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## **NPCC Reliability Compliance and Enforcement Program**

Adopted by the Members of the Northeast Power Coordinating Council November 9, 2000, based on recommendation by the Reliability Coordinating Committee, in accordance with paragraph IV, subheading (A), of NPCC *Membership Agreement* dated November 9, 2000 as amended to date.

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**Note:**

Terms in bold typeface are defined in the *NPCC Glossary of Terms* (Document A-7)

## 1.0 Introduction

The purpose of the Northeast Power Coordinating Council is to promote the reliable and efficient operation of the interconnected **bulk power systems** in Northeastern North America through the establishment of criteria, coordination of system planning, design and operations, and assessment and enforcement of compliance with such criteria. In the development of reliability criteria, NPCC, to the extent possible, facilitates attainment of fair, effective and efficient competitive electric markets.

The NPCC Reliability Compliance and Enforcement Program (the Program) described in this document is to be used to assess and enforce compliance with NPCC **reliability** criteria in such a way that the **reliability** objective stated above will be achieved. Actions taken by NPCC under the Program, including the imposition of sanctions, where applicable, shall in no way be construed as an acceptable alternative to the Member's continued obligation to comply with NPCC Criteria, Guides and Procedures. As such the Member, as stated in the NPCC *Membership Agreement*, remains responsible for providing its plan and schedule to achieve compliance. It is further noted that the Program requirements are applicable only to the elements of the **bulk power system** as defined by NPCC. This definition can be found in the *NPCC Glossary of Terms* (Document A-7). The Program is applicable to all Full Members of the Council who have by virtue of their membership in NPCC agreed, under Section V, Sub-section A (2) (f) of the *NPCC Membership Agreement*, to submit such data and reports as required and described in the Program.

The Program is designed to be consistent with the concept that compliance assessment and enforcement is most effectively accomplished by the entities that are closest to the complying party. The Program establishes the following assessment structure: NPCC will assess and enforce compliance to those standards and criteria for which the **Areas** have the reporting responsibilities, and the **Areas** will assess and enforce compliance to those standards and criteria for which the market participants have reporting responsibilities. It is expected that the **Areas** will have compliance processes in place that involve the market participants. The specific standards and criteria covered by this Program are described in Appendix A, which will be amended annually as required.

### 1.1 Non-member Facilities

A Member, through whose facilities a non-member connects with or proposes to connect with the NPCC **bulk power system** shall use its best efforts to assure that the arrangements for such connection are consistent with NPCC criteria in accordance with the provisions and requirements of the *NPCC Membership Agreement*.

## 2.0 Reliability Criteria

### 2.1 Development of Criteria

The criteria utilized in assessing compliance have been developed by NPCC consistent with the North American Electric Reliability Council broad-based standards. NPCC has implemented its Open Process as a means of assuring that the development and modification of these criteria are non-discriminatory. The process provides the opportunity for industry input into the establishment of such criteria.

### 2.2 Obligations of Members

Appendix A of this document sets forth the compliance requirements to which each Member has agreed for the current enforcement year.

### 2.3 Review of Appendix A Requirements

CMAS, in conjunction with the appropriate NPCC Task Forces, shall annually review the requirements included in Appendix A to assure that the effectiveness of the Reliability Compliance and Enforcement Program is maintained. Whenever an NPCC Criteria Document is due for a periodic review, the appropriate Task Force shall also review any associated compliance template in Appendix A to assure consistency of compliance implementation with the revised Criteria and shall inform the CMAS whether or not a template change is required.

The various NPCC Task Forces have a responsibility to make a recommendation for any additional requirements to be included in the RCEP or for the removal of an existing requirement from the RCEP. Such addition or removal of a requirement must be communicated to the CMAS as a proposed Amendment to Appendix A. Based on the Task Force's recommendation, CMAS submits the proposed Amendment for endorsement by the RCC and approval by the NPCC members.

## 3.0 Reporting and Disclosure

### 3.1 Area Reporting

Each **Area** furnishes to CMAS via the NPCC web-based Compliance Application, as per the established schedule, a compliance submittal for each of the requirements described in the annual Compliance Program. Where appropriate, submittals for the RCEP requirements and/or NRAP

requirements will be used to meet the NERC requirements, so that there will be no duplication of effort.

NPCC has established a lateness policy with associated sanctions. The policy is detailed in Section 4.2 of A-8.

### 3.2 Area Disclosure

The Area reports to CMAS and the NPCC Compliance Director within 48 hours of its awareness of a confirmed or alleged non-compliance to the NPCC criteria or NERC standards. These reports include information regarding the nature of the non-compliance that enables NPCC to meet its obligation to report to NERC.

### 3.3 NPCC's Obligation to Report to NERC

In accordance with the approved NERC Guidelines for Reporting and Disclosure, NPCC has the obligation to report all instances of non-compliance within the Region to NERC within 48 hours from the time NPCC learns from the **Area** of the events as well as from the time NPCC become aware of the **Area's** failure to comply with specific NPCC criteria or a NERC standard applicable to the **Areas**.

When an alleged violation is suspected, the name of the Area (not the individual party) will be reported, via the confidentiality provisions in the NERC Guidelines, to the NERC BOT, in accordance with the 48-hour window. CMAS will track alleged violations and report to NERC the final disposition.

In the case that the alleged compliance violation has been confirmed and the party in violation has had an opportunity to exhaust their rights to due process, the name of the party will be reported to NERC as required. The report will include the status and timetable of mitigation plan and the results of any investigation.

## 4.0 **Compliance Assessment and Enforcement Process**

The compliance assessment and enforcement process is described below in terms of the functional entities that will be responsible for the process. In addition, the *Guidelines for the Implementation of the Reliability Compliance and Enforcement Program (RCEP)* (Document B-22) diagrams and describes in detail the processes utilized by the Program and other pertinent details related to the Program.

#### 4.1 Compliance Monitoring and Assessment Subcommittee (CMAS)

CMAS, as a standing subcommittee of the Reliability Coordinating Committee (RCC), has the responsibility to perform independent compliance monitoring and assessment functions and to recommend the appropriate compliance violation sanctions to the RCC.

CMAS establishes the Program requirements and schedule and submits them to the RCC for approval. Once approved, CMAS is responsible for managing the Program, making periodic reports to the RCC, and seeking RCC approvals when necessary.

NPCC Task Forces are utilized to develop compliance templates and to perform many of the technical assessments required in the Program. The results of these assessments are forwarded to CMAS for compliance review.

CMAS employs, whenever practical, the use of self-certification forms as a means of streamlining the reporting process. The *Review Process for NPCC Reliability Compliance Assessment and Enforcement Program* (Document C-32) will be utilized to verify compliance reporting. The review process, which requires selected **Areas** to present detailed information related to selected requirements, assures accurate and efficient execution of the Program. CMAS establishes an annual schedule for the review process that is approved by the RCC.

CMAS conducts its compliance assessment and submits its report to the RCC for review and approval. CMAS will also provide a sanction recommendation for compliance violations where appropriate.

#### 4.2 Reliability Coordinating Committee (RCC)

The RCC, a standing committee of NPCC, reviews the compliance report submittals received from CMAS. Prior to a final compliance determination, the RCC may remand the report back to CMAS for clarification. Once the RCC has made a final compliance determination, any dispute regarding the technical compliance assessment will be submitted to the Enforcement Panel (EP).

The RCC also reviews any sanction recommendations received from CMAS. Prior to endorsing them, the RCC may remand the sanction recommendations back to CMAS for further clarification before forwarding them to the EP.

#### 4.3 Enforcement Panel (EP)

The NPCC EP members shall adhere to the *Enforcement Panel Code of Conduct* and the *NPCC Administrative Procedures for Conducting an Enforcement Panel Hearing*.

The NPCC EP will receive either an undisputed RCC determination of a compliance violation including a sanction recommendation, an undisputed RCC determination with a disputed sanction recommendation or a disputed compliance violation from the RCC. The EP has full discretion to implement sanctions.

The **Area** shall notify the EP as to whether it will accept or dispute the sanction. If the **Area** accepts the sanction, the EP issues the appropriate sanction letter.

If, however, the Area disputes the sanction or the EP receives a disputed compliance violation, an EP hearing will be held in accordance with the approved hearing procedures. Non-voting regulatory observers, who are members of NPCC, are permitted at Enforcement Panel hearings and may offer comments as appropriate but may not participate in any deliberations. A regulatory observer is not permitted to participate in an Enforcement Panel hearing involving an entity subject to the regulator's jurisdiction.

The EP, which consists of five-members, functions independently from the NPCC Executive Committee (EC). The panel will be made up of two Transmission Provider representatives, two Transmission Customer representatives, and a NPCC Staff Member. In addition, one alternate Transmission Customer member and one alternate Transmission Provider member will be elected. The alternate member shall provide substitute for a sitting member when there is potential conflict of interest. The EP members will elect a Chair.

The EC will solicit nominations for participation on the EP from the NPCC Membership. Members of the EP will be elected by the NPCC membership from a list of candidates proposed by the EC. An EP member shall not be a member of the CMAS.

#### 4.4 Executive Committee (EC)

The NPCC EC will provide oversight to the assessment and enforcement process through administration of the Program. The EC will monitor the RCC compliance-related activities, EP final reports including sanction determinations and the results of any cases resolved through the NPCC

ADR process in order to determine the success of the Program and whether changes are desirable.

#### 4.5 Arbitration

An **Area** ("Disputing Area") may only seek review of an EP Final Report by invoking the arbitration provision described below:

- a. Within 15 calendar days of submission for arbitration of any dispute related to a determination of non-compliance with a reliability criterion and/or the assessment of a sanction, the Chairman of the EP and the Disputing Area shall select a single arbitrator. If the Chairman of the EP and the Disputing Area are unable to agree on an arbitrator, they shall select an arbitrator from a list of qualified arbitrators maintained by the NPCC. Each NPCC **Area** may submit one name of an arbitrator to be included on such list. All arbitrators included on such list are knowledgeable with respect to electric utility industry matters.

The EP and the Disputing Area shall select the arbitrator from such list by (a) agreement, or in the absence of agreement, (b) striking names from the list in turn (beginning with the party requesting arbitration) until only the selected arbitrator remains. The arbitrator selected will not be an employee, director or officer of either the NPCC or the Disputing Area or any Affiliate thereof. Potential arbitrators who are employees, directors or officers of Members of the NPCC, but who are not themselves officers of the NPCC or members of the EP, will not be considered to be employees, directors or officers of the NPCC. The arbitrator must agree in writing to be bound by the confidentiality obligations applicable to the NPCC Staff.

- b. All arbitration proceedings shall be held in New York City, unless an alternate location is agreed to by the parties. The NPCC Staff will facilitate any such arbitration proceedings.
- c. The arbitrator shall provide the EP and the Disputing Area the opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The NPCC shall submit to the arbitrator evidences including reports provided by the CMAS to the RCC, the RCC Final Compliance Determination and the EP Final Report, and the data and information provided by the **Area** and by other **Areas** to the CMAS. The EP and the Disputing Area shall be afforded a reasonable opportunity to rebut

any such evidence. The arbitrator shall create and maintain an evidentiary record of sufficient detail to render an informed decision.

During the arbitration process, the NPCC and the Disputing Area shall make funds available to the arbitrator as required by the arbitrator to pursue the arbitration. Such funds shall be shared equally by the NPCC and the Disputing Area, and at the conclusion of the arbitration shall be reimbursed as specified in (g) below.

- d. In any arbitration, either the EP or the Disputing Area may raise any issue regarding the technical assessment and or sanction determination, including the factual basis for the technical assessment and or sanction, or whether the procedures specified in this document were properly followed. Neither the EP nor the Disputing Area, however, may dispute the validity of the reliability criteria used in the RCEP.
- e. If an arbitrator hearing a dispute between the NPCC and the Disputing Area determines that data from another **Area** are relevant to the consideration of such dispute, the arbitrator shall so notify such other **Area**, and such other **Area** shall have 15 calendar days, or a mutually agreeable extension thereof, to provide the requested data.
- f. As soon as practicable, but no later than 90 calendar days after initial selection of the arbitrator, the arbitrator shall issue to the EP and the Disputing Area a written decision resolving the dispute and explaining the basis for the conclusion. Such decision shall include findings of fact to support the arbitrator's conclusion. Such decision shall be final and binding on the parties.

Any and all costs associated with the arbitration (not including attorney and expert witness fees which shall be borne by the respective parties) shall be borne by the party whose arbitration position was not selected by the arbitrator, unless the NPCC and the Disputing Area agree to an alternative method of allocating costs. If the arbitration decision differs from the positions of both the EP and the Disputing Area, the arbitrator shall specify how the costs are to be allocated. Such cost allocation shall include reimbursement of any funds provided to the arbitrator by the NPCC and the Disputing Area pursuant to the description contained in (c) above.

#### 4.6 Appeal to FERC or Applicable Canadian Regulatory Authority

Either the NPCC or the **Area** (“Disputing Area”) may apply to the FERC or applicable Canadian Regulatory Authority to hear an appeal of any

arbitrator's decision resulting from implementation of the NPCC ADR process. Such an appeal shall be filed at FERC or applicable Canadian Regulatory Authority within fifteen (15) calendar days of the arbitrator's decision. The NPCC and the Disputing Area agree that in any appeal to the FERC or applicable Canadian Regulatory Authority either NPCC or the Disputing **Area** may address any issues raised in the arbitration or the EP proceeding, including the factual basis for the technical assessment or sanction or whether the procedures were properly followed. Neither NPCC nor the Disputing **Area**, however, may raise issues regarding the validity of the reliability standard and criteria in RCEP. Any appeal from an arbitrator's decision to the FERC or appropriate Canadian Regulatory Authority shall be based solely upon the record assembled by the arbitrator, unless otherwise determined by FERC or appropriate Canadian Regulatory Authority. All costs incurred by each of the NPCC and the Disputing **Area** in connection with such an appeal to FERC or appropriate Canadian Regulatory Authority shall be solely the responsibility of the party that incurred such costs. Any initiation of a FERC or appropriate Canadian Regulatory Authority appeal by the NPCC pursuant to this section 3.5 must be authorized by the NPCC Executive Committee.

## 5.0 Sanctions

### 5.1 Violations of Reliability Criteria

Table 1 defines the sanctions for violations to the standard and criteria as described in the Compliance Templates shown in Appendix A. Not all Compliance Templates require all four levels of non-compliance. Except where noted, when there is an inconsistency between the template and the referenced criteria, the criteria shall prevail.

Table 1 - NPCC Non-Compliance Sanctions

Level of Non-Compliance	Sanctions
1	Letter to the relevant functional head (operations, planning) of the <b>Area</b>
2	Letter to the Chief Executive of the <b>Area</b> with copy to the relevant functional head, other NPCC <b>Areas</b> , the NPCC Task Force Chairs, the NPCC Reliability Coordinating Committee, the NPCC Executive Committee and NPCC Member Representatives.

<b>3</b>	Letter to the Board of Directors of the <b>Area</b> with copies to the Chief Executive of the <b>Area</b> , the relevant functional head of the <b>Area</b> , other NPCC <b>Areas</b> , the NPCC Task Force Chairs, the NPCC Reliability Coordinating Committee, the NPCC Executive Committee, NPCC Member Representatives, Regional Managers of adjacent reliability Councils, and NERC President. Post on NPCC Web site
<b>4</b>	Same as Level 3 with copies to State/Provincial regulatory agencies, FERC, DOE, State Governor and Legislators

## 5.2 Policy on Lateness

All compliance reports are to be received by NPCC on time in accordance with the due dates established by CMAS. All reports are to be provided in easily readable electronic format.

Sanctions shall be applied if a complete report is not received by CMAS after a grace period of ten calendar days has expired. CMAS shall assess the following level of non-compliance for lateness:

Level 1	After 10 calendar day grace period
Level 2	After 30 calendar days following due date
Level 3	After 60 calendar days following due date
Level 4	After 90 calendar days following due date or report never received

Levels are defined in Table 1.

## 6.0 **RCEP Data Retention Requirements**

For the purposes of NPCC RCEP, a minimum of three years of data shall be retained that fully supports certification towards an NPCC criteria document or compliance template. This requirement may be superseded by data retention requirements where specified in other NPCC criteria documents or compliance templates.

Lead Subcommittee: Compliance Monitoring and Assessment Subcommittee

Reviewed for concurrence by: TFCP, TFCO, TFSP, TFSS, TFIST

Review frequency: Annually

References: *NPCC Membership Agreement*

*NPCC Glossary of Terms (Document A-7)*

*Guidelines for Implementation of the NPCC Compliance Program (Document B-22)*

*Review Process for NPCC Reliability Compliance and Enforcement Program (Document C-32)*

## **APPENDIX A**

**FOR YEAR BEGINNING JANUARY 1, 2006**



## Compliance Template CPS1

### Control Performance Standard 1 – CPS 1

**Standard:** Statistical measure of a Control Area's Area Control Error (ACE) with respect to the interconnection's short-term frequency error.

Each Control Area shall monitor its control performance on a continuous basis against CPS 1 as calculated in NERC Operating Manual, dated July 12, 2001, Policy 1, Section E, Control Performance Standard.

Over a year, the average of the clock-minute averages of a Control Area's ACE divided by  $-10B$  ( $B$  is Control Area frequency bias) times the corresponding clock-minute averages of the Interconnection's frequency error shall be less than a specific limit. This limit,  $e_1$ , is a constant derived from a targeted frequency bound reviewed and set as necessary by NERC.

**References:** NPCC *Operating Reserve Criteria* (Document A-6); NERC Operating Manual dated July 12, 2001, Policy 1, Section E, Control Performance Standard.

#### Responsibilities

<b>Reporting Responsibility:</b>	Control Areas
<b>Frequency of Reporting:</b>	Monthly, <b>Area</b> reports the CPS1 percentage by completing the CPS Survey Form and submits it to NPCC in time for NPCC to report to NERC no later than the 20 <sup>th</sup> day of the following month.
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### **Full (100%) Compliance**

CPS 1  $\geq$  100%

#### **Non-Compliance**

**Level 1:** 95%  $\leq$  CPS 1 < 100%

**Level 2:** 90%  $\leq$  CPS 1 < 95%

**Level 3:** 85%  $\leq$  CPS 1 < 90%

**Level 4:** CPS 1 < 85%

For repeat occurrences of non-compliance with CPS 1, the equivalent level of non-compliance shall be determined as follows:

<b>CPS 1 Non-compliance</b>	<b>Occurrence (within the past twelve months)</b>		
Level 1	2 <sup>nd</sup> time	3 <sup>rd</sup> time	4th or more times
Level 2		2 <sup>nd</sup> time	3rd or more times
Level 3			2 <sup>nd</sup> or more times
<b>Equivalent Level of Non-compliance</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>

## Compliance Template CPS2

### Control Performance Standard 2 – CPS 2

**Standard:** This is a surrogate measure of a **Control Area's Area Control Error (ACE)** with the respect to the Interconnection's long-term frequency error, and is designed to limit significant unscheduled adverse power flows.

The average ACE for each of the six ten-minute periods during the hour (i.e. for the ten-minute periods ending at 10, 20, 30, 40, 50, and 60 minutes past the hour) must be within specific limits, referred to as  $L_{10}$  as referenced in NERC Operating Manual dated July 12, 2001, Policy 1, Section E, Control Performance Standard.

**References:** NPCC *Operating Reserve Criteria* (Document A-6); NERC Operating Manual dated July 12, 2001, Policy 1, Section E, Control Performance Standard

#### Responsibilities

**Reporting Responsibility:** Control Areas

**Frequency of Reporting:** Monthly, **Area** reports the CPS percentage by completing the NERC CPS Survey Form and submits it to NPCC in time for NPCC to report to NERC no later than the 20<sup>th</sup> day of the following month.

**Compliance Monitoring and Assessment Responsibility:** NPCC

**Enforcement Responsibility:** NPCC

#### **Full (100%) Compliance**

CPS 2  $\geq$  90%

#### **Non-Compliance**

**Level 1:** 85%  $\leq$  CPS 2 < 90%

**Level 2:** 80%  $\leq$  CPS 2 < 85%

**Level 3:** 75%  $\leq$  CPS 2 < 80%

**Level 4:** CPS 2 < 75%

For repeat occurrences of non-compliance with CPS 2, the equivalent level of non-compliance shall be determined as follows:

<b>CPS 2 Non-compliance</b>	<b>Occurrence (within the past twelve months)</b>		
Level 1	2 <sup>nd</sup> time	3 <sup>rd</sup> time	4th or more times
Level 2		2 <sup>nd</sup> time	3rd or more times
Level 3			2 <sup>nd</sup> or more times
<b>Equivalent Level of Non-compliance</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>

## Compliance Template DCS Disturbance Control Standard - DCS

**Standard:**      **Area Control Error (ACE)** must be returned to zero or to its pre-disturbance level within 15 minutes following the start of a NPCC **reportable event**.

**References:**      NPCC *Operating Reserve Criteria* (Document A-6); NPCC *Monitoring Procedures for Operating Reserve Criteria* (Document C-9); NERC Operating Manual dated July 12, 2001, Policy 1, Section E, Control Performance Standard

### Responsibilities

**Reporting Responsibility:**      **Control Area** and Reserve Sharing Group

**Frequency of Reporting:**      Quarterly, **Area** reports the DCS percentage by completing the DCS Control Area Survey form and submits it to NPCC in time for NPCC to report to NERC no later than the 20<sup>th</sup> day following the end of the calendar quarter

**Compliance Monitoring and Assessment Responsibility:**      NPCC

**Enforcement Responsibility:**      NPCC

### **Full (100%) Compliance**

**Control Area** and Reserve Sharing Group\* returned the ACE to zero or its pre-disturbance level within 15 minutes following the start of all NPCC **reportable events**.

### **Non-Compliance**

**Level 1:**       $95\% \leq \text{DCS} < 100\%$

**Level 2:**       $90\% \leq \text{DCS} < 95\%$

**Level 3:**       $85\% \leq \text{DCS} < 90\%$

**Level 4:**       $\text{DCS} < 85\%$

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\* Reserve Sharing Group is defined in the referenced NERC Operating Manual.

For repeat occurrences of non-compliance with DCS, the equivalent level of non-compliance shall be determined as follows:

<b>DCS Non-compliance</b>	<b>Occurrence (within the past twelve months)</b>		
Level 1	2 <sup>nd</sup> time	3 <sup>rd</sup> time	4th or more times
Level 2		2 <sup>nd</sup> time	3rd or more times
Level 3			2 <sup>nd</sup> or more times
<b>Equivalent Level of Non-compliance</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>

## Compliance Template A2-1

### Area Transmission Review

**Standard:** The interconnected transmission systems shall be planned, designed, and constructed to reliably meet projected customer electricity demand and energy requirements in accordance with NPCC *Basic Criteria for Design and Operation of Interconnected Power Systems* (Document A-2). Studies shall be conducted in accordance with NPCC *Guidelines for NPCC Area Transmission Reviews*, Document B-4

**References:** NPCC *Basic Criteria for Design and Operation of Interconnected Power Systems* (Document A-2) and NPCC *Guidelines for NPCC Area Transmission Reviews* (Document B-4)

<u>Responsibilities</u>	
<b>Reporting Responsibility:</b>	Areas
<b>Frequency of Reporting:</b>	Annually
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### Full (100%) Compliance

An annual Area Transmission Review Report, including all supporting documentation in accordance with Document B-4 was submitted to TFSS and the Area's planned **bulk power system** meets the requirements of Document A-2. For an Interim or Intermediate Review, the Area must submit its report to TFSS no later than the end of the year in which the review was initiated. For a comprehensive Review, the Area must submit its report to TFSS no later than April 1<sup>st</sup> of the following year after which the review was initiated.

#### Non-Compliance

**Level 1:** An Area Transmission Review was submitted, but was incomplete in meeting the requirements of Document B-4.

**Level 2:** An Area Transmission Review was submitted. However, the Area's planned **bulk power system** was found to be noncompliant with the A-2 criteria in one or more instances. The Area submitted an acceptable plan and schedule for addressing the instances of noncompliance.

**Level 3:** An Area Transmission Review was submitted. However, the Area's planned **bulk power system** was found to be noncompliant with the A-2 criteria in one or more instances, and that either the Area failed to submit a plan and schedule to meet the requirements, or that the Area submitted such a plan, but it was found to be unacceptable.

**Level 4:** An Area Transmission Review was not submitted. Please refer to Section 5.2, Policy on Lateness.

## Compliance Template A3-1

### Underfrequency Load Shedding

**Standard:** Each NPCC Area shall plan and implement an Underfrequency Load Shedding Program as specified in section 4.6 of the NPCC *Emergency Operation Criteria* (Document A-3).

**References:** NPCC Documents A-3.

<u>Responsibilities</u>	
<b>Reporting Responsibility:</b>	Areas
<b>Frequency of Reporting:</b>	Annually
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### **Full (100%) Compliance**

The Area load-shedding program fully complies with the requirements of the NPCC *Emergency Operation Criteria* (Document A-3), Section 4.6.

#### **Non-Compliance**

**Level 1:** Deficiencies in Area load shedding capability were reported and a plan was submitted by the Area to correct the deficiencies. Deficiencies were corrected within five (5) months of the end of the current reporting period.

**Level 2:** Deficiencies in Area load shedding capability were reported and a plan was submitted by the Area to correct the deficiencies. Deficiencies were corrected within twelve (12) months of the end of the current reporting period.

**Level 3:** Deficiencies in Area load shedding capability were reported with no plan for correction within twelve (12) months of the end of the current reporting period, or deficiencies from the immediately previous reporting period were not corrected by the end of the current reporting period.

**Level 4:** An Area load shedding capability report was not submitted or deficiencies from more than one previous reporting period were not corrected by the end of the current reporting period. Please refer to Section 5.2, Policy on Lateness.

## Compliance Template A3-2

### System Restoration Plan

**Standard:** Each **Area** shall have a system restoration plan to restore the **Area's** power system following complete or partial system shut down. This plan shall have strategies, priorities and procedures in accordance with NPCC Criteria, Guides and Procedures, and NERC Standards (Section 4.10 of the NPCC *Emergency Operation Criteria*, Document A-3)

**References:** NPCC *Emergency Operation Criteria* (Document A-3)  
NERC Standard EOP-005-0 – System Restoration Plans

<b><u>Responsibilities</u></b>	
<b>Reporting Responsibility:</b>	Areas
<b>Frequency of Reporting:</b>	Annually
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### Full (100%) Compliance

The Reporting Entity certifies that it has a System Restoration Plan to restore the Area's power system following complete or partial system shut down, as required in Section 4.10 of NPCC Document A-03.

#### Non-Compliance

**Level 1:** The Reporting Entity has a plan, but it is not reviewed annually.

**Level 2:**

**Level 3:** None.

**Level 4:** The Reporting Entity does not have an Area System Restoration Plan in place as described above.

## Compliance Template A3-3

### Key Facility and Critical Components List

**Standard:** Each **Area** shall maintain an inventory of **key facilities** and their **critical components** required for the energization of the **basic minimum power system** to ensure a successful system restoration. (Section 4.11 of the NPCC *Emergency Operation Criteria*, Document A-3)

**References:** NPCC *Emergency Operation Criteria* (Document A-3)

<u>Responsibilities</u>	
<b>Reporting Responsibility:</b>	Areas
<b>Frequency of Reporting:</b>	Annually
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### Full (100%) Compliance

Each **Area** shall provide to NPCC, on a confidential basis, their current **key facilities** and **critical components** list annually. The list shall identify **critical components** associated with the following applicable **key facility** categories:

1. Blackstart generating stations.
2. Underground transmission cables.
3. Substation and Telecommunication sites.
4. Control Center and Telecommunication Center facilities.

#### Non-Compliance

**Level 1:** None.

**Level 2:** A **key facility** and **critical component** list was provided but NPCC Inter-Area Restoration Coordination Working Group (CO-11) found that it did not fully support the energization of the **basic minimum power system**.

**Level 3:** The **Area** did not maintain a current **key facility** and **critical components** list.

**Level 4:** None.

## Compliance Template A4-1

### Bulk Power System Protection Minimum Maintenance

**Standard:** Protection system owners shall implement a protection system maintenance and testing program that fulfills the requirements of the NPCC *Maintenance Criteria for Bulk Power System Protection* (Document A-4).

**References:** Document A-4.

<b><u>Responsibilities</u></b>	
<b>Reporting Responsibility:</b>	<b>Areas</b>
<b>Frequency of Reporting:</b>	Annual, no later than six months after the end of the reporting period. At present, a reporting period is equal to the prior calendar year.
<b>Information to be Reported:</b>	Status of compliance for the reporting period, and status of any exceptions from previous reporting periods that had not already been reported as cleared.
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC
<b>Assessment and Enforcement Frequency:</b>	Annual, six months after the end of the reporting period
<b>Assessment and Enforcement Finding:</b>	Either Full Compliance, the Level of Non-compliance that accounts for all outstanding exceptions or Non-compliance with extenuating circumstances demonstrated. (See <i>guidelines for Implementation of the NPCC Compliance Program</i> ; Document B-22, annual compliance program schedule requirement for A4-1

#### **Full (100%) Compliance**

**Area** reports testing and maintenance of protection systems fully complies with the requirements of the NPCC *Maintenance Criteria for Bulk Power System Protection* (Document A-4). Exceptions to Document A-4 requirements are acceptable if the exceptions are completely removed within five (5) months of the end of the current reporting period. For each reporting period, all exceptions from previous reporting periods must have been removed.

#### **Non-Compliance**

**Level 1:** None.

**Level 2:** Exceptions were reported, but not all exceptions were removed within five (5) months after the end of the current reporting period.

**Level 3:** Exceptions from the immediately previous reporting period were not removed by the end of the current reporting period.

**Level 4:** No maintenance report was provided by the **Area** or exceptions from more than one previous reporting period were not removed by the end of the current reporting period. Please refer to Section 5.2 (NPCC Document A-8), Policy on Lateness.

## Compliance Template A6-1

### Ten-Minute Operating Reserve

**Standard:** Each CONTROL AREA shall operate its MW power resources to provide for a level of OPERATING RESERVE. Following loss of resources, a CONTROL AREA shall take appropriate steps to return its AREA CONTROL ERROR (ACE) to zero or its pre-disturbance level in accordance with the NPCC Operating Reserve Criteria (Document A-6). Each CONTROL AREA will maintain at all times sufficient OPERATING RESERVE to cover its first contingency loss.

**Reference:** NPCC *Operating Reserve Criteria* (Documents A-6)

<b><u>Responsibilities</u></b>	
<b>Reporting Responsibility:</b>	Control Areas
<b>Frequency of Reporting:</b>	Monthly by the end of the following month
<b>Compliance Monitoring and Assessment Responsibility:</b>	NPCC
<b>Enforcement Responsibility:</b>	NPCC

#### Full (100%) Compliance

Control Area meets the **Ten-Minute Reserve** requirement as described in Sections 3.1 and 3.4 of A-6, except during emergency operations resulting from a capacity deficiency.

#### Non-Compliance

**Level 1:** Failure to meet the **Ten-Minute Reserve** requirement as described above once during the past twelve (12) months.

**Level 2:** Failure to meet the **Ten-Minute Reserve** requirements as described above twice during the past twelve (12) months.

**Level 3:** Failure to meet the **Ten-Minute Reserve** requirements as described above three times during the past twelve (12) months.

**Level 4:** Failure to meet the **Ten-Minute Reserve** requirements as described above four or more times during the past twelve (12) months.