regional Entity for the region(s) in which it plans to operate to apply for certification.
- 3.2 An entity seeking certification and other affected entities shall provide all information and data requested by NERC or the Regional Entity to conduct the certification process.
- 3.3 Regional Entities shall notify NERC of all certification applicants.
- 3.4 NERC and/or the Regional Entity shall evaluate the competency of entities requiring certification to meet the NERC certification requirements.
- 3.5 NERC or the Regional Entity shall establish certification procedures to include evaluation processes, schedules and deadlines, expectations of the applicants and all entities participating in the evaluation and certification processes, and requirements for certification team members.
  - 3.5.1 The NERC / Regional Entity certification procedures will include provisions for on-site visits to the applicant's facilities to review the data collected through questionnaires, interviewing the operations and management personnel, inspecting the facilities and equipment (including requesting a demonstration of all tools identified in the certification process), reviewing all necessary documents and data (including all agreements, processes, and procedures identified in the certification process), reviewing certification documents and projected system operator work schedules, and reviewing any additional documentation needed to support the completed questionnaire or inquiries arising during the site visit.
  - 3.5.2 The NERC/ Regional Entity certification procedures will provide for preparation of a written report by the certification team, detailing any deficiencies that must be resolved prior to granting certification, along with any other recommendations for consideration by the applicant, the Regional Entity, or NERC.

#### **504. Appeals**

1. NERC shall maintain an appeals process to resolve any disputes related to registration or certification activities per the *Organization Registration and Organization Certification Manual*, which is incorporated in these rules as Appendix 5.
2. The Regional Entity registration and certification appeals process shall culminate with the regional board or a committee established by and reporting to the regional board as the final adjudicator, provided that: (1) in Texas RE (TRE), as

long as TRE is affiliated with ERCOT, the TRE Chief Compliance Office must act as the final adjudicator, and (2) where applicable, Canadian provincial governmental authorities may act as the final adjudicator in their jurisdictions. NERC shall be notified of all appeals and may observe any proceedings (Appendix 5 *Organization Registration and Organization Certification Manual*).

**505. Program Maintenance**

NERC shall maintain its program materials, including such manuals or other documents as it deems necessary, of the governing policies and procedures of the Organization Registration and Organization Certification Programs.

**506. Independent Audit of NERC Organization Registration and Organization Certification Program**

1. NERC, through the Compliance and Certification Committee, shall provide for an independent audit of its Organization Registration and Organization Certification Programs at least once every three years, or more frequently, as determined by the Board. The audit shall be conducted by independent expert auditors as selected by the Board.
2. The audit shall evaluate the success, effectiveness and consistency of the NERC Organization Registration and Organization Certification Programs.
3. The final report shall be posted by NERC for public viewing according to the Reporting and Disclosure Process in Section 408.
4. If the audit report includes recommendations to improve the program, the administrators of the program shall provide a written response to the Board within 30 days of the final report, detailing the disposition of each and every recommendation, including an explanation of the reasons for rejecting a recommendation and an implementation plan for the recommendations accepted.

**507. Provisions Relating to Joint Registration Organizations (JRO)**

1. In addition to registering as the entity responsible for all functions that it performs itself, an entity may register as a JRO on behalf of one or more of its members or related entities for one or more functions for which such members or related entities would otherwise be required to register and, thereby, accept on behalf of such members or related entities all compliance responsibility for that function or those functions including all reporting requirements. Any entity seeking to register as a JRO must submit a written agreement with its members or related entities for all requirements/sub-requirements for the function(s) for which the entity is registering for and takes responsibility for, which would otherwise be the responsibility of one or more of its members or related entities. Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the

Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the JRO registration.

2. The JRO registration data must include the same registration information as a normal compliance registration entry. The JRO is responsible for providing all of the information and data, including submitting reports, as needed by the Regional Entity for performing assessments of compliance.
3. The Regional Entity shall notify NERC of each JRO that the Regional Entity accepts. The notification will identify the point of contact and the function(s) being registered for on behalf of its members or related entities.
4. For purposes of compliance audits, the Regional Entity shall keep a list of all JROs. This document shall contain a list of each JRO's members or related entities and the function(s) for which the JRO is registered for that member(s) or related entity(s). It is the responsibility of the JRO to provide the Regional Entity with this information as well as the applicable JRO agreement(s).
5. The Regional Entity may request clarification of any list submitted to it that identifies the members of the JRO and may request such additional information as the Regional Entity deems appropriate.
6. The Regional Entity's acceptance of a JRO shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded the JRO will meet the registration requirements of Section 501(1.4).
7. NERC shall maintain, and post on its Web site, a JRO registry listing all JRO registrations that have been reviewed and accepted by the Regional Entity. The posting shall identify the JRO entity taking compliance responsibilities for itself and its members.
8. The JRO shall inform the Regional Entity of any changes to an existing JRO. The Regional Entity shall promptly notify NERC of each such revision.
9. Nothing in Section 507 shall preclude a member of a JRO, a related entity, or any other entity from registering on its own behalf and undertaking full compliance responsibility including reporting requirements for the reliability standards applicable to the function(s) for which the member or other entity is registering. A JRO member or related entity that registers as responsible for any reliability standard or requirement/sub-requirement of a reliability standard shall inform the JRO of its registration.

**508. Provisions Relating to Coordinated Functional Registration (CFR) Entities**

1. In addition to registering as an entity responsible for all functions that it performs itself, multiple entities may each register using a CFR for one or more reliability standard(s) and/or for one or more requirements/sub-requirements within particular reliability standard(s) applicable to a specific function. The CFR submission must include a written agreement that governs itself and clearly specifies the entities' respective compliance responsibilities. The registration of the CFR is the complete registration for each entity. Additionally, each entity shall take full compliance responsibility for those standards and/or requirements/sub-requirements it has registered for in the CFR. Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the CFR.
2. Each CFR or each individual entity within a CFR must identify a point of contact that is responsible for providing information and data, including submitting reports as needed by the Regional Entity related to the CFR registration.
3. The Regional Entity shall notify NERC of each CFR that the Regional Entity accepts.
4. NERC or the Regional Entity may request clarification of any list submitted to it that identifies the compliance responsibilities of the CFR and may request such additional information as NERC or the Regional Entity deems appropriate.
5. The Regional Entity's acceptance of that CFR shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded the CFR will meet the registration requirements of Section 501(1.4).
6. NERC shall maintain, and post on its Web site, a CFR registry listing all CFR registrations that have been accepted by NERC or by a Regional Entity. The posting shall clearly list all the reliability standards or requirements/sub-requirements thereof for which each entity of the CFR is responsible for under the CFR.
7. The point of contact shall inform the Regional Entity of any changes to an existing CFR. The Regional Entity shall promptly notify NERC of each such revision.
8. In the event of a violation of a reliability standard or of a requirement/sub requirement of a reliability standard for which an entity of a CFR is registered, that entity shall be identified in the notice of alleged violation and shall be assessed the sanction or penalty in accordance with the NERC Sanctions Guidelines. In the event a Regional Entity is not able to determine which entity(ies) is responsible for a particular reliability standard, or requirements/sub requirements thereof that has been violated, the Regional Entity shall investigate

the noncompliance in accordance with the NERC Rules of Procedure Section 400, *Compliance Enforcement*, to determine the entity(ies) to which the Regional Entity shall to issue the sanction or penalty for the violation.

9. Nothing in Section 508 shall preclude an entity registered in a CFR, or any other entity from registering on its own behalf and undertaking full compliance responsibility including reporting requirements for the reliability standards applicable to the function(s) for which the entity is registering. An entity registered in a CFR that registers as responsible for any reliability standard or requirement/sub requirement of a reliability standard shall inform the point of contact of its registration.

## SECTION 500 — ORGANIZATION REGISTRATION AND CERTIFICATION

### 501. Scope of the Organization Registration and Organization Certification Program

~~Enforcing compliance with the NERC reliability standards requires that the identity of those responsible for complying with the standards be known and that those with primary reliability responsibilities be reviewed and certified as meeting established minimum requirements for performing those tasks. NERC shall develop and maintain a compliance registry and certification program for the purpose of promoting compliance with reliability standards and enhancing the reliability of the bulk power system.~~

The purpose of the ~~compliance registry will be~~ Organization Registration Program is to clearly identify those entities that are responsible for compliance with the FERC approved reliability standards. Organizations ~~listed on the registry will be~~ that are registered are included on the NERC Compliance Registry (NCR) and are responsible for knowing the content of and for complying with ~~the NERC~~ all applicable reliability standards. ~~Organizations listed in the registry~~ Registered organizations are not, ~~nor and do they not~~ become, members of NERC or a ~~regional entity~~ Regional Entity, by virtue of being listed ~~in on~~ the compliance registry NCR. Membership in NERC is governed by Article II of NERC's bylaws; membership in a Regional Entity or regional entity reliability organization is governed by that entity's bylaws or rules.

The purpose of the Organization Certification Program is to ensure that the new entity (i.e., applicant to be an RC, BA, or TOP that is not already performing the function for which it is applying to be certified as) has the tools, processes, training, and procedures to demonstrate their ability to meet the requirements/sub requirements of all of the reliability standards applicable to the function(s) for which it is applying thereby demonstrating the ability to become certified and then operational.

Organization ~~registration and certification~~ Registration and Organization Certification may be delegated to ~~regional entities~~ Regional Entities in accordance with the procedures in this Section ~~500, 500;~~ the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into these rules as Appendix ~~5, 5;~~ and, approved ~~regional entity~~ Regional Entity delegation agreements or other applicable agreements.

1. NERC Compliance Registry — NERC shall establish and maintain ~~a compliance registry~~ the NCR of the bulk power system owners, operators, and users that are subject to approved reliability standards.
  - 1.1 (a) The ~~registry~~ NCR shall set forth the identity and functions performed for each organization responsible for meeting requirements/sub-requirements of the reliability standards including: ~~reliability coordinators, balancing authorities, transmission operators, transmission owners, generator operators, generator owners, transmission service providers,~~



~~planning authorities, transmission planners, resource planners, load-serving entities, purchasing-selling entities, and distribution providers~~ Reliability Coordinators, Balancing Authorities, Transmission Operators, Transmission Owners, Generator Operators, Generator Owners, Transmission Service Providers, Planning Authorities, Transmission Planners, Resource Planners, Load-Serving Entities, Purchasing-Selling Entities, Interchange Authorities, Reserve Sharing Groups, and Distribution Providers. Bulk power system owners, operators, and users shall provide to NERC and the applicable ~~regional entity such~~ Regional Entity information ~~as is~~ necessary to complete the registration.

(b) A generation or transmission cooperative, a joint-action agency or another organization may register as a Joint Registration Organization (JRO), in lieu of each of the JRO's members or related entities being registered individually for one or more functions. Refer to Section 507.

(c) Multiple entities may each register using a Coordinated Functional Registration (CFR) for one or more reliability standard(s) and/or for one or more requirements/sub-requirements within particular reliability standard(s) applicable to a specific function pursuant to a written agreement for the division of compliance responsibility. Refer to Section 508.

1.2 ~~NERC and regional entities assisting NERC in~~ In the development of the ~~compliance registry~~ NCR, NERC and the Regional Entities shall consider the following factors in determining which organizations should be placed ~~in~~ on the ~~registry~~ NCR:

1.2.1 ~~Owners and~~ operators and users of the bulk power system ~~facilities will generally be included in the registry;~~

~~1.2.2~~ As identified by regional entities, will generally be included on the NCR. The bulk power system includes, as defined by the Regional Entity, the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher ~~will be considered part of the bulk power system;~~

~~1.2.3~~ Radial transmission facilities serving only load with one transmission source, without more, will not be considered part of the bulk power system; are generally not included in this definition;

1.2.2 ~~1.2.4~~ A customer that receives electric service at retail and does not otherwise directly receive, sell, purchase, or transmit power over the bulk power system or own, operate, maintain, or control facilities or systems that are part of the bulk power system will not,

in general, be considered a user of the bulk power system, unless the entity's actions or facilities have material impact on the bulk power system;

1.2.3 ~~1.2.5~~ An entity directly connected to the bulk power system selling, purchasing, or transmitting electric energy over the bulk power system will generally be considered a user of the bulk power system, unless the entity's actions or facilities does not have ~~no~~ material impact on the bulk power system;

1.2.4 ~~1.2.6~~ Notwithstanding the other considerations in this Section 1.2, if the consequences of an entity's actions or inactions could have a material impact on the bulk power system, that entity may be considered a user of the bulk power system; and,

~~1.2.7 (a) A generation or transmission cooperative, a joint action agency or another organization (a Joint Registration Organization or JRO) may be registered, in lieu of each of the JRO's members or related entities being registering individually, by the JRO accepting the reliability functions identified in Section 1.1 above, or (b) a JRO and its members or related entities may enter into a written agreement as to which of them will be responsible for one or more reliability standards applicable to a particular function and/or for one or more requirements within particular reliability standards applicable to a particular function and/or for one or more requirements within particular reliability standards, in either case in accordance with the provisions specified in Section 507 (each of (a) and (b), a "joint registration").~~

~~For purpose of this Section 501.1.2.7 and Section 507, a "related entity" is an entity whose operations in relation to the operation of the JRO make it feasible for the JRO to accept responsibility for reliability functions for which the related entity would otherwise be responsible. A non-exclusive list of examples of JROs and related entities includes (i) a balancing authority or a transmission provider as the JRO, and (ii) a load-serving entity or a distribution provider within the balancing authority's control area or receiving transmission services from the transmission provider, as the related entity.~~

1.2.5 Further guidance for registration criteria may be found in the NERC Statement of Compliance Registry Criteria document.

1.3 NERC and the ~~regional entities~~ Regional Entities shall use the following ~~procedure rules~~ for establishing and maintaining the ~~compliance registry~~ NCR based on the registration criteria as identified by NERC:

- 1.3.1 NERC shall notify each organization ~~of its intent to place the organization on the compliance registry~~ that it is on the NCR. The entity is responsible for compliance with all the reliability standards applicable to the functions for which it is registered from the time it receives the registration notification from NERC.
- 1.3.2 Any organization receiving such a notice may challenge ~~the decision to include it on the compliance registry by filing its written objection with NERC's director of compliance within 21 days stating the reasons it believes it should not be considered a bulk power system owner, operator, or user~~ its placement on the NCR according to the process in Appendix 5 Organization Registration and Organization Certification Manual, Section V.
- 1.3.3 The Compliance Committee of the Board of Trustees ~~will~~ shall promptly issue a written decision on the challenge, including the reasons for the decision.
- 1.3.4 The decision of the Compliance Committee of the Board of Trustees shall be final unless, within 21 days of the date of the Compliance Committee of the Board of Trustees decision, the organization appeals the decision to the applicable governmental authority.
- ~~1.3.5 At any time a person may recommend in writing, with supporting reasons, to the director of compliance that an organization be added to or removed from the compliance registry.~~
- ~~1.3.6 The compliance registry shall be dynamic and be revised as necessary to take account of changing circumstances. NERC will take such recommendations, and other applicable information, under advisement as it determines whether an entity should be on the compliance registry.~~
- 1.3.5 ~~1.3.7~~ Each entity identified ~~in~~ on the ~~registry~~ NCR shall notify ~~NERC and~~ its corresponding ~~regional entity~~ Regional Entity(s) of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the entity's responsibilities with respect to the reliability standards. Failure to notify will not relieve the entity from any responsibility to comply with the reliability standards or shield it from any penalties or sanctions associated with failing to comply with ~~such~~ the standards applicable to its associated registration.
- 1.4 For all geographical or electrical areas of the bulk power system, the registration process shall ensure that (1) no areas are lacking any entities to perform the duties and tasks identified in and required by the reliability

standards to the fullest extent practical, and (2) there is no unnecessary duplication of such coverage or of required oversight of such coverage. In particular the process shall:

- 1.4.1 Ensure that all areas are under the oversight of one and only one ~~reliability coordinator~~ Reliability Coordinator.
- 1.4.2 Ensure that all ~~balancing authorities and transmission operator~~ Balancing Authorities and Transmission Operator entities<sup>1</sup> are under the responsibility of one and only one ~~reliability coordinator~~ Reliability Coordinator.
- 1.4.3 Ensure that all transmission ~~elements~~ facilities of the bulk power system are the responsibility and under the control of one and only one ~~transmission planner, planning authority, and transmission operator~~ Transmission Planner, Planning Authority, and Transmission Operator.
- 1.4.4 Ensure that all loads and generators are under the responsibility and control of one and only one ~~balancing authority~~ Balancing Authority.
- 1.5 NERC shall maintain ~~publicly available process documentation~~ the NCR of organizations responsible for meeting the requirements/sub-requirements of the reliability standards currently in effect on its Web site and shall update the ~~compliance registry~~ NCR monthly.
2. **Entity Certification** — NERC shall provide for certification of all entities with primary reliability responsibilities requiring certification ~~as~~ This includes those entities that satisfy the criteria established in the NERC ~~reliability standards~~ Provisional Certification Process. The NERC ~~program~~ programs shall:
  - 2.1 Evaluate and certify the competency of entities performing reliability functions. The entities presently expected to be certified include ~~reliability coordinators, transmission operators, and balancing authorities~~. Other entities may be added, as required, by approved reliability standards. Reliability Coordinators, Transmission Operators, and Balancing Authorities.

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<sup>1</sup> Some organizations perform the listed functions (e.g., balancing authority, transmission operator) over areas that transcend the footprints of more than one reliability coordinator. Such organizations will have multiple registrations, with each such registration corresponding to that portion of the organization's overall area that is within the footprint of a particular reliability coordinator.

- 2.2 ~~Certify~~Evaluate and certify each ~~entity~~applicant's ability to meet the ~~minimum~~ requirements ~~established by the NERC reliability standards for each function~~for certification.
- 2.3 Maintain process documentation.
- 2.4 Maintain records of currently certified entities.
- 2.5 Issue a certification document to the applicant that successfully demonstrates its competency to perform the evaluated functions.

### 3. Delegation and Oversight

- 3.1 NERC may delegate the responsibilities of ~~registration and certification to regional entities~~Organization Registration and Organization Certification to Regional Entities in accordance with requirements established by NERC. Delegation will be via the delegation agreement between NERC and the ~~regional entity~~Regional Entity or other applicable agreement. The ~~regional entity~~Regional Entity shall administer ~~an organization registration and certification program~~Organization Registration and Organization Certification Programs to meet NERC's ~~program~~programs goals and requirements subject to NERC oversight.
- 3.2 NERC shall develop and maintain a plan to ensure the continuity of ~~organization registration and certification~~Organization Registration and Organization Certification within the geographic or electrical boundaries of a ~~regional entity~~Regional Entity in the event that no entity is ~~certified~~functioning as a ~~regional entity~~Regional Entity for that region, or the ~~regional entity~~Regional Entity withdraws as a ~~regional entity~~Regional Entity, or does not operate its ~~organization registration and certification program~~Organization Registration and Organization Certification Programs in accordance with delegation agreements ~~and other requirements~~.
- 3.3 NERC shall develop and maintain a program to monitor and oversee ~~each regional entity registration and certification program that is~~the NERC Organization Registration and Organization Certification Programs activities that are delegated ~~authority to each Regional Entity~~ through a delegation agreement or other applicable agreement.
  - 3.3.1 This program shall monitor whether the ~~regional entity~~Regional Entity carries out ~~its organization registration and certification program~~those delegated activities in accordance with NERC requirements, and whether there is consistency, fairness of administration, and comparability ~~of outcomes within each regional entity's certification and registration program and among all of the programs.~~

3.3.2 Monitoring and oversight shall be accomplished through direct participation in ~~certification audits and~~ the Organization Registration and Organization Certification Programs with periodic reviews of ~~program~~ documents and records ~~of both programs~~.

**502. ~~ERO~~ Organization Registration and Organization Certification Program Requirements**

1. NERC shall ~~have final authority in all matters constituting the organization registration and certification program.~~ maintain the Organization Registration and Organization Certification Programs.
  - 1.1 The roles and authority of ~~regional entities~~ Regional Entities in the ~~program~~ programs are delegated from NERC pursuant to the ~~rules~~ Rules of ~~procedure~~ Procedure through regional delegation agreements or other applicable agreements.
  - 1.2 Processes for the ~~program~~ programs shall be ~~owned by NERC; materials that each regional entity may use to participate in the program may be adapted by that organization subject to prior~~ administered by NERC and the Regional Entities. Materials that each Regional Entity uses are subject to review and approval by NERC.
  - ~~1.3 Regional entities participating in the program shall perform their roles and responsibilities to meet NERC's requirements, as specified in the rules of procedure or NERC approved materials, including requirements for quality, thoroughness, timeliness, accuracy, efficiency, cost-effectiveness, and participation.~~
  - ~~1.4 Regional entity's decisions to grant or deny certifications shall be subject to NERC review and action, including modification or reversal.~~
  - 1.3 ~~1.5~~ Regional entity's decisions with respect to the use of the ~~transitional certification processes, as now provided for within the NERC~~ The appeals process for the Organization Registration and ~~Certification Manual (Appendix 5), are subject to NERC review and action, including modification or reversal, should NERC deem such review or action warranted.~~ Organization Certification Programs are identified in Appendix 5 Organization Registration and Organization Certification Manual, Sections V and VI, respectively.
  - ~~1.6 Notwithstanding an entity's interest and right to object to the makeup of the certification team that will conduct the review of that entity, NERC, or the regional entity as authorized by NERC, will have final authority on the membership and member roles of that team.~~
  - ~~1.7 NERC, or the regional entity as authorized by NERC, shall make all assessments and decisions with respect to all aspects of the organization~~

~~registration and certification program, including the completeness and accuracy of entities' applications.~~

1.4 The certification team membership is identified in Appendix 5 Organization Registration and Organization Certification Manual, Section IV.8.d.

2. To ensure consistency and fairness of the ~~program~~Organization Registration and Organization Certification Programs, NERC shall develop procedures to be used by all ~~regional entities in carrying out their organization registration and certification programs.~~Regional Entities and NERC in accordance with the following criteria:

2.1 NERC and the ~~regional entities~~Regional Entities shall have data management processes and procedures that provide for confidentiality, integrity, and retention of data and information collected.

2.2 Documentation used to substantiate the conclusions of the Regional Entity/ NERC related to registration and/or certification must be retained by the Regional Entity for (6) six years, unless a different retention period is otherwise identified, for the purposes of future audits of these programs.

2.3 ~~2.2~~To maintain the integrity of the NERC Organization Registration and Organization Certification ~~Program~~Programs, NERC, ~~regional entities~~Regional Entities, certification team members, program audit team members (Section 506), and committee members shall maintain the confidentiality of information provided by an applicant or entities ~~in order to become registered or certified.~~

2.3.1 ~~2.2.1~~ NERC and the ~~regional entities~~Regional Entities shall have appropriate codes of conduct and confidentiality agreements for staff ~~and other~~, certification ~~audit participants.~~ ~~Individuals not bound by ERO or approved regional entity codes of conduct and who serve on team,~~ certification- related committees ~~or audit teams shall sign an ERO confidentiality agreement prior to participating on the committee or,~~ and certification program audit team members.

2.3.2 ~~2.2.2~~ Staff, ~~committee, and~~ NERC, Regional Entities, certification team members, program audit team members and committee members shall maintain the confidentiality of any registration or certification-related discussions or documents ~~that are~~ designated as confidential (see Section 1500 for types of confidential information). ~~Staff, committee, and audit team members shall treat as confidential the individual comments expressed during audits and report drafting sessions.~~



2.3.3 NERC, Regional Entities, certification team members, program audit team members and committee members shall treat as confidential the individual comments expressed during evaluations, program audits and report-drafting sessions.

2.3.4 ~~2.2.3~~ Copies of notes, draft reports, and other interim documents developed or used during ~~an entity~~ certification evaluation or program audit shall be destroyed after the public posting of a final, uncontested report.

2.3.5 ~~2.2.4~~ Information deemed by an applicant, entity, a ~~regional entity~~ Regional Entity, or NERC as confidential ~~or, including~~ critical energy infrastructure information, shall not be released publicly or distributed outside of a committee or team, ~~or released publicly.~~

2.3.6 ~~2.2.5~~ In the event that ~~a staff, committee, or audit team member~~ an individual violates any of the confidentiality rules set forth above, ~~the staff, committee, or audit team member~~ that individual and any member organization with which the individual is associated ~~may~~ will be subject to immediate dismissal from the audit team and may be prohibited from future participation in compliance program activities by the ~~regional entity~~ Regional Entity or NERC.

2.3.7 ~~2.2.6~~ NERC shall develop and provide training in auditing skills to all individuals ~~who participate~~ prior to their participation in certification ~~audit~~ evaluations. Training for ~~ERO and regional entity personnel, as well as audit~~ certification team leaders, shall be more comprehensive than the training given to industry experts, ~~regional entity~~ Regional Entity members, and volunteers. Training for ~~regional entity~~ Regional Entity members and volunteers may be delegated to the ~~regional entity~~ Regional Entity.

2.4 ~~2.3~~ An entity applicant that is determined to be competent to perform a function after completing all certification requirements shall be deemed certified by NERC to perform that function for which it has demonstrated full competency.

~~2.3.1~~ ~~An entity deemed certified by NERC to perform a function shall be considered and may be referred to, for example, as a certified transmission operator, certified balancing authority, or certified reliability coordinator. Only entities that have received such certifications from NERC shall be so designated.~~

~~2.3.2~~ ~~NERC shall award certification to an entity only after it has demonstrated full competency to all certification requirements. An~~



~~entity shall be awarded certification only for each function for which it has demonstrated full competency~~

2.4.1 All NERC certified entities shall be included on the NCR.

**503. Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements**

1. **Delegation** — Recognizing the ~~regional entity~~Regional Entity's knowledge of and experience with their members, NERC may delegate responsibility for ~~organization registration and certification to the regional entity~~Organization Registration and Organization Certification to the Regional Entity through a delegation agreement ~~or such responsibilities may be established through another applicable agreement.~~
2. **Registration** — The following ~~organization registration~~Organization Registration activities shall be ~~performed~~managed by the ~~regional entity in accordance with~~Regional Entity per the NERC *Organization Registration and Organization Certification Procedures Manual*, which ~~are~~is incorporated into the Rules of Procedure as Appendix ~~5.5~~Organization Registration and Organization Certification Manual.
  - 2.1 ~~Entities~~An Entity seeking registration shall contact the ~~regional entity~~Regional Entity(ies) in which ~~they~~it operate to become registered and, if necessary, certified.
  - 2.2 Regional entities shall verify that all ~~balancing authorities and transmission operators are under the responsibility of one and only one reliability coordinator~~Reliability Coordinators, Balancing Authorities, and Transmission Operators meet the registration requirements of Section 501(1.4).
  - 2.3 ~~Regional entities shall verify that all transmission elements of the bulk power system operated within their geographic boundaries are under the authority and control of one and only one transmission planner, planning authority, transmission owner, and transmission operator.~~
  - 2.4 ~~Regional entities shall verify that all loads and generation sources within their geographic boundaries are under the authority and control of one and only one balancing authority.~~
  - 2.5 ~~Regional entities shall verify that no geographical or electrical areas of the bulk power system within their boundaries have duplication of coverage or are lacking an entity to perform required duties and tasks as identified in the reliability standards.~~

3. **Certification** — The following ~~organization~~Organization certification activities shall be ~~performed~~managed by the ~~regional entity~~Regional Entity in accordance with an approved ~~ERO~~ delegation agreement or another applicable agreement:
- 3.1 ~~Entities~~An entity seeking certification to perform one of the functions requiring certification shall contact the ~~regional entity~~Regional Entity for the region(s) in which ~~they~~it plans to operate to apply for certification. ~~NERC shall have oversight of the regional entity's certification activities and processes.~~
- 3.2 ~~Entities~~An entity seeking certification and other affected ~~operators~~entities shall provide all information and data requested by NERC or the ~~regional entity~~Regional Entity to conduct the certification process, ~~in accordance with 18 C.F.R. Section 39.2 in the United States.~~
- ~~3.3 — Regional entities shall contact entities directly and provide notice of the requirement to be certified by NERC and initiate the process to certify any entities that do not voluntarily contact the regional entity or NERC.~~
- ~~3.3~~ 3.4 Regional ~~entities~~Entities shall notify NERC of all certification applicants, ~~including those not voluntarily seeking certification.~~
- 3.4 NERC and/or the Regional Entity shall evaluate the competency of entities requiring certification to meet the NERC certification requirements.
- 3.5 ~~The regional entity~~NERC or the Regional Entity shall establish certification procedures to include ~~audit~~evaluation processes, schedules and deadlines, expectations of the applicants and all entities participating in the ~~audit~~evaluation and certification processes, and requirements for certification ~~auditors~~team members.
- 3.5.1 The ~~regional entity~~NERC / Regional Entity certification procedures will include provisions for on-site visits to the applicant's facilities to review the data collected through questionnaires, interviewing the operations and management personnel, inspecting the facilities and equipment (~~and~~including requesting a demonstration of all tools identified in the certification ~~standard~~process), reviewing all necessary documents and data (including all agreements, processes, and procedures identified in the certification ~~standard~~process), reviewing certification documents and projected system operator work schedules, and reviewing any additional documentation ~~that is~~ needed to support the completed questionnaire or inquiries arising during the site visit.
- ~~3.5.2 — All industry experts and regional members participating in certification audits shall successfully complete appropriate training~~

~~provided by NERC or the regional entity prior to performing an audit.~~

~~3.5.2~~ ~~3.5.3~~ The ~~regional entity~~NERC/ Regional Entity certification procedures will provide for preparation of a written report by the ~~audit~~certification team, detailing any deficiencies that must be resolved prior to granting certification, along with any other recommendations for consideration by the ~~entity~~applicant, the ~~regional entity~~Regional Entity, or NERC.

~~3.5.4—The regional entity shall evaluate the competency of entities requiring certification to meet the minimum requirements established by the standards for each such function based on the requirements established by NERC.~~

#### 504. Appeals

1. NERC shall maintain an appeals process to resolve any disputes related to registration or certification activities (~~per the Organization Registration and Organization Certification Manual—~~, which is incorporated in these rules as Appendix 5)-5.
2. ~~Each regional entity with delegated responsibilities shall establish and maintain a fair, independent, and nondiscriminatory appeals process. The regional entity~~The Regional Entity registration and certification appeals process shall culminate with the regional board or a committee established by and reporting to the regional board as the final adjudicator, provided that: (1) in ~~ERCOT, the Public Utility Commission of Texas may~~Texas RE (TRE), as long as TRE is affiliated with ERCOT, the TRE Chief Compliance Office must act as the final adjudicator, and (2) where applicable, Canadian provincial governmental authorities may act as the final adjudicator in their jurisdictions. NERC shall be notified of all appeals and may observe any proceedings: (Appendix 5 Organization Registration and Organization Certification Manual).

#### 505. Program Maintenance

NERC shall maintain its program materials, including such manuals or other documents as it deems necessary, of the governing policies and procedures of the ~~organization registration and certification program~~Organization Registration and Organization Certification Programs.

#### 506. Independent Audit of NERC Organization Registration and Organization Certification Program

1. NERC , through the Compliance and Certification Committee, shall provide for an independent audit of its ~~organization certification program~~Organization Registration and Organization Certification Programs at least once every three

years, or more frequently, as determined by the ~~board~~Board. The audit shall be conducted by independent expert auditors as selected by the ~~board~~Board.

2. The audit shall evaluate the success ~~and effectiveness of the NERC organization certification program in achieving its mission,~~ effectiveness and consistency of the NERC Organization Registration and Organization Certification Programs.
3. The final report shall be posted by NERC for public viewing according to the ~~reporting~~Reporting and ~~disclosure process~~Disclosure Process in Section 408.
4. If the audit report includes recommendations to improve the program, the administrators of the program shall provide a written response ~~and plan~~ to the ~~board~~Board within 30 days of the final report, detailing the disposition of each and every recommendation, including an explanation of the reasons for rejecting a recommendation and an implementation plan for the recommendations accepted.

507. **Provisions Relating to Joint ~~Registrations and Joint~~ Registration Organizations (JRO)**

1. ~~1. — Registration by a JRO.~~ In addition to registering as the entity responsible for all functions that ~~a JRO~~it performs itself, ~~a JRO~~an entity may register as a JRO on behalf of one or more of its members or related entities for one or more functions ~~as to~~for which such members or related entities would otherwise be required to register; and, thereby, accept on behalf of such members or related entities all compliance responsibility; for that function or those functions including all reporting requirements, ~~for all requirements of reliability standards applicable to the function or functions for which the JRO has registered on behalf of its members or related entities.~~ Any entity seeking to register as a JRO ~~for any or all requirements identified in the reliability standards that~~must submit a written agreement with its members or related entities for all requirements/sub-requirements for the function(s) for which the entity is registering for and takes responsibility for, which would otherwise be the responsibility of one or more of its members or related entities ~~shall provide to the applicable regional entity information, in the form requested by the regional entity, sufficient to identify whether the entity or its member(s) or related entities will be responsible for compliance with each provision of the reliability standards for the applicable functional responsibilities covered by the joint registration. The JRO must identify its primary compliance contact. The JRO primary compliance contact is responsible for providing all of the information and data, including submitting reports, as needed by the regional entity for performing assessments of compliance.~~ Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the JRO registration.

2. ~~2. — Joint registration pursuant to written agreement.~~ Where a JRO and any of its members or related entities agree, in writing, upon a ~~division of compliance~~

~~responsibility among them for one or more reliability standard(s) applicable to a particular function, and/or for one or more requirements within particular reliability standard(s), both the JRO and such member(s) or related entity(ies) shall register as an organization responsible for that function. The JRO and its member(s) or related entity(ies) must have a written agreement that clearly specifies their respective responsibilities, which shall be submitted as part of the joint registration. Neither NERC nor the regional entity shall be parties to any such agreement between a JRO and its member or related entity(ies), nor shall NERC or the regional entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the joint registration.~~

2. The JRO registration data must include the same registration information as a normal compliance registration entry. The JRO is responsible for providing all of the information and data, including submitting reports, as needed by the Regional Entity for performing assessments of compliance.
3. The Regional Entity shall notify NERC of each JRO that the Regional Entity accepts. The notification will identify the point of contact and the function(s) being registered for on behalf of its members or related entities.
4. For purposes of compliance audits, the Regional Entity shall keep a list of all JROs. This document shall contain a list of each JRO's members or related entities and the function(s) for which the JRO is registered for that member(s) or related entity(s). It is the responsibility of the JRO to provide the Regional Entity with this information as well as the applicable JRO agreement(s).
5. ~~3.~~ NERC or the regional entityThe Regional Entity may request clarification of any list submitted to it that identifies the ~~compliance responsibilities~~members of the JRO and ~~its member(s) or related entity(ies), and~~ may request such additional information as ~~NERC or the regional entity~~Regional Entity deems appropriate.
6. ~~4.~~ The regional entity shall notify NERC of each joint registration that the regional entity accepts. The regional entityThe Regional Entity's acceptance of a joint registration a JRO shall be a representation by the ~~regional entity~~Regional Entity to NERC that the ~~regional entity~~Regional Entity has concluded the jointJRO will meet the registration ~~will result in (1) no areas lacking any entities to perform the duties and tasks identified in and required by the reliability standards, and (2) no unnecessary duplication of such coverage of areas by entities to perform the duties and task identified in and required by the reliability standards or of required oversight of such coverage~~requirements of Section 501(1.4).
7. ~~5.~~ NERC shall maintain, and shall post on its webWeb site, a Joint Registration OrganizationJRO registry listing all jointJRO registrations that have been reviewed and accepted by ~~NERC or by a regional entity and the reliability~~

~~standards or requirements thereof for which each JRO and each of its members or related entities is responsible under the joint registration. the Regional Entity. The postings on NERC's web site posting shall clearly identify the JRO entity taking compliance responsibilities of the JRO for itself and of each of its member(s) or related entit(ies). Such postings are intended to enable reliability coordinators and other system operators to be fully aware of responsibilities and chains of command in order to respond quickly and decisively to system operation events its members.~~

~~6. — Annually following submission of a joint registration, the JRO shall provide the regional entity with a list, in a form specified by the regional entity, that identifies the members or related entities and the functions for which the JRO has registered on behalf of such members or related entities and for which the JRO assumes compliance responsibility. Additionally, a JRO shall provide a revised list of compliance responsibilities to the regional entity each time the JRO accepts additional compliance responsibilities for a member or related entity or for a new member or related entity and each time that any compliance reliability reverts from the JRO to a member or related entity. The regional entity shall promptly notify NERC of each such revision.~~

~~7. — In the event of a violation of a reliability standard or of a requirement of a reliability standard, the JRO or its member or related entity identified in the Joint Registration Organization registry as responsible for such reliability standard or requirement shall be identified in the notice of alleged violation and shall be assessed the sanction or penalty for the violation. In accordance with the NERC *Sanctions Guidelines*, for a violation that is attributable to a member or related entity that is registered under the joint registration, the penalty or sanction imposed for the violation will bear reasonable relation to the violation as incurred by that member or related entity and not the JRO. In the event a regional entity is not able to determine, based on the joint registration and the annual or other revised list submitted by the JRO, which entity is responsible for a particular reliability standard or requirement thereof that has been violated, the regional entity shall issue the notice of alleged violation to, and shall impose any sanction or penalty on, the JRO. NERC and the regional entity shall have no responsibility for any allocation or collection of penalties or sanctions between or among the JRO and its member(s) or related entit(ies).~~

8. The JRO shall inform the Regional Entity of any changes to an existing JRO. The Regional Entity shall promptly notify NERC of each such revision.

~~8. — **Individual member registration.** Nothing in ~~this~~ Section 507 shall preclude a member of a JRO, a related entity, or any other entity, from registering on its own behalf and undertaking full compliance responsibility, including reporting requirements, for the reliability standards applicable to the function(s) for which the member or other entity is registering. A JRO member or related entity that registers as responsible for any reliability standard or requirement sub-requirement of a reliability ~~standards~~ standard shall inform the JRO of its registration.~~

**508. Provisions Relating to Coordinated Functional Registration (CFR) Entities**

1. In addition to registering as an entity responsible for all functions that it performs itself, multiple entities may each register using a CFR for one or more reliability standard(s) and/or for one or more requirements/sub-requirements within particular reliability standard(s) applicable to a specific function. The CFR submission must include a written agreement that governs itself and clearly specifies the entities' respective compliance responsibilities. The registration of the CFR is the complete registration for each entity. Additionally, each entity shall take full compliance responsibility for those standards and/or requirements/sub-requirements it has registered for in the CFR. Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the CFR.
2. Each CFR or each individual entity within a CFR must identify a point of contact that is responsible for providing information and data, including submitting reports as needed by the Regional Entity related to the CFR registration.
3. The Regional Entity shall notify NERC of each CFR that the Regional Entity accepts.
4. NERC or the Regional Entity may request clarification of any list submitted to it that identifies the compliance responsibilities of the CFR and may request such additional information as NERC or the Regional Entity deems appropriate.
5. The Regional Entity's acceptance of that CFR shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded the CFR will meet the registration requirements of Section 501(1.4).
6. NERC shall maintain, and post on its Web site, a CFR registry listing all CFR registrations that have been accepted by NERC or by a Regional Entity. The posting shall clearly list all the reliability standards or requirements/sub-requirements thereof for which each entity of the CFR is responsible for under the CFR.
7. The point of contact shall inform the Regional Entity of any changes to an existing CFR. The Regional Entity shall promptly notify NERC of each such revision.
8. In the event of a violation of a reliability standard or of a requirement/sub requirement of a reliability standard for which an entity of a CFR is registered, that entity shall be identified in the notice of alleged violation and shall be assessed the sanction or penalty in accordance with the NERC Sanctions



Guidelines. In the event a Regional Entity is not able to determine which entity(ies) is responsible for a particular reliability standard, or requirements/sub requirements thereof that has been violated, the Regional Entity shall investigate the noncompliance in accordance with the NERC Rules of Procedure Section 400, Compliance Enforcement, to determine the entity(ies) to which the Regional Entity shall to issue the sanction or penalty for the violation.

9. Nothing in Section 508 shall preclude an entity registered in a CFR, or any other entity from registering on its own behalf and undertaking full compliance responsibility including reporting requirements for the reliability standards applicable to the function(s) for which the entity is registering. An entity registered in a CFR that registers as responsible for any reliability standard or requirement/sub requirement of a reliability standard shall inform the point of contact of its registration.



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