

June 17, 2010

**VIA ELECTRONIC FILING**

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

**Re: North American Electric Reliability Corporation  
Docket No. RR010-11-000  
Supplement to  
Petition for Approval of Revised Pro Forma Delegation Agreement,  
Revised Delegation Agreements with the Eight Regional Entities, and  
Amendments to the NERC Rules of Procedure**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby submits a “Supplement to Petition for Approval of Revised Pro Forma Delegation Agreement, Revised Delegation Agreements with the Eight Regional Entities, and Amendments to the NERC Rules of Procedure.” The purpose of this filing is to provide a revised version of the proposed amendments to Section 500 of NERC’s Rules of Procedure, which were included in NERC’s Petition filed on June 9, 2010, in this docket, to take into account the amendments to Section 500 of the Rules of Procedure that the Commission approved by Order issued June 10, 2010, in Docket RR10-8-000.

NERC’s filing consists of: (1) this transmittal letter, (2) the narrative text of this filing which follows this transmittal letter, and (3) Attachments 17A and 17B, all of which is being transmitted in a single pdf file. The Table of Contents to the narrative text identify the Attachments.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Owen E. MacBride  
Owen E. MacBride

Attorney for North American Electric  
Reliability Corporation

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**UNITED STATES OF AMERICA**  
**Before the**  
**FEDERAL ENERGY REGULATORY COMMISSION**

**NORTH AMERICAN ELECTRIC** )  
**RELIABILITY CORPORATION** )     **Docket No. RR10-11-000**  
  )

**SUPPLEMENT TO**  
**PETITION FOR APPROVAL OF**  
**REVISED PRO FORMA DELEGATION AGREEMENT,**  
**REVISED DELEGATION AGREEMENTS WITH THE**  
**EIGHT REGIONAL ENTITIES,**  
**AND AMENDMENTS TO THE NERC RULES OF PROCEDURE**

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June 17, 2010

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### **ATTACHMENTS:**

**Attachment 17A:** Revised Section 500 of the NERC Rules of Procedure – clean version – based on Section 500 as approved by the Commission on June 10, 2010.

**Attachment 17B:** Revised Section 500 of the NERC Rules of Procedure – redlined against Section 500 as approved by the Commission on June 10, 2010

## **I. INTRODUCTION**

The North American Electric Reliability Corporation (“NERC”), pursuant to §215(f) of the Federal Power Act and 18 C.F.R. §39.10, respectfully submits this Supplement to its “Petition for Approval of Revised Pro Forma Delegation Agreement, Revised Delegation Agreements with the Eight Regional Entities, and Amendments to the NERC Rules of Procedure,” that was filed on June 9, 2010, in this docket (“June 9 Petition”). The purpose of this Supplement is to provide, and request approval of, amendments to Section 500 of the NERC Rules of Procedure (“ROP”) as effective June 10, 2010, based on the Commission’s Letter Order issued June 10 in Docket No. RR10-8-000 (“June 10 Order”).

In the June 9 Petition, NERC has requested approval of (among other things) amendments to the NERC ROP as effective February 5, 2010, including amendments to Section 500 of the ROP. **Attachment 11A** to the June 9 Petition is a clean version of the proposed amended ROP, based on the ROP effective February 5, 2010; and **Attachment 11B** to the June 9 Petition is a redlined version of the proposed amended ROP against the ROP effective February 5, 2010. The June 9 Petition also proposed that Appendix 5 to the ROP, *Organization Registration and Certification Manual*, be relabeled as Appendix 5A, with no changes to its text.

Subsequent to February 5, 2010, NERC had filed a petition on March 15, 2010, requesting approval of (among other things) extensive amendments to Section 500 of the ROP and to Appendix 5 to the ROP, *Organization Registration and Certification Manual*.<sup>1</sup> There was no requested or required Commission decision date for the approvals requested in the March 15

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<sup>1</sup> *Petition of the North American Electric Reliability Corporation for Approval of Amendments to Rules of Procedure Regarding Compliance and Certification Committee Program and for Approval of Amended Compliance and Certification Committee Charter*, filed March 15, 2010 in Docket RR10-8-000 (“March 15 Petition”). In the March 15 Petition, NERC proposed that the title of Appendix 5 be changed to *Organization Registration and Organization Certification Manual*.

Petition, and thus the date on which the Commission would issue its order on the proposed amendments to Section 500 of the ROP was unknown. Therefore, in presenting the additional proposed amendments to Section 500 of the ROP in the June 9 Petition, NERC based those proposed amendments on the ROP as effective February 5, 2010, and did not reflect the amendments to Section 500 that were pending before the Commission for approval in the March 15 Petition. However, on June 10, 2010 – the day after NERC filed the June 9 Petition – the Commission issued the June 10 Order approving the proposed amendments to Section 500 of the ROP that NERC had filed for approval in the March 15 Petition.

As a result of this sequence of events, and due to the extensive amendments to Section 500 of the ROP approved in the June 10 Order and now in effect, **Attachments 11A** and **11B** to the June 9 Petition are out-of-date and potentially confusing to the Commission with respect to the amendments to Section 500 of the ROP that have been proposed for approval in the June 9 Petition. Further, some of the amendments to Section 500 proposed in the June 9 Petition are not applicable to amended Section 500 as approved in the June 10 Order. Due to the extensive amendments to Section 500 approved in the June 10 Order, attempting to reconcile the additional amendments to Section 500 proposed in the June 9 Petition, as shown on **Attachment 11B**, to Section 500 as approved in the June 10 Order, is a cumbersome exercise. Accordingly, to simplify the Commission’s review of the amendments to Section 500 proposed in the June 9 Petition, NERC is submitting in this Supplement the following two additional attachments<sup>2</sup>:

- **Attachment 17A:** Revised Section 500 of the NERC ROP – clean version – based on Section 500 as approved by the Commission on June 10, 2010.
- **Attachment 17B:** Revised Section 500 of the NERC Rules of Procedure – redlined against Section 500 as approved by the Commission on June 10, 2010.

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<sup>2</sup> **Attachments 17A** and **17B** are numbered continuously from the Attachments to the June 9 Petition.

Section III of this Supplement describes the proposed amendments to Section 500 of the ROP shown in redline on **Attachment 17B**. These descriptions are substantively the same as the those provided in §IV.B.3 of the June 9 Petition, but they are organized and presented in the context of amendments to Section 500 as approved in the June 10 Order and now in effect. The discussion in §III of this Supplement replaces the discussion in §IV.B.3 of the June 9 Petition.

Because the amendments to Section 500 are essentially the same as amendments proposed in the June 9 Petition, which had previously been posted for stakeholder comment and had been approved by the NERC Board of Trustees, in accordance with the NERC Bylaws,<sup>3</sup> a separate posting of the amendments shown in **Attachment 17B**, and separate approval of them by the NERC Board, is not necessary.

## **II. NOTICES AND COMMUNICATIONS**

Notices and communications with respect to this filing may be addressed to:

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<sup>3</sup> NERC Bylaws, Article XI, section 2.

### **III. REVISIONS TO SECTION 500 OF THE NERC RULES OF PROCEDURE AS APPROVED BY THE COMMISSION ON JUNE 10, 2010**

Amendments have been made throughout Section 500 to change references to the *Organization Registration and Organization Certification Manual* from Appendix 5 to Appendix 5A.

**Section 501, Scope of the Organization Registration and Certification Program.** In §501.1.1, the list of types of Registered Entities has been deleted. This amendment removes the need to amend this section if a new category of Registered Entity (*i.e.*, a new reliability functional category) is created or an existing one is deleted in the future. In addition, text has been added to specify that bulk power system owners, operators, and users:

shall (ii) provide NERC and the applicable Regional Entity with timely updates to information concerning the registered entity's ownership, operations, contact information, and other information that may affect the registered entity's registration status or other information recorded in the compliance registry.

Section 501.1.2 has been amended to read as follows:

In the development of the NCR, NERC and Regional Entities shall ~~consider the following factors in~~ determining which organizations should be placed on the NCR based on the criteria provided in the NERC *Statement of Compliance Registry Criteria*, which is incorporated into these rules as Appendix 5B.<sup>[4]</sup>

The specific factors listed in current §501.1.2.1 through §501.1.2.5 have been deleted. With the proposed addition of the *Statement of Compliance Registry Criteria* as an Appendix to the ROP (*see* §IV.G of the June 9 Petition), it would be duplicative and potentially confusing and inconsistent to continue to list the criteria in §501, in a considerably more summary fashion than they are presented in the *Statement of Compliance Registry Criteria*.

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<sup>4</sup> In amended Section 500 as approved in the June 10 Letter Order, "NCR" stand for "NERC Compliance Registry."

In §501.1.3, for a similar reason to that stated in the immediately preceding paragraph, the text “maintaining the NCR based on the registration criteria as identified by NERC” has been changed to “maintaining the NCR based on the registration criteria as set forth in Appendix 5B *Statement of Compliance Registry Criteria.*”

Section 501.3, Delegation and Oversight, has been amended in §501.3.1 to make minor grammatical revisions, and to specify that “The Regional Entity shall administer Organization Registration and Organization Certification Programs in accordance with such delegations [from NERC] to meet NERC’s program goals and requirements subject to NERC oversight.”

**Section 502, Organization Registration and Organization Certification Program Requirements.** Section 502.2.7, which requires NERC to develop and provide training in auditing skills to individuals who participate in certification audits, has been amended to delete references to “volunteers” participating in certification audits, and to add a reference to “industry subject matter experts” participating in such audits.

**Section 503, Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements.** In §503.2, which lists the organization registration activities to be performed by the Regional Entities, subsection 503.2.1, which states, “An Entity seeking registration shall contact the Regional Entity(ies) in which it operate to become registered and, if necessary, certified,” has been deleted. As provided in §7(b) of the revised pro forma Delegation Agreement, NERC will be responsible for maintaining the single consolidated Compliance Registry and will use information provided by the Regional Entities to register owners, operators, and users of the Bulk Power System on the Compliance Registry.

**Section 504, Appeals.** In §504.2, “registration and” has been deleted from the phrase “Regional Entity registration and certification appeals process.” Under §7(b) of the revised pro



forma Delegation Agreement, the Regional Entities will no longer be responsible for maintaining Regional Compliance Registries to register entities; therefore, there will be no need for a Regional Entity to maintain an appeals process for registration decisions. Additionally, the statement “in Texas RE (TRE), as long as TRE is affiliated with ERCOT, the TRE Chief Compliance Officer must act as the final adjudicator” has been deleted. Texas Reliability Entity, Inc., a corporation not affiliated with the Electric Reliability Corporation of Texas (“ERCOT”), is scheduled to become the Regional Entity for the ERCOT region effective July 1, 2010.<sup>5</sup>

**Section 505, Program Maintenance.** There are no amendments to this section.

**Section 506, Independent Audit of NERC Organization and Certification Program.** Section 506.3 has been amended to delete the phrase “according to the Reporting and Disclosure Process in Section 408,” since §408 of the ROP is being deleted.

**Section 507, Provisions Relating to Joint Registrations and Joint Registration Organizations.** There are no amendments to this section.

**Section 508, Provisions Relating to Coordinated Functional Registration (CFR) Entities.** There are no amendments to this section, which is an entirely new section initially proposed in the March 15 Petition and approved in the June 10 Order.

#### **IV. APPENDIX 5A TO THE NERC RULES OF PROCEDURE**

In the June 9 Petition, NERC proposed to re-label current Appendix 5 to the ROP as Appendix 5A, with no other changes to its text. This re-labeling was proposed due to the proposed addition of the NERC *Statement of Compliance Registry Criteria* to the ROP as

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<sup>5</sup> The proposed designation of Texas Reliability, Inc. as the Regional Entity, replacing Texas Regional Entity, a division of ERCOT, was approved by the Commission in a Letter Order issued May 6, 2010, in Docket No. RR10-6-000 (131 FERC ¶61,112).

Appendix 5B.<sup>6</sup> However, the June 10 Letter Order approves the designation of the *Organization Registration and Organization Certification Manual* as Appendix 5A, and it is now so designated on the NERC Web site.<sup>7</sup> Accordingly, the approval requested in §IV.F of the June 9 Petition is moot.

## **V. CONCLUSION**

The North American Electric Reliability Corporation respectfully requests that the Commission, after providing notice and opportunity for public comment in accordance with §215(f) of the FPA and 18 C.F.R. §39.10, issue an order approving the proposed revisions to Section 500 of the NERC ROP shown on **Attachment 17B** to this filing.

Respectfully submitted,

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<sup>6</sup> See §IV.F and §IV.G of the June 9 Petition.

<sup>7</sup> The March 15 Petition proposed, and the June 10 Order approved, extensive amendments to the text of this Appendix.

**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 Chicago, Illinois this 17<sup>th</sup> day of June, 2010.

/s/ Owen E. MacBride  
Owen E. MacBride

*Attorney for North American Electric  
Reliability Corporation*

**ATTACHMENT 17A**

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

**AMENDED SECTION 500 OF THE NERC RULES OF PROCEDURE**

**CLEAN VERSION**

**BASED ON SECTION 500 AS APPROVED BY THE COMMISSION**

**ON JUNE 10, 2010**

## **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 of and 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 5A; 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. Bulk power system owners, operators, and users (i) shall provide to NERC and the applicable Regional Entity information necessary to complete the registration, and (ii) shall provide NERC and the applicable Regional Entity with timely updates to information concerning the registered entity's ownership, operations, contact information, and other information that may affect the registered entity's registration status or other information recorded in the compliance registry.
    - (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 determine which organizations should be placed on the NCR based on the criteria provided in the NERC *Statement of Compliance Registry Criteria* which is incorporated into these rules as Appendix 5B.
- 1.3 NERC and the Regional Entities shall use the following rules for establishing and maintaining the NCR based on the registration criteria as set forth in Appendix 5B *Statement of Compliance Registry Criteria*:
  - 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 5A *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.

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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.

- 2.5 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 responsibilities for 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 Registration and Organization Certification Programs in accordance with such delegations 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 5A *Organization Registration and Organization Certification Manual*, Sections V and VI, respectively.
  - 1.4 The certification team membership is identified in Appendix 5A *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.
    - 2.2.1 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.
    - 2.2.2 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).
    - 2.2.3 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.

- 2.2.4 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.
- 2.2.5 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.
- 2.2.6 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.
- 2.2.7 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 subject matter experts and Regional Entity members. Training for Regional Entity members 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 5A *Organization Registration and Organization Certification Manual*:
  - 2.1 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 5A.

2. The Regional Entity 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 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 5A *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.
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.

**ATTACHMENT 17B**

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

**AMENDED SECTION 500 OF THE NERC RULES OF PROCEDURE**

**REDLINED AGAINST**

**SECTION 500 AS APPROVED BY THE COMMISSION**

**ON JUNE 10, 2010**



## 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 of and 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 [55A](#); 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 (i) shall provide to NERC and the applicable Regional Entity information necessary to complete the registration, and (ii) shall provide NERC and the applicable Regional Entity with timely updates to information concerning the registered entity's ownership, operations, contact information, and other information that may affect the registered entity's registration status or other information recorded in the compliance registry.

(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~~determine which organizations should be placed on the NCR: based on the criteria provided in the NERC Statement of Compliance Registry Criteria which is incorporated into these rules as Appendix 5B.

~~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~~ set forth in [Appendix 5B Statement of Compliance Registry Criteria](#):
  - 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 5A 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 ~~offor~~ 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 [in accordance with such delegations](#) 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 5A *Organization Registration and Organization Certification Manual*, Sections V and VI, respectively.
  - 1.4 The certification team membership is identified in Appendix 5A *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.
    - 2.2.1 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.
    - 2.2.2 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).
    - 2.2.3 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.
    - 2.2.4 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.
    - 2.2.5 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.
    - 2.2.6 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.

2.2.7 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 [subject matter experts](#), [and](#) 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 5A *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.~~

2.22.1 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 5A.
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 5A



*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).
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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.
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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.
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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.