British Columbia Utilities Commission

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VIA EMAIL

August 16, 2016

To: Registered Entities in BC MRS Program
Recently De-registered Distribution Providers

Re: British Columbia Mandatory Standards Program
Revisions to the Registration Manual
Rules of Procedure for Reliability Standards in BC, Appendix 1
Request for Comments

Pursuant to section 125.2(10) of the *Utilities Commission Act* (UCA), which provides for the administration of adopted reliability standards, the British Columbia Utilities Commission (Commission) by Order G-123-09 adopted Rules of Procedure for Reliability Standards in BC (the BC Rules of Procedure), including a Registration Manual and a Compliance Monitoring Program for the BC Mandatory Reliability Standards Program (BC MRS Program). The Commission engaged the Western Electricity Coordinating Council (WECC) as the Commission's Administrator to assist the Commission in matters of registration and compliance monitoring pursuant to the Administration Agreement dated October 15, 2009 and renewed August 21, 2014.

The Commission issued Order R-34-15 approving revisions to the Rules of Procedure for Reliability Standards in British Columbia, including revisions to Appendix 1: Registration Manual and Appendix 2: Compliance Monitoring Program. Order R-34-15 also approved a new Appendix 3: Penalty Guidelines and later Order R-28-16 approved a revised version.

On November 17, 2015, section 125.2 of the UCA, which deals with "Adoption of reliability standards, rules or codes," was amended to repeal sections 125.2(8) and 125.2(9) and to include updated sections 125.2(8) and 125.2(9). Pursuant to the amended UCA section 125.2(8.3), the Commission may, by order, specify that a reliability standard adopted under the UCA applies or does not apply to a specified person, a class of persons or a person in respect of specified equipment. The Commission is assigned the authority to adopt reliability standards in BC that are in the public interest and that are required to maintain or achieve consistency in BC with other jurisdictions that have adopted the reliability standards.

On May 18, 2016, the Mandatory Reliability Standards Regulation (MRS Regulation), was revised by Ministerial Order M 171 dated May 18, 2016, to remove certain definitions, including the definition of the bulk power system along with its reference to the North American Electric Reliability Corporation's (NERC) Bulk Electric System (BES), and to remove section 2, Application.

The Commission issued Order R-19-16 acknowledging the above changes and clarifying the applicability of the reliability standards in BC. Order R-19-16 stated that pursuant to subsections 125.2(8.3) of the UCA the Mandatory Reliability Standards, adopted by the Commission and in effect in BC, apply to those entities currently registered in the BC MRS Program for the applicable function(s).

Given the UCA amendments and MRS Regulation changes, the Commission has the obligation to identify and register all entities that meet the criteria for inclusion in the Compliance Registry. As such, the Commission provides for comment, a draft version of the revised Appendix 1: Registration Manual. Draft revisions for which the Commission invites comments include:

1. Section 2.1 Requirement to Register. It should be noted that section 2.1 is a redlined version of the NERC Rules of Procedure Appendix 5B: Statement of Compliance Registry Criteria.
2. Elimination of Load Serving Entity (LSE) as a registration category. This is in alignment with the July 17, 2015 NERC compliance filing to Federal Energy Regulatory Commission (FERC) proposing to remove the LSE as a functional registration category. FERC accepted NERC's proposal via Docket No. RR15-4-001.
3. Inclusion of Distribution Providers with Under Frequency Load Shedding (UFLS) only assets (UFLS-Only Distribution Provider) as one of the registration criteria within Distribution Provider.

Given that UFLS-Only Distribution Provider is a suggested registration criterion within Distribution Provider, recently deregistered Distribution Providers are included in the comments process as this registration criterion may have an impact on them.

Please note the BC Rules of Procedure and Appendix 2: Compliance Monitoring Program have been updated to revised Commission formatting standards with only minor housekeeping edits in tracked changes included. The BC Rules of Procedure has additionally been revised to remove reference to MRS Regulation.

Entities are requested to submit their comments to the Commission by **Monday, September 26, 2016**.

Yours truly,

Original signed by:

Laurel Ross

AA/kbb
Enclosure
cc: Western Electricity Coordinating Council
bcuc@wecc.biz

British Columbia Utilities Commission

RULES OF PROCEDURE

for Reliability Standards in British Columbia

Revised August 2016
by Order R-xx-16

Appendix 3
Revised June 2016 by Order R-28-16

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APPENDIX 3 Penalty Guidelines for BC Mandatory Reliability Standards

1.0 APPLICABILITY OF RULES OF PROCEDURE

Section 125.2(10) of the *Utilities Commission Act* (UCA) provides that the British Columbia Utilities Commission (Commission) may make orders providing for the administration of Reliability Standards. The Commission has developed the Rules of Procedure to facilitate the administration of Reliability Standards. The Rules of Procedure include the provisions of the Registration Manual, the Compliance Monitoring Program and the Penalty Guidelines as set forth in the Appendices attached to the Rules of Procedure, here collectively referred to as the Rules of Procedure (ROP).

Each Entity must comply with the Rules of Procedure. The Commission may amend the Rules of Procedure, from time to time in its discretion. The version of the Rules of Procedure currently in force will be posted on the Commission website.

The Commission may engage a knowledgeable person to act as the Administrator to assist the Commission in carrying out the assessment of registration criteria and administration of Reliability Standards. Any such Administrator will assist the Commission in the manner described in the Rules of Procedure, subject to the Commission's direction. The Commission, however, remains solely responsible for the administration of Reliability Standards and may not delegate any decision-making powers. Any such Administrator may develop further policies, procedures, guides, checklists, or other documents for the efficient administration of Reliability Standards, in a form consistent with the Rules of Procedure and accepted by the Commission. Any such Administrator will make materials relating to its role in the administration of Reliability Standards available electronically on the Administrator's website, with appropriate links from the Commission's website.

2.0 DEFINITIONS

2.1 General

The terms defined here, also incorporated by reference and applicable in the appendices are for the purpose of interpreting the Rules of Procedure for Reliability Standards and implementing the Mandatory Reliability Standards Program in British Columbia (BC) only. The glossary prepared by the North American Electric Reliability Corporation (NERC) is the guiding document with respect to the definitions used in the drafting and interpretation of the Reliability Standards adopted in BC. Terms used in the Rules of Procedure that are not specifically defined here have the meanings provided in the NERC Glossary of Terms Used in Reliability Standards, as adopted by the Commission from time to time or otherwise have their commonly understood meanings in the electric power industry

2.2 Definitions

Administrator: A knowledgeable party that the Commission has appointed to act as Administrator for the purposes identified in the Rules of Procedure and the attached Registration Manual and Compliance Monitoring Program.

Alleged Violation: A Possible Violation identified by an Entity, or by the Administrator in the course of compliance monitoring activities undertaken at the direction of the Commission, for which notice has been given to the Commission, but which has not yet been confirmed by the Commission (see Confirmed Violation).

Appeal: An appeal from a Commission order under the UCA and includes an application for reconsideration under section 99 of the UCA.

Application: A document generally completed by an Entity and submitted to the Administrator to initiate Entity Registration or to notify the Administrator of a change in circumstances that may affect the Entity's registration. The form of Application is developed by the Administrator in accordance with the requirements of the Rules of Procedure and the Registration Manual, and approved by the Commission.

Attestation: A sworn declaration by an authorized representative of an Entity. The Administrator will make the required form of Attestation available electronically.

Audit Guidelines: Guidelines used by the Administrator to guide the conduct of a Compliance Audit, which are in a form accepted by the Commission.

Audit Report: A report for the Commission pursuant to section 2.1 of the CMP, prepared by the Administrator's Compliance Audit Team, which conveys Information regarding an Entity's possible compliance or non-compliance with Reliability Standards.

BC Find, Fix, Track (FFT) Process: A process described in the Rules of Procedure for assessing and reporting Possible Violations that appear to the Administrator to pose a lesser risk to the bulk power system and/or Bulk Electric System.

Bulk Power System: The bulk power system as that term is defined by ~~the Mandatory Reliability Standards Regulation unless otherwise noted as~~ the NERC definition of BPS.

Compliance Monitoring Program (CMP): Appendix 2 to these Rules of Procedure for Reliability Standards in British Columbia.

Commission: The British Columbia Utilities Commission.

Complaint: An allegation that an Entity has violated a Reliability Standard.

Compliance Audit: A systematic and objective review and examination of an Entity's Information and activities to evaluate compliance with Reliability Standards.

Compliance Audit Team: Individuals charged by the Administrator with undertaking a Compliance Audit, pursuant to section 2.1 of the CMP. Members of the Compliance Audit Team must: (i) be free of conflicts of interest; (ii) have signed Confidentiality Agreements; and (iii) have successfully completed auditor training.

Compliance Audit Participants: Entities scheduled to be audited and the Compliance Audit Team members.

Compliance Contact: A representative of an Entity designated by the Entity as the appropriate individual to receive notices from the Commission or the Administrator in regard to Reliability Standard matters.

Compliance Date: The date, from which day forward, an Entity must demonstrate compliance with Reliability Standards, which may be determined by registration, start-up of operations, connection to the grid, or any other factors as considered by the Commission.

Compliance Investigation Report: A report for the Commission pursuant to section 2.4 of the CMP, prepared by the Administrator's Compliance Investigation Team, which conveys Information regarding an Entity's possible compliance or non-compliance with Reliability Standards.

Compliance Investigation Team: The Administrator's staff members charged with undertaking a Compliance Violation Investigation, pursuant to section 2.4 of the CMP. Members of the Compliance Investigation Team must: (i) be free of conflicts of interest; (ii) have signed Confidentiality Agreements; and (iii) have successfully completed training applicable to the Compliance Violation Investigation.

Compliance Provisions: The compliance-related provisions that accompany, but do not constitute part of, a Commission-adopted Reliability Standard. Compliance Provisions adopted by the Commission may differ from the compliance or enforcement provisions developed by the North American Electric Reliability Corporation (NERC) or the Western Electricity Coordinating Council (WECC) to accompanying Reliability Standards in the United States.

Compliance Violation Investigation: A comprehensive investigation, which may include an on-site visit with interviews of the Compliance Contact and /or the appropriate ~~personnel~~Entity representatives, to determine if a Possible Violation or an Alleged Violation of a Reliability Standard has occurred.

Confidential Information: (i) Information produced for or created in the course of the registration process or any compliance monitoring process by an Entity or the Commission, or the Administrator; (ii) Information that is sensitive from a commercial or security perspective; or (iii) Restricted Information. Public information developed or acquired by an Entity is excluded from this definition.

Confidentiality Agreement: A form of Confidentiality Agreement approved by the Commission that contains obligations of confidentiality at least as restrictive as those contained in section 6. The Administrator will make a form of Confidentiality Agreement available on the Administrator's Electronic System(s).

Confirmed Violation: An Alleged Violation that has been confirmed by a Commission order. For the purpose of section 109.1 of the UCA, a Confirmed Violation is a contravention of a Reliability Standard adopted by the Commission.

Days (days): Calendar days unless otherwise specified.

Disclosing Party: Any person in possession of Confidential Information that is required to be disclosed in the course of carrying out responsibilities under the Rules of Procedure.

Electronic Signature: Information in electronic form that a person has created or adopted in order to sign a document.

Electronic System(s): Collectively refers to the Administrator's electronic data transfer system, data retention system and the Administrator's website.

Entity: Any Entity that is required by the UCA and the Registration Manual ~~Mandatory Reliability Standards Regulation~~ to comply with Reliability Standards (replaces Applicable Entity and Registered Entity for ease of reading).

FFT: Find, Fix, Track process as adopted in British Columbia.

Hearing: A hearing conducted by the Commission under the UCA.

Implementation Plan: An annual plan describing compliance monitoring activities and schedules for the upcoming calendar year, approved by the Commission under section 3.1 of the CMP.

Information: Any information and data, regardless of medium, including modeling, studies, analyses, documents, procedures, methodologies, operating information and process information.

~~**Mandatory Reliability Standards Regulation:** BC Regulation 32/2009, Ministerial Order No. M039, dated February 22, 2009 and as amended by Ministerial Order No. 325 dated October 7, 2014, and any amendments thereto, made under section 125.2 of the UCA.~~

Mitigation Plan: An action plan developed by an Entity in accordance with the Rules of Procedure to correct a Possible Violation, Alleged Violation or Confirmed Violation of a Reliability Standard and to prevent re-occurrence.

NERC: The North American Electric Reliability Corporation.

NERC Glossary: The NERC Glossary of Terms Used in Reliability Standards, as adopted by the Commission from time to time.

Notice of Alleged Violation: Written notice from the Administrator to an Entity of an Alleged Violation, which complies with the requirements of section 4.3 of the CMP.

Periodic Data Submittal: Data submitted by an Entity pursuant to section 2.6 of the CMP to demonstrate compliance with Reliability Standards.

Person: Includes a corporation, partnership or other party and any legal representative of a person to whom the context can apply according to law.

Personal Information: Personal information subject to protection under the *Freedom of Information and Protection of Privacy Act*, RSBC 1996, chapter 165 including any regulations or directions promulgated thereunder.

Possible Violation: A possible failure by an Entity to comply with a Reliability Standard that it is required to comply with and which may be under investigation by the Administrator. Refer to Alleged Violation for process details.

Registration: The process employed by the Commission to confirm the function(s) that apply to an Entity's operations as identified in section 2.1 of the Registration Manual.

Reliability Standard: A Reliability Standard as defined in section 125.2(1) of the UCA that has been adopted by the Commission under section 125.2(6) of the UCA for application in British Columbia. A Reliability Standard normally consists of the following components: (i) Introduction; (ii) Requirements; and (iii) Measures. A Reliability Standard does not include Compliance Provisions.

Remedial Action Directive: A Commission order requiring an Entity to address a Possible Violation, Alleged Violation or Confirmed Violation of Reliability Standards or any other situation, issued by the Commission when it determines, after reviewing the recommendation by the Administrator, that immediate remedial action is necessary to protect the reliability of the Bulk Power System.

Remediated FFT Issue: A Possible Violation that has been resolved under the BC FFT Process.

Required Date: The date given to an Entity in a notice by which action by the Entity is required. Such date may be identified by the Commission, or the Administrator, given the circumstances and the action required of the Entity. The Commission retains discretion to specify or change a Required Date.

Restricted Information: Information designated by the Commission as being subject to the additional protection measures identified in section 6.3 of the Rules of Procedure.

Rules of Procedure: These Rules of Procedure, including all Appendices unless context requires otherwise.

Self-Certification: Attestation by an Entity as to its compliance or non-compliance with Reliability Standards that require Self-Certification as identified for active monitoring in an annual Implementation Plan

Self-Report: Information prepared by an Entity pursuant to section 2.5 of the CMP identifying a Possible Violation of a Reliability Standard, based on the Entity's own assessment, and any actions that were taken or will be taken to resolve the Possible Violation.

Spot Check: A request made to an Entity pursuant to section 2.3 of the CMP to provide Information to support the Entity's Self-Certification, Self-Reporting or Periodic Data Submittal and to assist in the assessment of whether the Entity complies with Reliability Standards. Spot Checks may be random or initiated in response to events, as described in the Reliability Standards, or by operating problems or system events. Spot Checks may require an on-site review to complete.

Unscheduled Compliance Audit: A Compliance Audit that is not identified in an annual Audit Schedule.

UCA: The *Utilities Commission Act*, RSBC 1996, chapter 473, including any regulations or directions promulgated thereunder.

WECC: The Western Electricity Coordinating Council.

3.0 REGISTRATION

3.1 Adoption of the Registration Manual

Registration is the process employed by the Commission to confirm the function(s) that apply to an Entity's operations, identified in section 3.1 of the Registration Manual.

The registration process will, subject to Commission direction, be governed by the requirements and procedures set forth in the Registration Manual, attached as Appendix 1 to the Rules of Procedure.

3.2 Who must comply

All Entities identified in the Registration Manual~~Mandatory Reliability Standards Regulation~~ must, unless otherwise ordered by the Commission, register in accordance with the Registration Manual.

4.0 COMPLIANCE MONITORING

4.1 Adoption of the Compliance Monitoring Program

The terms of the Compliance Monitoring Program are set out in Appendix 2.

4.2 Who must comply

All Entities must comply with the Compliance Monitoring Program, unless otherwise ordered by the Commission.

5.0 INFORMATION SUBMITTAL AND RETENTION

5.1 Electronic data preferred

Whenever possible and practical, information shall be supplied in electronic format.

5.2 Obligation to provide requested Information

5.2.1 Unless otherwise ordered by the Commission, Entities must:

5.2.1.1 Comply with requests for Information made by the Commission, or the Administrator, in the course of the Commission carrying out its functions under the Rules of Procedure, by the Required Date.

5.2.1.2 Submit Information requested by the Commission, or the Administrator, in the format requested by the Commission, or the Administrator, subject to section 5.1 of the Rules of Procedure.

5.2.2 Any report or other submission of Information by an Entity required by the Rules of Procedure must be signed by an authorized representative of the Entity. Electronic Signatures are permitted.

5.3 Process for non-submittal of requested Information

5.3.1 If an Entity does not provide Information requested under the Rules of Procedure by the Required Date, the Administrator, will, subject to section 5.3.2, sequentially execute the following steps for each ~~Reliability Standard~~ instance for which requested Information has not been provided:

Step 1: The Administrator will issue a follow-up notification to the Entity's Compliance Contact.

Step 2: The Administrator will issue a second follow-up notification to the Entity's Compliance Contact.

Step 3: The Administrator will issue a follow-up notification to the Entity's chief executive officer or equivalent, with copies to the Entity's Compliance Contact.

Step 4: If after thirty (30) days following the original Required Date, the Administrator has not received the requested information, the Commission may issue a formal directive regarding the submittal of the information and initiate a full Compliance Audit (as that term is defined in the Rules of Procedure).

5.3.2 In carrying out the above steps, the Administrator will afford the Entity a reasonable opportunity to resolve a difficulty in submitting Information.

5.3.3 The Administrator need not complete Steps 2 or 3 if the Information requested was in preparation for a Compliance Audit (as that term is defined in the Compliance Monitoring Program), due to the potential impact to an audit schedule.

5.4 Retention and disposal of Information

5.4.1 The Administrator must have a records management policy that:

5.4.1.1 Provides for a routine and orderly process for the retention and disposal of Information obtained from Entities;

5.4.1.2 At a minimum, conforms to the Information retention requirements specified in the Compliance Provisions accompanying applicable Reliability Standards; and

5.4.1.3 Requires that Information generated or received in the course of carrying out responsibilities under the Rules of Procedure be retained for the longer of: (i) six (6) years; (ii) any retention period specified in the Compliance Provisions accompanying applicable Reliability Standards; or (iii) if the Information is material to the resolution of a dispute before the Commission, until the expiry of sixty (60) days following all appeals from the Commission order for which the material may be relevant.

5.4.2 Personal Information is exempt from the above retention requirements and should be treated as provided in sections 6.3 of the Rules of Procedure, respectively.

6.0 CONFIDENTIAL AND PERSONAL INFORMATION

6.1 Disclosure of Information

Ownership of Information: Any Information disclosed by a Disclosing Party to the Commission, or the Administrator, other than public information, remains the sole property of the Entity, but subject to the jurisdiction of the Commission.

6.2 Protection of Confidential Information

Filings in a Hearing: All Information submitted to the Commission for the purposes of a Hearing (as that term is defined in the Compliance Monitoring Program), will be held in confidence pursuant to the Commission's Practice Directive on "Confidential Filing" dated September 1, 2007 ("Confidential Filings Directive"), as amended from time to time, governing the handling of Confidential Information filed with the Commission.

6.3 Additional Protection for Restricted Information

6.3.1 **Designation of Restricted Information:** The Commission may, in its discretion, designate information as Restricted Information. An Entity, or other persons affected by the Information, may seek such a determination from the Commission.

6.3.2 **Remains within Canada:** In the event of a designation of Information as Restricted Information, the Disclosing Party and the Commission, or the Administrator, must ensure that the Restricted Information remains within Canada. No such information, in any format, is permitted to be removed from/transmitted outside Canada without prior approval in writing from the Commission.

6.3.3 **Entity possession:** The Disclosing Party may request that Restricted Information remain in the possession of a Disclosing Party, and be reviewed by the Commission, or the Administrator, on site, as authorized by the Commission.

6.3.4 **Non-disclosure:** Restricted Information must not be released publicly. If such information must be filed with the Commission for any purpose, it must be filed on a confidential basis pursuant to the Commission's Confidential Filings Directive, or redacted.

~~6.3~~6.4 Protection of Personal Information

~~6.3.1~~6.4.1 Personal Information must be treated in accordance with the *Freedom of Information and Protection of Privacy Act*, RSBC 1996, chapter 165 including any regulations or directions promulgated thereunder.

~~6.3.2~~6.4.2 The Administrator must not remove Personal Information from British Columbia, and Entities are not required to provide Personal Information to the Administrator if doing so would require the Entity to send Personal Information outside of British Columbia.

7.0 DESIGNATION OF COMPLIANCE CONTACT

7.1 Requirement

7.1.1 Designation: All Entities must designate a Compliance Contact and provide the name of the Compliance Contact to the Commission, and the Administrator, via the WECC data retention platform (webCDMS), within thirty (30) days of Registration (as that term is defined in the Rules of Procedure).

7.1.2 Change in designation: An Entity may change Compliance Contact upon providing notice of the change to the Commission and the Administrator, via webCDMS.

7.1.3 Updated Information: The Entity must ensure the contact information for the Compliance Contact in webCDMS is accurate and up to date.

8.0 GENERAL

8.1 Commission jurisdiction

8.1.1 Non-fettering of Commission: Nothing in the Rules of Procedure, including the Appendices, limits the Commission's powers under the UCA. The Commission may, at its discretion, depart from or revise the Rules of Procedure, including the Appendices.

8.1.2 Commission decisions and orders: The Commission is empowered to reconsider, vary or rescind its decisions, orders, rules and regulations pursuant to section 99 of the UCA. In addition, there is a right of appeal to the Court of Appeal of British Columbia, with leave of a justice of that Court on matters of law or jurisdiction.

8.1.3 Deviations and waivers of the Rules of Procedure: The Commission may, in its discretion, depart from or direct the Administrator to depart from the Rules of Procedure or

perform additional steps not specified in the Rules of Procedure relating to the administration of Reliability Standards.

8.1.4 Alteration of time limits: The Commission may, at its discretion, extend or abridge any time limits including Required Dates.

8.2 Interpretation Bulletins and disputes

8.2.1 Interpretation Bulletins: The Commission may issue Interpretation Bulletins, providing additional guidance to Entities, and the Administrator, on the proper interpretation of Reliability Standards, or the Rules of Procedure, including the Appendices. Interpretation Bulletins issued by the Commission on the proper interpretation of Reliability Standards will constitute part of the Compliance Provisions accompanying Reliability Standards.

8.2.2 Commission determines all disputes: All disputes regarding the provisions of the Rules of Procedure, including the Appendices, not resolved by the disputing parties will be determined by the Commission.

8.3 Reasonableness and diligence ~~by Participants~~

8.3.1 Reasonableness of Requests for Information: If an Entity believes that a request for Information is unreasonable, it should advise the Commission, or the Administrator, and may request a determination from the Commission.

8.3.2 Diligence: Entities must perform their respective obligations under the Rules of Procedure with reasonable diligence.

8.4 Administrator not an agent

Nothing in the Rules of Procedure should be construed as creating any agency or partnership between the Commission and the Administrator, and the Administrator shall not be deemed to be the legal representative of the Commission for the purpose of the Rules of Procedure.

9.0 PENALTIES

9.1 Adoption of the Penalty Guidelines

The Penalty Guidelines contained in Appendix 3, provide Entities with information on the penalty ranges related to the Violation Risk Factors (VRF) and Violation Severity Levels (VSL) as well as other factors the Commission will ~~use~~ consider to determine a penalty amount for a Confirmed Violation of the Reliability Standards.

REGISTRATION MANUAL FOR BC MANDATORY RELIABILITY STANDARDS

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1.0 INTRODUCTION

This Registration Manual forms part of the Commission's Rules of Procedure for Reliability Standards in British Columbia.

The purpose of Registration is to confirm the function(s) that apply to an Entity. Registration by function enables each Entity to identify the Reliability Standards it must be compliant with and be prepared to demonstrate that compliance. This Registration Manual sets forth the requirements and process for Registration.

The requirement to register began upon the Commission adopting, by order, the Rules of Procedure and the appended Registration Manual in 2009. Registration for new Entities is ongoing and is required within thirty (30) days of the time an Entity begins carrying out one or more of the functions listed in section 3.1. Each Entity will have an associated Compliance Date, as defined in section 2 of the Rules of Procedure.

Commission: The Commission determines what function(s), if any, an Entity is responsible for. The Commission, or the Administrator, may develop further policies, procedures, guides, checklists or other documents necessary to carry out Registration in an efficient manner, consistent with the Registration Manual and accepted by the Commission.

Administrator: The Administrator will make materials relating to Registration, including Registration forms, publicly available on its website.

Applicable Entities: Entities identified in section 2.1 must comply with the Registration Manual.

2.0 REGISTRATION

2.1 Requirement to Register

~~All Entities responsible for any aspect of one or more of the functions listed below must submit an Application to register through the Commission's Registration process. The functions are defined in the NERC Glossary of Terms Used in Reliability Standards as adopted by the Commission from time to time. The responsibilities associated with particular functions are specified by the individual Mandatory Reliability Standards.~~

~~**Functions requiring Registration**~~
~~Transmission Operator (TOP)~~
~~Balancing Authority (BA)~~
~~Planning Authority (PA)~~
~~Transmission Planner (TP)~~
~~Transmission Service Provider (TSP)~~
~~Transmission Owner (TO)~~
~~Resource Planner (RP)~~
~~Distribution Provider (DP)~~
~~Generator Owner (GO)~~
~~Generator Operator (GOP)~~
~~Load-serving Entity (LSE)~~
~~Purchasing-Selling Entity (PSE)~~

2.1.1 ~~Summary~~Introduction

~~This document~~Section 2.1 describes~~how the North American Electric Reliability Corporation (NERC) will identify organizations~~ which Entities ~~that may be~~are candidates for Registration and assignment~~them~~ to the Compliance Registry.

~~NERC and the Regional Entities[1] have the obligation to identify and register all entities that meet the criteria for inclusion in the Compliance Registry, as further explained in the balance of this document~~

~~[1] The term "Regional Entities" includes Cross-Border Regional Entities, that have footprints in the U.S., Canada and Mexico, as applicable. Applicable Governmental Authorities in Canadian jurisdictions may have adopted their own Rules of Procedure and Compliance Registry requirements. Registered Entities may be subject to the Compliance Monitoring and Enforcement Programs (CMEP) in their respective jurisdictions, in accordance with applicable laws and regulations.~~

The Commission-adopted Reliability Standards apply to every owner, operator and user of an element of the Bulk Electric System (BES), as that term is defined in the NERC Glossary of Terms, as adopted by the Commission from time to time.

~~Organizations~~ Entities ~~will be~~are ~~responsible~~ required to be registered and ~~to~~ comply with Commission-adopted Reliability Standards in BC if they meet the terms above~~approved Reliability Standards to the extent that they are owners, operators, and users of the Bulk Power System (BPS)~~, perform a function listed in the functional types identified in Section 2.1.2~~II~~ of this document~~,~~ and are material to the Reliable Operation of the interconnected ~~BPS~~ BES as ~~defined~~ outlined by the criteria and notes set forth in the rest of Section 2.1~~in this document~~.

~~NERC~~ The Commission will apply the following principles to the Compliance Registry:

- In order to carry out its responsibilities related to enforcement of Reliability Standards, ~~NERC~~ the Commission ~~must identify the owners, operators, and users of the BPS who have a material impact[2] on the BPS through a Compliance Registry. NERC and the Regional EntitiesThe Commission~~ will make ~~their~~ its best effort~~s~~ to identify all owners, users and operators who have a material impact on the ~~BPS~~ BES in order to develop a complete and current Compliance Registry list. ~~–~~The Compliance Registry will be updated as required and maintained on an on-going basis.
- ~~Organizations~~ Entities listed in the Compliance Registry are responsible, and will be monitored, for compliance with applicable Mandatory Reliability Standards in BC~~.~~ ~~They~~and will be subject to the Commission's Rules of Procedure for Reliability Standards in BC (ROP), as well as the Compliance Monitoring Program and Penalty Guidelines (Appendices 2 and 3 of the ROP, respectively)~~NERC's and the Regional Entities' Compliance Monitoring and Enforcement Programs~~.
- ~~NERC and Regional Entities will not monitor nor hold those not in the Compliance Registry responsible for compliance with the Reliability Standards.~~ An Entity ~~which~~ that is not ~~initially placed~~ on the Compliance Registry, but ~~which~~ is identified subsequently as having a material impact, will be added to the Compliance Registry. Similarly, an Entity that is on the Compliance Registry, but is identified subsequently as having no material impact, will be removed from the Compliance Registry as noted in Section 2.1.3.~~Such entity will not be subject to a sanction or Penalty by NERC or the Regional Entity for actions or inactions prior to being placed on the Compliance Registry, but may be required to comply with a Remedial Action Directive or Mitigation Plan in order to become compliant with applicable Reliability Standards.After such entity has been placed on the Compliance Registry, it shall be responsible for complying with Reliability Standards and may be subject to sanctions or Penalties as well as any Remedial Action Directives and Mitigation Plans required by the~~

~~[2] The criteria for determining whether an entity will be placed on the Compliance Registry are set forth in the balance of Section 2.1this document. At any time a person may recommend in writing, with supporting reasons, to the Director of Compliance (or an equivalent position) that an organization be added to or removed from the Compliance Registry, pursuant to NERC Rules of Procedure Section 501.1.3.5.~~

~~Regional Entities or NERC for future violations, including any failure to follow a Remedial Action Directive or Mitigation Plan to become compliant with Reliability Standards.~~

- ~~Required compliance by a given organization with the Reliability Standards will begin the later of (i) inclusion of that organization in the Compliance Registry and (ii) approval by the Applicable Governmental Authority of mandatory Reliability Standards applicable to the registered entity.~~

~~Entities responsible for funding NERC and the Regional Entities have been identified in the budget documents filed with FERC.[3] Presence on or absence from the Compliance Registry has no bearing on an entity's independent responsibility for funding NERC and the Regional Entities.~~

~~BACKGROUND~~

~~In 2005, NERC and the Regional Entities conducted a voluntary organization registration program limited to Balancing Authorities, Planning Authorities, regional reliability organizations, Reliability Coordinators, Transmission Operators, and Transmission Planners. The list of the entities that were registered constitutes what NERC considered at that time as its Compliance Registry.~~

~~NERC initiated a broader program to identify additional organizations potentially eligible to be included in the Compliance Registry and to confirm the information of organizations currently on file, taking into account the following considerations:~~

- ~~As of July 20, 2006, NERC was certified as the Electric Reliability Organization (ERO) created for the U.S. by the Energy Policy Act of 2005 (EPAct) and FERC Order No. 672. NERC has received similar recognition by Canadian authorities in their respective jurisdictions.~~

- ~~FERC Order No. 672 directs that owners, operators and users of the BPS in the U.S. shall be registered with the ERO and the appropriate Regional Entities.~~

- ~~As the ERO, NERC has filed its current Reliability Standards with FERC and with Canadian authorities. As accepted and approved by FERC and appropriate Canadian authorities, the Reliability Standards are no longer voluntary, and organizations that do not fully comply with them may face Penalties or other sanctions, in accordance with applicable laws, regulations and orders of Applicable Governmental Authorities.~~

- ~~NERC's Reliability Standards include compliance Requirements for additional reliability function types beyond the six types registered by earlier registration programs.~~

- ~~Based on selection as the ERO, NERC's Organization Registration program[4] is the means by which NERC and the Regional Entities plan, manage and execute Reliability Standard compliance oversight of owners, operators, and users of the BPS.~~

~~[3] Budget documents are submitted to Applicable Governmental Authorities in Canada for information.~~

~~[4] See NERC ERO Application; Exhibit C; Section 500 – Organization Registration and Certification.~~

- ~~Organizations listed in the Compliance Registry are subject to NERC's and the Regional Entities'Compliance Monitoring and Enforcement Programs.~~

~~**STATEMENT OF ISSUE**~~

~~As the ERO, NERC intends to comprehensively and thoroughly protect the reliability of the grid. To support this goal NERC will include in its Compliance Registry each entity that NERC concludes can materially impact the reliability of the BPS.~~

~~NERC wishes to identify those entities that may need to be listed in its Compliance Registry. Identifying these organizations is necessary and prudent for the purpose of determining resource needs, both at the NERC and Regional Entity level, and for communicating with these entities regarding their potential responsibilities and obligations. NERC and the Regional Entities believe that candidate entities can be identified at any time, as and when needed. The Compliance Registry is available on NERC's website.~~

2.1.2 ~~Resolution~~ Criteria

The potential costs and effort of registering every ~~organization~~ Entity ~~potentially~~ within the scope of "owner, operator~~,~~ and user of the ~~BPS~~BES," while ignoring their material impact upon reliability, would be disproportionate to the reasonably anticipated improvement in reliability. ~~that would reasonably be anticipated from doing so.~~

~~NERC and the Regional Entities have~~The Commission ~~identified~~ recognizes two principles ~~they believe are~~ as key to the Entity selection process. These are:

1. There needs to be consistency within North America ~~between Regions and across the continent~~ with respect to which Entities are registered; and
2. Any Entity reasonably deemed material to the reliability of the ~~BPS~~ BES will be registered, irrespective of other considerations.

To address the second principle, the ~~Regional Entities, working with NERC,~~ Commission will, with the help of the Administrator, identify and register any Entity the~~y~~ Commission deems material to the reliability of the ~~BPS~~BES.

In order to promote consistency, ~~NERC and the Regional Entities~~the Commission will ~~use~~ monitor NERC's registration criteria and will update the following criteria which the Commission will use as the basis for determining whether particular Entities should be identified as candidates for Registration. All ~~organizations~~ Entities meeting or exceeding the criteria will be identified as candidates.

The following ~~four~~ subsections ~~groups of~~ discuss the criteria that ~~(Sections I-IV) plus the statements in section V~~ will provide guidance regarding an Entity's Registration status:

- ~~Section I~~Application: determines if the Entity is an owner, operator or user of the ~~BPS~~ BES and, hence, a candidate for ~~organization~~ Entity Registration.
- ~~Section II~~Functional Types: uses NERC's Glossary of Terms ~~current~~ functional type definitions (as adopted by the Commission from time to time) to provide an initial determination of the functional types for which the Entities identified in ~~Section I~~the Application -subsection should be considered for Registration.
- ~~Section III~~Registration of Distribution Providers: lists the criteria regarding smaller Entities; these criteria can be used to forego the Registration of Entities that were selected to be considered for Registration pursuant to the Application and Functional Types subsections~~Sections I and II~~ and, if circumstances change, for later removing Entities from the Compliance Registry that no longer meet the relevant criteria.

~~Section IV — additional criteria for joint Registration. Joint Registration criteria may be used by joint action agencies, generation and transmission cooperatives and other entities which agree upon a clear division of compliance responsibility for Reliability Standards by written agreement. Rules pertaining to joint Registration and Joint Registration Organizations, as well as Coordinated Functional Registrations, are now found in Sections 501, 507 and 508 of the NERC Rules of Procedure.~~

Application

Entities that ~~use,~~ own, ~~or~~ operate or use Elements of the ~~Bulk Electric System (~~BES~~)~~, as~~,~~ the~~at~~ term is defined in the NERC Glossary of Terms adopted by the Commission from time to time, ~~. established by NERC's approved definition of BES below~~ are (i) owners, operators~~,~~ and users of the ~~BPS~~ BES and (ii) candidates for Registration.~~:~~

~~*"Bulk Electric System" or "BES" means unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy.*~~

~~**Inclusions:**~~

- ~~***I1 - Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.***~~
- ~~***I2 - Generating resource(s) including the generator terminals through the high-side of the step-up transformer(s) connected at a voltage of 100 kV or above with:***~~
  - ~~*a) Gross individual nameplate rating greater than 20 MVA. Or,*~~
  - ~~*b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.*~~
- ~~***I3 - Blackstart Resources identified in the Transmission Operator's restoration plan.***~~
- ~~***I4 - Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are:***~~
  - ~~*a) The individual resources, and*~~

~~*b) The system designed primarily for delivering capacity from the point where those resources aggregate to a greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.*~~

- ~~***I5*** *- Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high-side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion I1 unless excluded by application of Exclusion E4.*~~

~~**Exclusions:**~~

- ~~***E1*** *- Radial systems: A group of contiguous transmission Elements that emanates from a single point of connection of 100 kV or higher and:*~~

  ~~*a) Only serves Load. Or,*~~

  ~~*b) Only includes generation resources, not identified in Inclusions I2, I3, or I4, with an aggregate capacity less than or equal to 75 MVA (gross nameplate rating). Or,*~~

  ~~*c) Where the radial system serves Load and includes generation resources, not identified in Inclusions I2, I3 or I4, with an aggregate capacity of non-retail generation less than or equal to75 MVA (gross nameplate rating).*~~

  ~~*Note 1 – A normally open switching device between radial systems, as depicted on prints or one-line diagrams for example, does not affect this exclusion.*~~

  ~~*Note 2 – The presence of a contiguous loop operated at a voltage level of 50 kV or less, between configurations being considered as radial systems, does not affect this exclusion.*~~

- ~~***E2*** *- A generating unit or multiple generating units on the customer's side of the retail meter that serve all or part of the retail Load with electric energy if: (i) the net capacity provided to the BES does not exceed 75 MVA, and (ii) standby, back-up, and maintenance power services are provided to the generating unit or multiple generating units or to the retail Load by a Balancing Authority, or provided pursuant to a binding obligation with a Generator Owner or Generator Operator, or under terms approved by the applicable regulatory authority.*~~

- ~~***E3*** *- Local networks (LN): A group of contiguous transmission Elements operated at less than 300 kV that distribute power to Load rather than transfer bulk power across the interconnected system. LN's emanate from multiple points of connection at 100 kV or higher to improve the level of service to retail customers and not to accommodate bulk power transfer across the interconnected system. The LN is characterized by all of the following:*~~

  ~~*a) Limits on connected generation: The LN and its underlying Elements do not include generation resources identified in Inclusions I2, I3, or I4 and do not have an aggregate capacity of non-retail generation greater than 75 MVA (gross nameplate rating);*~~

  ~~*b) Real Power flows only into the LN and the LN does not transfer energy originating outside the LN*~~

  ~~*for delivery through the LN; and*~~

  ~~*c) Not part of a Flowgate or transfer path: The LN does not contain any part of a permanent Flowgate in the Eastern Interconnection, a major transfer path within the Western*~~

~~*Interconnection, or a comparable monitored Facility in the ERCOT or Quebec Interconnections, and is not a monitored Facility included in an Interconnection Reliability Operating Limit (IROL).*~~

- ~~***E4** - Reactive Power devices installed for the sole benefit of a retail customer(s).*~~

Note: ~~–~~ Elements may be included or excluded from the BES definition on a case-by-case basis ~~through the Rules of Procedure exception process.~~ as determined by the Commission.

Functional Types

~~II.~~ Entities identified in ~~Section I~~the Application subsection above will be categorized as Registration candidates who may be subject to Registration under one or more appropriate functional Entity types based on a comparison of the functions the Entity normally performs against the following function types as defined in the NERC Glossary of Terms adopted by the Commission from time to time. ~~definitions~~[5] The responsibilities associated with particular functions are specified by the individual mandatory Reliability Standards in BC.

Function Type	Acronym	~~Definition/ Discussion~~
Balancing Authority	BA	~~The responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real-time.~~

[5] ~~Exclusion: An entity will not be registered based on these criteria if responsibilities for compliance with approved NERC Reliability Standards or associated Requirements including reporting have been transferred by written agreement to another entity that has registered for the appropriate function for the transferred responsibilities, including bilateral agreements and Sections 501, 507 and 508 of the NERC Rules of Procedure.~~

Distribution Provider	DP	~~Provides and operates the "wires" between the transmission system and the end-use customer. For those end-use customers who are served at transmission voltages, the Transmission Owner also serves as the Distribution Provider. Thus, the Distribution Provider is not defined by a specific voltage, but rather as performing the distribution function at any voltage.~~ ~~Note: As provided in Section III.b.1 and Note 5 below, a Distribution Provider entity shall be an Underfrequency Load Shedding (UFLS)-Only Distribution Provider if it is the responsible entity that owns, controls or operates UFLS Protection System(s) needed to implement a required UFLS program designed for the protection of the BES, but does not meet any of the other registration criteria for a Distribution Provider.~~
Generator Operator	GOP	~~The entity that operates generating Facility(ies)and performs the functions of supplying energy and Interconnected Operations Services.~~
Generator Owner	GO	~~Entity that owns and maintains generating Facility(ies).~~
~~Planning Authority/~~ Planning Coordinator	~~PA/~~PC	~~The responsible entity that coordinates and integrates transmission Facilities and service plans, resource plans, and Protection Systems.~~
Reliability Coordinator	RC	~~The entity that is the highest level of authority who is responsible for the Reliable Operation of the BES, has the Wide Area view of the BES, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.~~

~~Reserve Sharing Group~~	~~RSG~~	~~A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority's use in recovering from contingencies within the group. Scheduling energy from an Adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker, (e.g., between zero and ten minutes), then, for the purposes of disturbance control performance, the areas become a Reserve Sharing Group.~~
Resource Planner	RP	~~The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific Loads (customer demand and energy requirements) within a Planning Authority area.~~
Transmission Owner	TO	~~The entity that owns and maintains transmission Facilities.~~
Transmission Operator	TOP	~~The entity responsible for the reliability of its local transmission system and operates or directs the operations of the transmission Facilities.~~
Transmission Planner	TP	~~The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority area.~~
Transmission Service Provider	TSP	~~The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.~~

Registration of Distribution Providers

~~III.~~ Except as provided in ~~Section V and~~ the Notes to the Criteria in Section 2.1.3 below, Entities identified in ~~Section~~ the Functional Types subsection~~II~~ above as being subject to Registration as a Distribution Provider should be included in the Compliance Registry for these functions only if they meet any of the criteria listed below:

(a) ~~III~~Distribution Provider:

~~III.~~a.1 Distribution Provider system serving >75 MW of peak Load that is directly connected to the BES,[6] or

~~III.~~a.2 Distribution Provider is the responsible Entity that owns, controls, or operates Facilities that are part of any of the following Protection Systems or programs designed, installed, and operated for the protection of the BES:[7]

- a required Undervoltage Load Shedding (UVLS) program and/or
- a required Special Protection System or Remedial Action Scheme and/or
- a required transmission Protection System; or

~~III.a.3 Distribution Provider that is responsible for providing services related to Nuclear Plant Interface Requirements (NPIRs) pursuant to an executed agreement; or~~

~~III.~~a.3~~4~~ Distribution Provider with field switching personnel identified as performing unique tasks associated with the Transmission Operator's restoration plan that are outside of their normal tasks.

~~III~~(b) Distribution Provider with UFLS-Only assets (referred to as "UFLS-Only Distribution Provider").

~~III.~~b.1 UFLS-Only Distribution Provider does not meet any of the other registration criteria in ~~Sections 2.3(~~a~~)(~~.1~~)~~ ~~(~~a.~~4~~3~~)~~ above for a Distribution Provider; and

~~III.~~b.2 UFLS-Only Distribution Provider is the responsible Entity that owns, controls, or operates UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES.

~~*The Reliability Standards applicable to UFLS-Only Distribution Providers are: (1) PRC-005[8], PRC-006-1, PRC-006-2 and (2) any regional Reliability Standard whose purpose is to develop or establish a UFLS Program [PRC-006-NPCC-1 and PRC-006-SERC-01].*~~ *Reliability Standards in BC that apply to Distribution Providers will not apply to UFLS-Only Distribution Providers, unless explicitly stated in the applicability section of these Reliability Standards and in future revisions and/or versions.*

~~IV. Joint Registration Organization, Coordinated Functional Registration and applicable Member Registration.~~

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[6] Ownership, control or operation of UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES does not affect an entity's eligibility for registration pursuant to ~~III~~ subsection Registration of Distribution Providers point ~~.~~a.1.

[7] As used in subsection Registration of Distribution Providers point ~~Section III.~~a.2, "protection of the Bulk Electric System" means protection to prevent instability, Cascading, or uncontrolled separation of the BES and not for local voltage issues (UVLS) or local line loading management (Special Protection System) that are demonstrated to be contained within a local area.

~~[8] Four versions of PRC-005 are currently in various stages of Commission FERC approval and standard development. For the period that each is in effect, PRC-005-2(ii), PRC-005-3(i), PRC-005-3(ii), PRC-005-4, PRC-005-5, and PRC-005-6 will apply to an entity included on the NCR as a UFLS-Only Distribution Provider during that period.~~

~~Pursuant to FERC's directive in paragraph 107 of Order No. 693, NERC's rules pertaining to joint Registrations and Joint Registration Organizations, as well as Coordinated Functional Registrations, are now found in Section 501, 507 and 508 of the NERC Rules of Procedure.~~

~~V. If NERC or a Regional Entity encounters an organization that is not listed in the Compliance Registry, but which should be subject to the Reliability Standards, NERC or the Regional Entity is obligated and will initiate actions to add that organization to the Compliance Registry, subject to that organization's right to challenge as provided in Section 500 of NERC's Rules of Procedure and as described in Note 3 below.~~

~~2.1.2~~2.1.3 Notes to the Registry Criteria ~~in sections I-V~~

1. The above are general criteria only. The ~~Regional Entity~~Commission considering Registration of an ~~organization~~ Entity not meeting ~~(e.g., smaller in size than)~~ the criteria (e.g., smaller in size than) may propose Registration of that ~~organization~~ Entity if the ~~Regional Entity~~Commission believes and can reasonably demonstrate[9] that the ~~organization~~ Entity is a BES owner, or operates~~,~~ or uses BES assets, and is material to the reliability of the BES. ~~-~~Similarly, the ~~Regional Entity~~Commission may exclude an ~~organization~~ Entity that meets the criteria described above as a candidate for Registration if it believes ~~and can reasonably demonstrate to NERC~~ that the BES owner, operator~~,~~ or user does not have a material impact on the reliability of the BES. ~~Such decisions must be made in accordance with Section V of Appendix 5A to the NERC Rules of Procedure.~~ In order to ensure a consistent approach to assessing materiality, a non-exclusive set of factors (~~"~~materiality test~~"~~) for consideration is identified below; however, only a sub-set of these factors may be applicable to particular functional registration categories:

    a. Is the Entity specifically identified in the emergency operation plans and/or restoration plans of an associated Reliability Coordinator, Balancing Authority, Generator Operator or Transmission Operator?

    b. Will intentional or inadvertent removal of an Element owned or operated by the Entity, or a common mode failure of two Elements as identified in the Reliability Standards in BC (for example, loss of two Elements as a result of a breaker failure), lead to a reliability issue on another Entity's system (such as a neighboring Entity's Element exceeding an applicable rating, or loss of non-consequential load due to a single contingency). Conversely, will such contingencies on a neighboring Entity's system result in Reliability Standards issues on the system of the Entity in question?

    c. Can the normal operation, misoperation or malicious use of the Entity's cyber assets cause a detrimental impact (e.g., by limiting the operational alternatives) on the operational reliability of an associated Balancing Authority, Generator Operator or Transmission Operator?

[9] The reasonableness of any such demonstration will be subject to review and remand by ~~NERC~~ the Commission itself~~, or by any Applicable Governmental Authority~~, as applicable.

d. Can the normal operation, m~~M~~isoperation or malicious use of the ~~e~~Entity's Protection Systems (including UFLS, UVLS, Special Protection System, Remedial Action Schemes and other Protection Systems protecting BES Facilities) cause an adverse impact on the operational reliability of any associated Balancing Authority, Generator Operator or Transmission Operator, or the automatic load shedding programs of a PC or TP (UFLS, UVLS)?

~~2.~~ An ~~organization~~Entity not identified using the criteria, but wishing to be registered, may request that it be registered. ~~For further information refer to: NERC Rules of Procedure, Section 500 – Organization Registration and Certification; Part 1.3.~~

~~3.~~2. ~~3.An organization may challenge its Registration within the Compliance Registry. NERC or the Regional Entity will provide the organization with all information necessary to timely challenge that determination including notice of the deadline for contesting the determination and the relevant procedures to be followed as described in the NERC Rules of Procedure; Section 500 – Organization Registration and Certification.~~

~~4.~~ ~~4.~~If an Entity is part of a class of Entities excluded based on any of the criteria above as individually being unlikely to have a material impact on the reliability of the BES, but that in aggregate have ~~been~~ demonstrated to have such an impact it may be registered for applicable Reliability Standards in BC ~~and Requirements~~ irrespective of other considerations, in accordance with laws, regulations and orders of the Commission ~~of an Applicable Governmental Authority~~.

~~5.NERC may limit the compliance obligations of a given entity registered for a particular function or similarly situated class of entities, as warranted based on the particular facts and circumstances, to a sub-set list of Reliability Standards (which may specify Requirements/sub-Requirements).~~

2.2 Registration process

The Registration process is as follows:

a. An Entity submits a completed Application to the Administrator within thirty (30) days of the time the Entity begins carrying out one or more of the functions listed above.

   i. Application forms and materials pertinent to Registration are available on the Administrator's website with appropriate links from the Commission's website.

   ii. If the Commission, or the Administrator, becomes aware of an Entity's failure to apply for Registration, the Commission, or the Administrator, will contact the Entity and provide the Entity with a specific time period to submit a completed Application.

   iii. If an Entity fails to meet the deadline, the Administrator may complete the Application on the Entity's behalf and provide a copy of the Application to the Entity.

b. The Administrator will review the Application. The Administrator will inform the Entity if it believes any of the Information contained in, or supporting, the Application is inaccurate or incomplete, and may request corrected or additional Information or a new Application. The Administrator will then make a

recommendation as to whether the Entity should be registered for particular function(s). A copy of the recommendation will be sent to the Entity and the Commission.

c. The Entity may file with the Commission a response to the recommendation within twenty-one (21) days of the date of the recommendation.

d. The Commission may consider whether additional process or information is required and will then determine whether an Entity should be registered for particular function(s).

2.3 Change in circumstances

An Entity must notify the Administrator in writing of any change in circumstances that affect the Entity's Registration. Such notification must detail the particular changes, provide the date of those changes and describe how those changes affect the Entity's Registration, and be provided to the Administrator, within sixty (60) days of the change in circumstances. The Administrator will review the change in circumstance and make a recommendation to the Commission with a copy to the Entity as to whether the Entity's Registration should be revised. Such revisions to Registration could include among other things, changes to the functions for which an Entity is registered, Entity deregistration, or Entity name change. The Entity may file with the Commission a response to the recommendation within twenty-one (21) days of the date of the recommendation. The Commission may consider whether additional process or information is required and will then determine the proper Registration for the Entity.

2.4 Maintenance and publication

The Administrator will maintain a list of registered Entities and their respective registered functions. The list will be available electronically on the Administrator's website, updated monthly, with appropriate links from the Commission's website.

3.0 ASSIGNMENT OF COMPLIANCE RESPONSIBILITY

3.1 Assignment in writing

An Entity identified as a Load-Serving Entity, Distribution Provider, Generator Owner, Generator Operator, Transmission Owner or Transmission Operator will be considered to be in compliance with a requirement of a Reliability Standard if the Entity has, by valid written notice, transferred responsibility for compliance for that requirement, including reporting, to another Entity that is registered for the same function. Compliance responsibility means that the organization assuming responsibility is responsible for ensuring compliance with a Reliability Standard and that the organization is liable for any failure to comply. In order for compliance responsibility to be effectively transferred, the Entity assuming any responsibility must affirmatively state, in writing, that it accepts such responsibility from the delegating entity.

3.2 Notice of assignment

Any assignment of responsibility for compliance with a Reliability Standard requires a valid written notice of assignment be sent to the Commission and the Administrator.

The Administrator will review the notice of assignment and submit a recommendation to the Commission for Registration changes due to the assignment.

3.3 Notice of assignment requirements

The notice of assignment must transfer full responsibility for compliance with the requirement(s) or the function, including reporting, to another Entity that is registered for the same function to which the requirement(s) applies. Assignments must specifically list the responsibility or responsibilities that are being transferred, must affirmatively state which Entity is assuming responsibility for which requirement or function, and must include the date compliance responsibilities are transferred. An Entity that has transferred total compliance responsibility for a function(s) to another Entity will remain recognized as fulfilling the function(s) but will be identified as having assigned compliance responsibility for the function(s) to the other Entity.

3.4 Delegation without assignment

If an Entity delegates a task within a function or functions to another Entity without satisfying the requirements for assignment in writing in sections 3.4, the Entity will be considered to have simply delegated a task, and will continue to be responsible for compliance with the applicable standards.

COMPLIANCE MONITORING PROGRAM FOR BC MANDATORY RELIABILITY STANDARDS

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1.0 INTRODUCTION

The purpose of the Compliance Monitoring Program is to monitor and assess compliance with Reliability Standards. This is accomplished through the nine (9) compliance monitoring processes outlined in section 2.0. Any Possible or Alleged Violation reported by an Entity or identified by the Administrator following a compliance monitoring process will be subject to the violation review process as outlined in section 4.0.

Compliance monitoring will focus on Entities and their respective registered function(s). However, the Commission retains discretion to extend monitoring activities to Entities that have not registered. For example, the Commission may request information from an Entity if it appears the Entity should be registered for a function it is not registered for.

2.0 COMPLIANCE MONITORING

2.1 Compliance Audits

The Administrator will perform Compliance Audit activities in a manner consistent with the audit schedule as approved in the Implementation Plan. The Administrator may employ Audit Guidelines to facilitate the Compliance Audit process.

2.1.1 Applicability: All Entities are subject to Compliance Audits for all applicable Reliability Standards.

2.1.2 Audit cycle: The Administrator will schedule a Compliance Audit of every Entity registered as a Balancing Authority and/or Transmission Operator every three (3) years, unless otherwise ordered by the Commission. All other Entities will be subject to on-site or off-site Compliance Audits as approved by the Commission.

2.1.3 Notice to Entities: Prior to January 1 of each year, the Administrator will notify Entities subject to Compliance Audits during the upcoming year of: (i) the audit schedules; (ii) audit methods; and (iii) Information requirements for the Compliance Audit. The Administrator will give due consideration to any schedule changes requested by Entities to avoid unnecessary burdens. The Administrator will provide additional Information to the Compliance Audit Participants, including audit materials, coordinating agendas and changes to the audit schedule as required. Entities will be notified in a timely manner (normally ninety (90) days in advance) of changes or revisions to their scheduled Compliance Audit dates. The Administrator will issue a detailed audit notice ninety (90) days prior to the scheduled Compliance Audit, to inform the Entity of Information required for the audit in the form of a pre-audit questionnaire and will specify the dates by which the Entity must provide the requested Information, and any specific format required.

2.1.4 Unscheduled Compliance Audit: The Commission may, in its discretion, authorize an Unscheduled Compliance Audit of any Entity at any time. The Commission may, in its discretion, direct the scope and content of an Unscheduled Compliance Audit. The Administrator will provide the Entity with at least ten (10) business days advance notice of an Unscheduled Compliance Audit. The notice must identify the Compliance Audit Team members and their recent employment history, and specify the Information required for the audit, including a completed pre-audit questionnaire and the dates by which the Entity must provide the requested Information, and any specific format.

2.1.5 Compliance Audit scope: A Compliance Audit generally encompasses the period of three years preceding the start of the Compliance Audit and may not go back beyond the completion date of the Entity's last Compliance Audit. The Compliance Audit includes an audit of compliance with all Reliability Standards applicable to the Entity and listed as actively monitored in the current Implementation Plan. The Commission may request the Administrator to alter the scope of the Compliance Audit to include specific Reliability Standards applicable to the Entity. The Administrator may also expand the scope of the audit in the course of the Compliance Audit where the Compliance Audit Team considers it to be appropriate. If the Compliance Provisions accompanying a Reliability Standard do not require retention of Information for the full period of the Compliance Audit, the Compliance Audit is applicable to the Information retention period specified in the Compliance Provisions accompanying a Reliability Standard.

2.1.6 Process: The process steps for a Compliance Audit are as follows:

1. At least ninety (90) days prior to commencement of a scheduled Compliance Audit, the Administrator will notify the Entity of the Compliance Audit, identify the Compliance Audit Team members and their recent employment history, and request Information, including a completed pre-audit questionnaire.
2. The Entity may object to the composition of the Compliance Audit Team. Such objections must be provided in writing to the Administrator, no later than fifteen (15) days prior to the start of off-site or on-site audit work. This fifteen (15) day requirement does not apply: (i) where a Compliance Audit Team member has been appointed less than twenty (20) days prior to the start of on-site audit work, in which case the Entity must provide any objections to the Administrator within five (5) business days after receiving notice of the appointment of the Compliance Audit Team member; or (ii) in the case of an Unscheduled Compliance Audit, in which case the Entity must provide any objections to the Administrator, at least five (5) business days prior to the start of on-site audit work for the Unscheduled Compliance Audit. The Administrator will attempt to resolve any dispute over the composition of the Compliance Audit Team informally with the Entity. If the Administrator does not agree with the objection and cannot resolve the issue informally, the Entity may request a

determination by the Commission by filing a written request with the Commission no later than two (2) days after receiving notification from the Administrator that the Administrator does not agree with the objection.

3. At the time of the Compliance Audit, the Entity will provide to the Compliance Audit Team the required Information in the format specified in the request.
4. The Compliance Audit Team will prepare a draft Compliance Audit Report and provide a copy to the Entity within thirty (30) days of completion of the Compliance Audit.
5. After the Entity receives a copy of the draft Compliance Audit Report, the Entity has thirty (30) days to provide comments on the draft Compliance Audit Report to the Compliance Audit Team.
6. The Compliance Audit Team will consider the Entity's comments and, if necessary, make revisions to the draft Compliance Audit Report. Within thirty (30) days of receiving comments from the Entity, the Compliance Audit Team will provide the final Audit Report to the Administrator. The Commission may consider an extension to the timeline upon request.
7. The Administrator will finalize a confidential Compliance Audit Report for the Commission and the Entity, which should generally take no more than ninety (90) days from the end of the Compliance Audit.
8. Unless the Commission orders otherwise, the Compliance Audit Report will remain confidential.
9. If the Compliance Audit Report identifies a Possible Violation, the Possible Violation will be reviewed according to the violation review process in section 4.0. If the Administrator identifies an Alleged Violation, it may, and if directed by the Commission will, provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.

2.1.7 Duration of process: The Compliance Audit process normally concludes with the issuance of the Compliance Audit Report, within ninety (90) days of the completion of the on-site or off-site audit work by the Compliance Audit Team, but may take longer if a Possible Violation is identified.

2.2 Self-Certification

The Administrator will develop a Self-Certification program within the annual Implementation Plan for approval by the Commission. The Self-Certification program will include a Self-Certification reporting schedule and Self-Certification documentation.

2.2.1 Applicability: All Entities are required to self-certify their compliance with applicable Reliability Standards at the times specified in a Commission-approved Self-Certification

reporting schedule. The Administrator will implement and maintain a Self-Certification program, including a Self-Certification reporting schedule and required documentation, to be included in the annual Implementation Plan.

2.2.2 Process: The process steps for Self-Certification process are as follows:

1. The Commission will approve a Self-Certification reporting schedule which is part of the annual Implementation Plan and identifies a submittal period for Self-Certifications each year.
2. Upon approval by the Commission, the Administrator will post the Self-Certification reporting schedule on its website and provide notice of the Self-Certification reporting schedule (normally within thirty (30) days) to the Entities.
3. Each Entity will provide Attestation to the Administrator within the timeline set forth and approved in the Self-Certification submittal period.
4. The Administrator will review the Information and may request additional Information or clarification from each Entity as necessary.
5. If the Self-Certification Process identifies a Possible Violation, the Possible Violation will be reviewed according to the violation review process in section 4.0.If the Administrator identifies an Alleged Violation, it will provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.

2.2.3 Duration of process: The Self-Certification process normally concludes within ninety (90) days from the time the Entity provides an Attestation, but may take longer if a Possible Violation is identified.

2.2.4 Self-Certification implications for future Violations: If a Self-Certification accurately identifies a violation of a Reliability Standard, an identification of the same violation in a subsequent Compliance Audit or Spot Check will not give rise to an additional Confirmed Violation unless the severity of the subsequent violation is found to be greater than reported by the Entity in the Self-Certification.

2.3 Spot -Checks

The Administrator may, and at the direction of the Commission will, conduct Spot -Checks.

2.3.1 Applicability: All Entities are subject to Spot -Checks for applicable Reliability Standards.

2.3.2 Scope and purpose of Spot -Checks: Spot- Checks may be initiated at any time to verify compliance. An Unscheduled Compliance Audit may be initiated as necessary, pursuant to section 2.1.4.

2.3.3 Process: The process steps for Spot Checks are as follows:

1. The Administrator will provide twenty (20) days advance notice to the Entity, with a copy to the Commission, that a Spot Check will be performed. The notice will provide the reason for the Spot Check, along with the date the Entity is to submit or otherwise make any required Information available to the Administrator. The Entity may object to the composition of the Spot Check Team. Such objections must be provided in writing to the Administrator as soon as possible in consideration of the short notice period generally provided in a Spot Check situation.
2. The Spot Check may require an on-site review.
3. The Entity will provide required Information to the Administrator in the format specified in the request.
4. The Administrator will review the Information and may request the Entity to provide clarification or additional Information.
5. The Administrator will review with the Entity its draft assessment of the Entity's compliance, and provide an opportunity for the Entity to comment on the draft assessment.
6. The Administrator will complete the assessment of the Entity and provide a report to the Commission and the Entity indicating the results of the Spot Check.
7. If the Spot Check process identifies a Possible Violation, the Possible Violation will be reviewed according to the violation review process in section 4.0. If the Administrator identifies an Alleged Violation it will provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.
8. Unless the Commission orders otherwise, the Spot Check Report will remain confidential.

2.3.4 Duration of process: The Spot Check process normally concludes with the issuance of the Spot Check Report within ninety (90) days from the time the Entity first provides Information to the Administrator, but may take longer if a Possible Violation is identified.

2.4 Compliance Violation Investigations

The Administrator will, with the approval of the Commission, conduct Compliance Violation Investigations. A Compliance Violation Investigation may alternatively be in the form of a Spot Check or an Unscheduled Compliance Audit.

2.4.1 Applicability: All Entities are subject to Compliance Violation Investigations for applicable Reliability Standards.

2.4.2 Scope and purpose of Compliance Violation Investigation: The Commission, or the Administrator, may initiate a Compliance Violation Investigation at any time in response to a system disturbance, Complaint, or Possible Violation of a Reliability Standard identified by any other means. Compliance Violation Investigations are a separate process from Compliance Audits.

2.4.3 Process: The process steps for a Compliance Violation Investigation are as follows:

1. If the Commission, or the Administrator, is notified or becomes aware of circumstances indicating a Possible Violation of a Reliability Standard and considers that a Compliance Violation Investigation is warranted, then the Administrator will notify the Entity of a decision to initiate a Compliance Violation Investigation.
2. Once advised of a Compliance Violation Investigation, the Entity will preserve all Information relevant to the Compliance Violation Investigation.
3. The Administrator will request Information from the Entity and provide to the Entity a list of individuals on the Compliance Investigation Team and their recent employment history. If the Compliance Provisions accompanying a Reliability Standard do not specify the advance notice period, the request and notification will be issued with no less than twenty (20) days advance notice.
4. Within ten (10) business days of receiving the notification of a Compliance Violation Investigation, an Entity subject to a Compliance Violation Investigation may object to any member of the Compliance Investigation Team on the grounds of a conflict of interest or the existence of other circumstances that could interfere with the Compliance Investigation Team member's impartial performance of his or her duties. Such objections must be provided in writing to the Administrator. The Administrator will attempt to resolve any dispute over the composition of the Compliance Investigation Team informally with the Entity. If the Administrator does not agree with the objection and cannot resolve the issue informally, the Entity may request a determination by the Commission by filing a written request with the Commission no later than two (2) days after receiving notification from the Administrator that the Administrator does not agree with the objection.
5. If necessary, the Compliance Violation Investigation may include an on-site visit with interviews of the appropriate personnel and review of Information.
6. The Entity will provide the required Information to the Compliance Investigation Team in the format as specified in the request.

7. The Compliance Investigation Team will review Information from the Entity, and may request additional Information if necessary for a complete assessment.
8. The Compliance Investigation Team will prepare a draft Compliance Investigation Report and provide a copy to the Entity within thirty (30) days of completion of the Compliance Investigation.
9. After the Entity receives a copy of the draft Compliance Investigation Report, the Entity has thirty (30) days to provide comments on the draft Compliance Investigation Report to the Compliance Investigation Team.
10. The Compliance Investigation Team will consider the Entity's comments and, if necessary, make revisions to the draft Compliance Investigation Report. Within thirty (30) days of receiving comments from the Entity, the Compliance Investigation Team will provide the final Compliance Investigation Report to the Administrator. The Commission may consider an extension to the timeline upon request.
11. The Administrator will finalize a confidential Compliance Investigation Report for the Commission and the Entity, which should generally take no more than 120 days from the end of the Compliance Investigation.
12. Unless the Commission orders otherwise, the Compliance Investigation Report will remain confidential.
13. If the Compliance Violation Investigation identifies a Possible Violation, the Possible Violation will be reviewed according to the violation review process in section 4.0. If the Administrator identifies an Alleged Violation, it may, and if directed by the Commission will, provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.

2.4.4 Duration of process: The Compliance Violation Investigation process normally concludes with the issuance of the Compliance Investigation Report within one hundred and twenty (120) days from the time notice of the Compliance Violation Investigation, but may take longer if a Possible Violation is identified.

2.5 Self-Reports

The Administrator will receive and process Self-Reports by Entities.

2.5.1 Applicability: All Entities are encouraged to Self-Report, but are not obligated to do so.

2.5.2 Scope and purpose of a Self-Report: An Entity is encouraged to Self-Report a Possible Violation as soon as it becomes aware of: (i) a Possible Violation of a Reliability Standard, or (ii) a change in the nature or severity of a previous Confirmed Violation.

2.5.3 Process: The process steps for submitting a Self-Report are as follows:

1. The Administrator will make the Self-Report submittal forms available on the Administrator's Electronic System(s).
2. The Entity will provide the Self-Report Information to the Administrator electronically.
3. The Administrator will review the Information and may request the Entity to provide clarification or additional Information.
4. The Administrator will complete the review of the Self-Report, including a review of any Mitigation Plan, and will notify the Entity of the results.
5. If a Self-Report identifies a Possible Violation, the Possible Violation will be reviewed according to the violation review process in section 4.0. If the Administrator identifies an Alleged Violation it will provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.

2.5.4 Duration of process: The Self-Report process normally concludes within ninety (90) days from the time the Entity first provides Self-Reporting Information, but may take longer if a Possible Violation is identified.

2.6 Periodic Data Submittals

The Administrator will implement and maintain the Periodic Data Submittal process as part of the annual Implementation Plan approved by the Commission.

2.6.1 Applicability: Periodic Data Submittals are required for all Entities with respect to applicable Reliability Standards.

2.6.2 Scope and frequency of Periodic Data Submittals: The timing of Periodic Data Submittals is determined in accordance with the schedule: (i) stated in the Compliance Provisions accompanying the applicable Reliability Standard; (ii) in the Implementation Plan; or (iii) as otherwise directed by the Commission.

2.6.3 Process: The process steps for Periodic Data Submittals are as follows:

1. The Commission will approve specific requirements for Periodic Data Submittals unless a schedule is already specified in the Compliance Provisions accompanying the applicable Reliability Standard.
2. The Administrator will post the current Periodic Data Submittal schedule on its web site. The Administrator will keep Entities informed of changes and/or updates by delivering notice to Entities.

3. The Administrator will issue a request to the Entity for a Periodic Data Submittal in accordance with the Commission-approved schedule for Periodic Data Submittal, as contained in the annual Implementation Plan. Requests for Periodic Data Submittals will be issued by the Administrator to Entities with at least the minimum advance notice period specified by the applicable Reliability Standard. If the Compliance Provisions accompanying the applicable Reliability Standard do not specify an advance notice period, the request will be issued with no less than twenty (20) days advance notice.
4. The Entity will provide the requested Information to the Administrator in the format as specified in the request.
5. The Administrator will review with the Entity the Information and may request the Entity to provide clarification or additional Information.
6. The Administrator will complete its assessment of the Entity for compliance with the Reliability Standard and will notify the Entity of its assessment.
7. If the Periodic Data Submittal process identifies a Possible Violation, it will be reviewed according to the violation review process in section 4.0. If the Administrator identifies an Alleged Violation, it will, provide the Commission and the Entity with a Notice of Alleged Violation and the process proceeds as set out in section 4.3.

2.6.4 Duration of process: The Periodic Data Submittal process normally concludes within ten (10) days from the time the Entity first provides the Information, but may take longer if a Possible Violation is identified.

2.7 Remedial Action Directive

2.7.1 The Commission may, in its sole discretion, issue a Remedial Action Directive pursuant to section 72 and section 73 of the UCA to protect the reliability of the Bulk Power System.

2.7.2 A Remedial Action Directive may include, but is not limited to, any of the following: specifying operating or planning criteria, limits, or limitations; requiring specific system studies; defining operating practices or guidelines; requiring confirmation of Information, practices, or procedures through inspection testing or other methods; requiring specific training for personnel; requiring development of specific operating plans; directing an Entity to develop and comply with a Mitigation Plan; imposing increased auditing or additional training requirements; requiring an Entity to cease an activity that may constitute a violation of a Reliability Standard.

2.7.3 The Administrator may recommend the Commission issue a Remedial Action Directive to protect the reliability of the Bulk Power System from an imminent threat. As part of the recommendation, the Administrator will:

i. Identify Possible, Alleged, or Confirmed Violations of Reliability Standard(s) where appropriate;

ii. Include an analysis of the need for a Remedial Action Directive and the implications of not issuing a Remedial Action Directive;

iii. Include an analysis of the urgency, and in particular why the normal compliance monitoring processes and a Mitigation Plan are insufficient to address the Possible Violation, Alleged Violation or Confirmed Violation;

iv. Confirm that, prior to recommending a Remedial Action Directive, they have consulted the Reliability Coordinator on behalf of the Entity, to ensure that a Remedial Action Directive, if directed, would not be in conflict with directives issued by the Reliability Coordinator;

v. Recommend a deadline for compliance with Reliability Standard(s);

vi. Include an analysis of whether a Remedial Action Directive obviates the need for a Mitigation Plan; and

vii. Provide a draft of the Remedial Action Directive to the Commission with a copy to the Entity.

viii. If the Entity opposes the RAD, the Commission will hold an expedited hearing.

Following the issuance of a Remedial Action Directive by the Commission, the Administrator shall complete the assessment of the Entity's compliance with the Remedial Action Directive. The Administrator shall maintain a record for each Remedial Action Directive as per the record keeping requirements for a Mitigation Plan.

If, based on facts and circumstances, the Administrator observes that an Entity is not complying with a Remedial Action Directive or is not in compliance with the applicable Reliability Standard(s) following completion of the Remedial Action Directive, the Administrator shall notify the Commission.

Such notice shall:

i. Identify the possible deviation from the Remedial Action Directive or Reliability Standard(s); and

ii. Include an analysis of the implications of non-compliance with the Remedial Action Directive or Reliability Standard(s).

2.8 Complaints

All complaints are to be filed with the Commission. The Commission, or the Administrator, will conduct any further investigative activities following receipt of a Complaint.

2.8.1 Applicability: All Entities are subject to the Complaints process for applicable Reliability Standards.

2.8.2 Scope and purpose of Complaints process: The Commission will review Complaints alleging violations of a Reliability Standard.

2.8.3 Process: The process steps for the Complaints process are as follows:

1. Complainants will submit Complaints to the Commission. The Complaint should include sufficient Information to enable the Commission to make an assessment of whether the initiation of a Compliance Violation Investigation is warranted. The Commission may determine not to act on a Complaint if the Complaint is incomplete and does not include sufficient Information.
2. The Commission will determine based on a review of the Complaint, and any other Information within the Commission's possession, whether a Compliance Violation Investigation under section 2.4 is warranted.
3. If the Commission determines that a Compliance Violation Investigation is warranted, then it will direct the Administrator to initiate the Compliance Violation Investigation in accordance with section 2.4.
4. If the Commission determines that a Compliance Violation Investigation is not warranted, then it will notify the complainant and the Entity that no further action will be taken.

2.8.4 Duration of process: The Complaints process normally concludes within sixty (60) days from the time a Complaint is submitted to the Commission, but may take longer if Compliance Violation Investigation appears warranted.

2.8.5 Confidentiality: Complaints are treated as confidential.

2.9 Reserve Sharing

2.9.1 Proof of Compliance: An Entity will be considered to be in compliance with a requirement of a Reliability Standard to hold reserves if the Entity has arranged for provision of reserves as a member of a reserve sharing group that has registered with WECC. The Commission may require an Entity to file details of the reserve sharing arrangement electronically. The Commission may also require confirmation from WECC, by means of information obtained by WECC through its United States compliance monitoring activities related to the reserve sharing group, that the Entity has complied with its reserve sharing obligations under such reserve sharing arrangement.

3.0 ANNUAL IMPLEMENTATION PLAN AND AUDIT SCHEDULE

3.1 Implementation Plan

3.1.1 Submittal date: By November 1 of each year, the Administrator will propose an Implementation Plan for the following calendar year for Commission approval.

3.1.2 Scope and purpose of Implementation Plan: The Implementation Plan will:

1. Identify all Reliability Standards to be actively monitored in accordance with the monitoring processes outlined in section 2.0 during the upcoming calendar year, together with a schedule;
2. Identify other Reliability Standards proposed for active monitoring by the Administrator;
3. Identify the methods to be used by the Administrator for reporting, monitoring, evaluating, and assessing the performance criteria, including the measures, for each Reliability Standard;
4. Include an annual audit schedule;
5. Include a Self-Certification Schedule; and
6. Identify Periodic Data Submittal requirements.

3.1.3 Publication: Once approved by the Commission, the Implementation Plan will be available electronically and posted on the Administrator's website, with appropriate links from the Commission's website. Entities will be notified electronically that the Implementation Plan has been posted.

4.0 VIOLATION REVIEW PROCESS

4.1 Initial review

The Administrator will consider all evidence provided in conjunction with a possible noncompliance with a Reliability Standard and will proceed as follows, unless ordered otherwise by the Commission.

4.1.1 If the Administrator considers that there is no evidence to substantiate a Possible Violation, no further process applies and the Administrator will notify the Entity and the Commission that the Possible Violation is dismissed and no further action is required.

4.1.2 If the Administrator identifies a Possible Violation as one that may be processed under the BC Find, Fix, Track (FFT) Process, the Administrator will follow the BC FFT Process described in section 4.2.

4.1.3 If the Administrator identifies a Possible Violation as one that may not be processed under the BC FFT Process, the Administrator will follow the Alleged Violation Process in section 4.3.

4.1.4 If a Possible Violation has been identified and considered under one monitoring process, the Administrator will not review the same occurrence if it is subsequently identified as a Possible Violation under another monitoring process unless it appears that significant additional information is available. If significant additional information is available, the scope of a Possible Violation may be expanded.

4.2 BC Find, Fix, Track Process

The Commission may approve alterations to the BC FFT process if such alterations appear to present material benefits for furthering reliability objectives and promoting administrative efficiencies in the BC MRS Program. Alterations to the BC FFT Process may be included in the annual Implementation Plan or otherwise approved by the Commission.

4.2.1 The Administrator will perform an FFT review on a Possible Violation before considering following the Alleged Violation process.

4.2.2 Unless the Commission orders that other factors are to be considered, the Administrator will consider the following in performing an FFT review:

1. The underlying facts and circumstances (i.e., what happened, how, why, where and when);
2. The specific Reliability Standard(s) possibly violated;
3. Whether the Entity has mitigated or begun mitigation of the Possible Violation or not;
4. The Administrator's assessment of potential and actual level of risk to reliability, including mitigating factors during the period of noncompliance;
5. Information that the Administrator may have about the perceived strength of the Entity's compliance program, including preventive and corrective processes and procedures, internal controls and culture of compliance;
6. Information that the Administrator may have about the Entity's compliance record; and
7. Whether aggravating factors are present.

4.2.3 The Administrator will notify the Commission and the Entity in writing that it will follow the BC FFT Process. If, within thirty (30) days after that notice is sent, either: (a) the Commission directs the Administrator to proceed under any other process, or (b) the Entity provides a written request to the Administrator, with a copy to the Commission,

requesting that the Alleged Violation process be followed instead, then the Administrator will instead follow the Alleged Violation process or such other process the Commission may direct.

4.2.4 Unless the Commission orders otherwise, Possible Violations that are processed under the BC FFT Process will not be processed as Alleged Violations and will not become Confirmed Violations. A Possible Violation resolved through the BC FFT Process will not be classified as a contravention under the Act and will not attract administrative penalties. However, the existence of earlier Possible Violations that have been resolved through the BC FFT Process will be part of the Entity's compliance history that may be considered by the Commission in determining penalties for other contraventions for the Entity.

4.2.5 Mitigation information is an important consideration of whether a Possible Violation is considered for the BC FFT process. Nonetheless, if a Possible Violation included in the BC FFT Process has not yet been mitigated, the Entity must submit a Mitigation Plan to the Administrator, or a description of how the Possible Violation has been mitigated, within thirty (30) days after the Administrator notifies the Entity that it will follow the BC FFT Process. The provisions of section 5.3 dealing with Mitigation Plans are applicable.

4.2.6 In order for a Possible Violation to be considered as resolved through the BC FFT Process, an Entity must provide an Attestation acceptable to the Administrator describing the remediation work completed.

4.2.7 The Commission will consider a Possible Violation matter closed when the Administrator reports it to the Commission as a Remediated FFT Issue, unless the Commission provides notice to the Administrator and the Entity at any time that further review will be required.

4.2.8 The Administrator will report items processed as FFTs to the Commission within thirty (30) days of notifying an Entity of an FFT.

4.2.9 If at any point it appears to the Commission that Remediated FFT Issue status was achieved on the basis of a material misrepresentation of facts, the Commission may direct the Administrator to reprocess the matter as an Alleged Violation. The duration of the Alleged Violation may be considered to begin with the original start date of what had been considered to be a Remediated FFT Issue. Particulars of misrepresentation may be considered by the Commission in determining any sanctions that the Commission may determine to be applicable.

4.2.10 The Commission may publish status reports including the name of Entities with Possible Violations in the BC FFT Process or Remediated FFT Issues and details of the nature of

the Possible Violations and Remediated FFT Issues, unless disclosure relates to a cyber-security incident or would jeopardize the security of the bulk power system.

4.2.11 If the Administrator identifies a Possible Violation as not one that the Administrator would approach as an FFT under the BC FFT process, the Alleged Violation process described in section 4.3 would proceed.

4.3 Alleged Violation Process

4.3.1 Recipients of Notice: A Notice of Alleged Violation required by a compliance monitoring process outlined in section 2.0 will be provided electronically to the Entity's Compliance Contact, with a copy to the Commission. A Notice of Alleged Violation will be treated as confidential unless and until the Commission confirms the Alleged Violation and the Commission considers that disclosure would not relate to a cyber-security incident or otherwise jeopardize the security of the bulk power system. One Notice of Alleged Violation may be issued listing one or more Alleged Violation(s).

4.3.2 Scope and Purpose of Notice: A Notice of Alleged Violation must contain, at a minimum:

1. The Reliability Standard(s) and the specific requirement(s) of the Reliability Standard(s) that are the subject matter of the Alleged Violation(s);
2. The date or dates the Alleged Violation(s) occurred (or is occurring);
3. The facts and evidence that allegedly demonstrate or constitute the Alleged Violation(s). The Administrator may provide the description of the facts and evidence of the Alleged Violation to the Entity for review before the NOAV is issued;;
4. Reference VRF and VSL factors relevant to the circumstances of the Alleged Violation; .
3.5. The Administrator's risk assessment based on the facts and evidence;
4.6. A proposed penalty amount, if any, which references the base penalty range for the potential contravention under the BC Ppenalty matrix; .
5.7. A detailed reminder of: (i) the Entity's rights and obligations pursuant to section 4.4, and (ii) the right under section 5.1.2 to file a Mitigation Plan while contesting an Alleged Violation.

4.4 Entity Response

4.4.1 Time for response: The Entity has thirty (30) days to respond to a Notice of Alleged Violation. Responses are to be submitted to the Administrator. If the Entity fails to respond within thirty (30) days, the Commission may consider the Alleged Violation(s) in the absence of a submission from the Entity.

4.4.2 Entity options for response: The Entity has three options in responding to a Notice of Alleged Violation:

1. The Entity may agree with the Alleged Violation(s) and make no submission on the proposed penalty amount, and agree to submit and implement a Mitigation Plan to correct the Alleged Violation(s) and related underlying cause(s), in accordance with section 5.0 (Option 1); or
2. The Entity may agree with the Alleged Violation(s) and make a submission on points relevant to the proposed penalty amount, provide an explanation of its position, and include any supporting information (Option 2); or
3. The Entity may contest the Alleged Violation(s) and make a submission on points relevant to the dispute, provide an explanation of its position and include any supporting information (Option 3).

4.4.3 If the Entity elects Option 1, the Commission will issue an Order confirming the Alleged Violation(s) and follow the penalty process approved by the Commission for determination regarding the proposed penalty amount.

4.4.4 If the Entity elects Option 2, the Commission will review the explanation of the Entity's position regarding the proposed penalty amount and issue an order confirming the Alleged Violations(s) and make a determination regarding the proposed penalty amount.

4.4.5 If the Entity elects Option 3, the Administrator will review the explanation of the Entity's position, and

4.4.5.1 If the Administrator agrees with or does not object to the Entity's position on some or all of the contested violation(s), within sixty (60) days of receiving the response to the Notice of Alleged Violation the Administrator will withdraw the original Notice of Alleged Violation and may issue a Revised Notice of Alleged Violation, or

4.4.5.2 If the Administrator disagrees with or objects to the Entity's position on all of the contested violation(s), the Administrator will, within sixty (60) days, issue a letter to the Commission and the Entity affirming the Notice of Alleged Violation.

4.4.6 The Entity has thirty (30) days to respond to the Revised Notice of Alleged Violation. Responses are to be submitted to the Commission and the Administrator. If the Entity fails to respond within thirty (30) days, the Commission may consider the Alleged Violation(s) in the absence of a submission from the Entity.

4.4.6.1 If the Entity agrees with the Revised Notice of Alleged Violation and agrees to submit and implement a Mitigation Plan to correct the Alleged Violation(s) and related underlying cause(s) in accordance with section 5.0, the Commission will issue an Order confirming the Alleged Violation(s).

4.4.6.2 Where the Entity contests the Revised Notice of Alleged Violation, it may provide the Administrator with an explanation of its position and any supporting documentation.

4.4.6.3 If the Entity contests the Revised Notice of Alleged Violation, or the Administrator affirms the Notice of Alleged Violation, the Commission will hold a Hearing.

5.0 MITIGATION PLANS

5.1 Requirement for submittal of Mitigation Plans

The Commission strongly encourages Entities to thoroughly and swiftly mitigate any possible noncompliance with a Reliability Standard as soon as such has been identified and reminds Entities that Mitigation information is an important consideration of whether a Possible Violation is considered for the BC FFT process or not.

5.1.1 Confirmed Violation: An Entity found to be in Confirmed Violation of a Reliability Standard must prepare: (i) a Mitigation Plan to correct the Confirmed Violation, or (ii) a description of how the Confirmed Violation has been mitigated.

5.1.2 Possible or Alleged Violation: An Entity may elect to prepare a Mitigation Plan for a Possible Violation or while contesting an Alleged Violation. Mitigation Information is an important consideration of whether a Possible Violation is considered for the BC FFT process or not and the preparation, submission or implementation of a Mitigation Plan is not an admission of the Alleged Violation.

5.1.3 Upon recommendation by the Administrator, the Commission may accept a Mitigation Plan for a Possible, Alleged or Confirmed Violation.

5.2 Contents of Mitigation Plans

5.2.1 A Mitigation Plan must include the following Information:

1. The Entity's point of contact for the Mitigation Plan, who must be a person: (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan.

2. The Possible, Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
3. The cause of the Possible, Alleged or Confirmed Violation(s).
4. The Entity's action plan to correct the Possible, Alleged or Confirmed Violation(s).
5. The Entity's action plan to prevent recurrence of the Possible, Alleged or Confirmed Violation(s).
6. The anticipated impact of the Mitigation Plan on the Bulk Power System reliability and an action plan to mitigate any increased risk to the reliability of the Bulk Power System while the Mitigation Plan is being implemented.
7. A timetable for completion of the Mitigation Plan including the proposed completion date by which the Mitigation Plan will be fully implemented and the Possible, Alleged or Confirmed Violation(s) corrected.
8. Implementation milestones no more than ninety (90) days apart for Mitigation Plans with expected completion dates more than ninety (90) days from the date of submittal.
9. Any other Information as directed by the Commission.

5.2.2 The Mitigation Plan must be signed by an authorized representative of the Entity.

5.3 Time for filing of Mitigation Plans

5.3.1 Possible or Alleged Violation: A Mitigation Plan with respect to a Possible or Alleged Violation may be submitted at any time and must be submitted within thirty (30) days after the Administrator notifies the Entity that it will follow the BC FFT Process. A Mitigation Plan for a Possible Violation in the FFT process generally requires the expected completion be within three months of submittal. Specific Reliability Standards that the Commission approves to warrant a longer mitigation period in the FFT process will be listed in the annual Implementation Plan.

5.3.2 Confirmed Violation: A Mitigation Plan in respect to a Confirmed Violation must be submitted by the Entity within ten (10) days following confirmation by the Commission.

5.4 Time for completion of Mitigation Plans

In all cases, the Mitigation Plan should be completed without delay. In any event, the Mitigation Plan must be completed in time to have a reasonable possibility to correct all of the Possible, Alleged or Confirmed Violation(s) prior to the next Compliance Audit, Self-Certification, Self-Report or Periodic Review, whichever comes first. At the request of the Entity, the Commission may extend the Mitigation Plan completion deadline. In reaching its decision regarding whether to grant the extension, the Commission may consider factors such as:

(i) the length of time before the next assessment period (i.e., event driven or monthly assessments), (ii) construction requirements in the Mitigation Plan that extend beyond the next assessment period, or (iii) other extenuating circumstances.

5.5 Revised Mitigation Plans

The Commission or the Administrator may, at any time, request the Entity to submit a revised Mitigation Plan to replace a Mitigation Plan already accepted by the Commission for any of the following reasons:

- An Extension to the Mitigation Plan requires the inclusion of additional milestones.
- Evidence suggests the scope of an accepted Mitigation Plan must be expanded to include greater scope of mitigation to fully mitigate the Possible, Alleged or Confirmed Violation(s).
- Any other reason as deemed appropriate by the Administrator or the Commission.

5.6 Subsequent Alleged Violations of similar nature

5.6.1 Subsequent Alleged Violations of a similar nature to the subject matter of an accepted Mitigation Plan arising during the period of time the accepted Mitigation Plan is being implemented will be recorded and reported to the Commission by the Administrator as Alleged Violations. However, the Commission may, in its discretion, decide not to confirm the Alleged Violations as Confirmed Violations.

5.6.2 Subsequent Alleged Violations of a similar nature to the initial Alleged Violation may not be held in abeyance if: (i) the Entity has not yet submitted a Mitigation Plan, or (ii) the Entity has submitted a Mitigation Plan but it is rejected by the Commission.

5.7 Process for receiving Mitigation Plans

5.7.1 Mitigation Plans are submitted by the Entity to the Administrator.

5.7.2 The Administrator will complete its review of the Mitigation Plan, and will advise the Entity whether it agrees or disagrees with the Mitigation Plan, within thirty (30) days of receipt. If the Administrator disagrees with the Mitigation Plan, detailed reasons for its disagreement will be provided to the Entity.

5.7.3 If the Administrator agrees with the Mitigation Plan, it will promptly forward the Mitigation Plan to the Commission, accompanied by a recommendation of acceptance.

5.7.4 If the Administrator disagrees with the Mitigation Plan, the Entity can, at its option, either: (i) apply to the Commission for acceptance of its Mitigation Plan, or (ii) submit a new version of the Mitigation Plan to the Administrator. The Administrator will notify the Entity within thirty (30) days after receipt of the subsequent version of Mitigation Plan whether the Administrator agrees or disagrees with the revisions.

5.7.5 If the Administrator disagrees with the Entity's new version of the Mitigation Plan, the Entity can, at its option, either: (i) apply to the Commission for acceptance of its Mitigation Plan, or (ii) submit further changes to its Mitigation Plan within thirty (30) days. The Administrator will notify the Entity within thirty (30) days after receipt of a further version of Mitigation Plan whether the Administrator agrees or disagrees with the latest version.

5.7.6 If the Administrator still disagrees with the Mitigation Plan, the Entity must promptly apply to the Commission for acceptance of its Mitigation Plan. The Administrator will advise the Commission of its reasons for disagreeing with the Mitigation Plan.

5.7.7 Following receipt of the application for acceptance of the Mitigation Plan and the Administrator's reasons for disagreeing with the Mitigation Plan, the Commission will hold a Hearing.

5.8 Completion/Confirmation of Implementation of Mitigation Plans

5.8.1 The Entity must provide updates at least every ninety (90) days to the Administrator on the progress of the Mitigation Plan. The Administrator will track the Mitigation Plan to completion and may conduct on-site visits and review status during audits to monitor Mitigation Plan implementation.

5.8.2 Upon completing implementation of the Mitigation Plan, the Entity must provide Attestation to the Administrator that all required actions described in the Mitigation Plan have been completed and must include Information sufficient to verify completion. The Administrator will complete its review of the Attestation within 180 days of receipt of the Attestation, and will at that time advise the Entity whether it agrees or disagrees with the Attestation. If the Administrator disagrees with the Attestation, detailed reasons for its disagreement will be provided to the Entity.

5.8.3 The Commission or the Administrator may conduct Spot Checks or Compliance Audits in accordance with section 2.0 to verify that all required actions in the Mitigation Plan have been completed.

5.8.4 If the Administrator agrees with the Attestation, it will promptly forward a recommendation of acceptance of Attestation of Mitigation Plan Completion to the Commission.

5.8.5 In the event all required actions in the Mitigation Plan are not completed within the applicable deadline, the Administrator will report to the Commission any additional Alleged Violation(s) of the Reliability Standard that was the subject of the Mitigation Plan that occurred since the Commission approved the Mitigation Plan.

5.8.6 If, at any point, the Administrator observes that a Mitigation Plan accepted by the Commission is no longer sufficient to bring the Entity into compliance with the Possible, Alleged or Confirmed Violation in question within the time period indicated by the proposed completion date, the Administrator may request the entity to prepare and submit a Revised Mitigation Plan

5.8.7 The Entity and the Administrator have 180 days from the Entity's submission of Attestation described in section 5.8.2 to the recommendation of acceptance of the Attestation of Mitigation Plan completion. The Commission may consider an extension to the timeline upon request.

5.9 Recordkeeping

5.9.1 Information meeting the definitions of Confidential Information or Personal Information in the Rules of Procedure must be handled in accordance with section 6 of the Rules of Procedure.

6.0 DOCUMENT PRODUCTION BY THE ADMINISTRATOR

6.1 Documents to be produced

If the Commission conducts a Hearing with respect to an Alleged Violation of a Reliability Standard, the Administrator will make available for inspection and copying by the Entity, all Information relevant to the Alleged Violations and prepared or obtained in connection with the process that led to the initiation of a Hearing, with the exception of the Information described in section 7.2.1.

6.2 Documents that may be withheld

The Commission, and the Administrator, are not required to disclose to an Entity any portion of a document that contains privileged legal advice.