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Texas Regional Entity's CEO and CCO

On May 20, the Texas Regional Entity (RE) Board of Directors unanimously voted to change the title of Larry Grimm from Chief Compliance Officer to Chief Executive Officer and Chief Compliance Officer. The title change clarifies the role served by the Chief Compliance Officer and the independence of Texas RE from ERCOT.

Texas RE News

New Compliance Hotline

Texas RE is launching the Compliance Hotline in August. Anyone may anonymously and confidentially report issues related to Texas RE – such as conflicts of interest or other concerns about ethics, or HIPAA (Health Insurance Portability and Accountability Act) or other policy violations – or any compliance complaints, issues, or activities that could involve violations of North American Electric Reliability Corporation (NERC) standards or ERCOT protocols. Compliance Hotline information will be available on the Texas Regional Entity page on ERCOT.com. **[Visit the Texas RE page where the Compliance Hotline will be available.](#)**

We appreciate all support and cooperation in helping Texas RE to (1) remain an ethical organization, from top to bottom, and (2) be aware of any compliance concerns or issues in the ERCOT region.

Alternatively, any interested party may choose to report a possible violation of a NERC reliability standard using the NERC Compliance Hotline online form. Complaints may also be made to NERC by calling (609) 524-7069 or by sending an e-mail. **[Visit the NERC Compliance Hotline](#)**, or **[e-mail the hotline at hotline@nerc.net](mailto:hotline@nerc.net)**.

If requested, NERC and Texas RE staff will withhold the name of the complainant upon request. All information provided will be held as confidential in accordance with the NERC Rules of Procedure. Any complaints about Texas RE staff will be viewed by an unaffiliated Director.

The Public Utility Commission of Texas (PUCT) also provides information on filing complaints. **[Visit the PUCT Web page.](#)**

Critical Infrastructure Protection Semi-Annual Self-Certification

Each registered entity must submit its critical infrastructure protection (CIP) semi-annual self-certification to Texas RE by July 15. to **Cybersec@texasre.org**. For more information on CIP implementation, enforcement of the CIP standards, and a copy of the NERC CIP Implementation Plan, please see NERC's **[Guidance for Enforcement of CIP Standards](#)** document. Each entity's required compliance stage is determined in the Implementation Plan and is based on the date of the entity's NERC registration. Find the Guidance for Enforcement of CIP Standards on the NERC Web site, and **[e-mail CIP self-certifications to Cybersec@texasre.org](#)**.

Learn About Preparing for NERC Compliance

Texas RE has developed a brief review of information to assist NERC Registered Entities in the ERCOT region with preparation for compliance and compliance audits.

The following information/list is not all-inclusive and should be considered only as a suggestion on how to prepare to demonstrate compliance.

Entity Compliance Program Development

Put into place the required program plan and documentation.

- Identify and use the actual applicable NERC reliability standards (if modified by a FERC Order, refer to the Order as well).
- Develop a plan or procedure, a schedule, or implementation plan if required by the standard.
- Document the program's original dates, revision dates, and the information about the person responsible for the document.

Entity Documentation of Evidence

Provide the supporting documentation to demonstrate compliance. Documentation might include the following: process document (or plan), data, EMS/database screen shots, diagrams, operator certificate IDs, maintenance and testing records, logs, letters, e-mails, meeting minutes, database lists, and/or voice recordings that prove the required information was exchanged, coordinated, submitted, or received.

Entity Compliance Audit

- All documentation and supporting evidence must be ready when the audit begins.
- Registered entities will receive an audit notice and other supporting material 60 days prior to the scheduled audit date.
- Contracts, agreements, and documentation must be clearly referenced to requirements.
- Folders, binders, and all documents identified as supporting evidence should be prepared and flagged to identify the appropriate standard and specific requirement(s). These may be electronic.
- Subject matter experts will need to be identified for each standard prior to the audit.

Additional Information

The entity can get more information from the following sites:

- Review the Measures and Compliance sections of the NERC Reliability Standards. [View the NERC Reliability Standards.](#)
- Review the Reliability Standard Auditors Work Sheet (RSAWS). [View the RSAWS.](#)
- Review FERC Orders approving, revising, and discussing NERC Reliability Standards, such as FERC Order No. 693, 693-A, 705, 706, 706-A, and the June 2, 2008 FERC Order on Rehearing and Clarification (in Docket No. RM07-3-001), which modifies FERC Order No. 705. [View FERC Orders/Rules.](#)

Texas RE News (continued)

Standard Authorization Requests

Two new Standard Authorization Requests (SARs) have been approved by the Reliability Standards Committee of Texas RE. The ERCOT Reliability and Operations Subcommittee accepted and approved nominations for Standard Drafting Teams associated with SAR-002 and SAR-003. **[Follow the progress of the SARs on the Reliability Standards Tracking site.](#)**

SAR-002 Development and Documentation of Regional UFLS Programs

The purpose of this standard will be to establish requirements to arrest declining frequency and assist recovery of frequency following a frequency excursion event in support of the continent-wide standard Automatic Under Frequency Load Shedding (UFLS). A UFLS program is required to preserve the security of the generation and interconnected transmission systems during declining system frequency events. Project 2007-01 – Under Frequency Load Shedding is currently under development by a NERC drafting team, and the development and documentation of a regional program will incorporate all requirements necessary to ensure compliance with the final stakeholder approved NERC UFLS project. Visit the SAR-002 Standard Drafting Team page for documentation and meeting dates.

SAR-003 FERC-Ordered Modification to ERCOT Waiver to R2 of BAL-001-0 CPS2

The purpose of this standard will be to address the FERC-directed modification to the ERCOT regional difference to include requirements concerning frequency response contained in the ERCOT protocols, Section 5. FERC approved the ERCOT regional difference as mandatory and enforceable and found that ERCOT's approach to be a more stringent practice than Requirement R2 in BAL-001-0, Real Power Balancing Control Performance. (The purpose of BAL-001-0 is to maintain the Interconnection steady-state frequency within defined limits by balancing power demand and supply in real-time.) As stated in FERC Order No. 693, FERC expects the ERCOT regional difference to include requirements, measures, and levels of non-compliance. Visit the SAR-003 Standard Drafting Team page for documentation and meeting dates.

[E-mail questions to the Reliability Standards Manager at RSM@texasre.org.](mailto:RSM@texasre.org)

Upcoming Changes to Department of Energy Form OE-417

The Department of Energy (DOE) has established mandatory reporting requirements for electric emergency incidents and disturbances in the United States through DOE Form OE-417. Similarly, NERC requires reporting of disturbances in adherence to NERC Standard EOP-004-1. The NERC reporting criteria includes but goes beyond the 12 criteria specified in Form OE-417. To eliminate redundant reporting, NERC accepts Form OE-417 reports in lieu of their EOP-004-1 reports.

In March, DOE proposed several updates to Form OE-417 and several utilities and utility organizations provided comments – NERC, Edison Electric Institute (EEI), and others. These comments are being evaluated by the DOE, and an updated Form OE-417 is expected to be issued later this year. Among the proposed DOE additions is the requirement to report N-3 contingency events. NERC and EEI believe the DOE's definition of N-3 is overly ambiguous and changes the nature of Form OE-417 from an operational instrument to one focusing on reliability planning. **[View DOE Form OE-417 and NERC EOP-004-1.](#)**

FERC Decisions and Announcements

FERC Approval of NERC Reliability Standard Violation Severity Levels

On June 19, FERC approved the reliability standard violation Severity Levels proposed by NERC. FERC has established guidelines for evaluating the validity of Violation Severity Level assignments to ensure consistent and objective assessments. [See the FERC Order](#), and [view the FERC announcement](#).

NERC Registration and Certification

Update on NERC Reliability Standards Audit Worksheets

NERC's RSAWs are designed to add clarity and consistency to the audit team's assessment of compliance with reliability standards. The PRC-005 RSAW (Transmission and Generation Protection System Maintenance and Testing) was added in April, and most of the Critical Infrastructure Protection (CIP) RSAWs were added in June. [View the RSAWs](#).

Changes to NERC Load-Serving Entity Registration Criteria

NERC made modifications to the registry criteria; the NERC registry criteria for load serving entities (LSEs) was modified to include all distribution providers (DPs) as LSEs. NERC has posted the criteria for 30 days for public comment (the comment period ended May 30), and after reviewing the public comments, NERC will issue a decision in the near future. The LSE registration criteria could change after NERC's decision.

[E-mail questions on the NERC registry criteria \(or other registration questions\) to NERCregistration@texasre.org](mailto:NERCregistration@texasre.org). [E-mail questions on NERC certification to NERCcertification@texasre.org](mailto:NERCcertification@texasre.org).

Please submit feedback, comments, and suggestions to information@texasre.org or contact Lindley Ellisor at (512) 225-7022. If you are receiving e-mail from a distribution list from which you no longer wish to receive communications, please follow this link in order to unsubscribe from this list: <http://lists.ercot.com>. All external links within this newsletter are provided for your convenience. Maintenance is not the responsibility of Texas RE.

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