Memorandum To: NPCC Registered Entities  
From: Stanley E. Kopman, Assistant Vice President of Compliance, NPCC  
Subject: NPCC Compliance Guidance Statement – NPCC-CGS-002  
Date: May 4, 2009

NPCC, as the Regional Entity responsible for implementing the Compliance Monitoring and Enforcement Program (CMEP), is issuing this “Compliance Guidance Statement (CGS).” The NPCC Compliance Guidance Statements clarify reliability compliance issues such as reporting requirements, entity registration questions, and clarifying other regional compliance matters, that have been brought to the NPCC Compliance Staff by registered entities. CGS documents will be periodically released to all the NPCC Registered Entities and posted on the NPCC Compliance website. (http://www.npcc.org/documents/compliance/General.aspx)

The attached Compliance Guidance Statement states NPCC’s additional guidance to all the entities in the NPCC footprint that the attached definition of generation materiality in the United States will be utilized when NPCC is assessing the need to register a Generator Owner (GO) and Generator Operator (GOP) to the NPCC and NERC Compliance Registries.

All generating units (individual generating unit > 20 MVA (gross nameplate rating) or generating plant/facility > 75 MVA (gross aggregate nameplate rating)) that are connected via step up transformers to transmission facilities 100 kV and above are considered material to the reliability of the bulk electric system in the United States.

In the Compliance Guidance Statement (NPCC-CGS-002), NPCC describes the actions that each contacted entity will need to perform once they have received the e-mail notification from NPCC Compliance. NPCC Compliance staff will be available to answer questions regarding the implementation plans described in the guidance statement.

We appreciate your cooperation with this request and please do not hesitate to contact an NPCC Compliance Staff member if you have any questions.

For questions regarding NPCC entity registration, please contact Trey Kirkpatrick tkirkpatrick@npcc.org directly.
NPCC Compliance Guidance Statement
“Defining Generator Materiality for Registration”

NPCC is issuing this “Compliance Guidance Statement” to identify those generator assets that are material to the reliability bulk electric system and should be registered as Generator Owners and/or Generator Operators within the NPCC footprint. As a Regional Entity, NPCC has the responsibility to identify those entities to which one or more NERC approved Reliability Standards would be applicable and therefore must comply with one or more requirements of the identified standards.

NERC and the Regional Entities have identified two principles they believe are key to the entity selection process. These are:

1. There needs to be consistency among Regional Entities across the continent with respect to which entities are registered, and;

2. Any entity reasonably deemed material to the reliability of the bulk electric system will be registered.

To address the second principle, the Regional Entities, working with NERC, will identify and register any entity they deem material to the reliability of the bulk electric system.

In order to promote consistency, NERC and the Regional Entities are currently using the NERC Compliance Registry Criteria, Version 5, which includes the following registration criteria for Generator Owners (GO) and Generator Operators (GOP) as the basis for determining whether particular entities should be registered. All organizations meeting or exceeding the criteria will be identified as candidates for registration.

III(c) Generator Owner/Operator:

III.c.1 Individual generating unit > 20 MVA (gross nameplate rating) and is directly connected to the bulk power system, or;

III.c.2 Generating plant/facility > 75 MVA (gross aggregate nameplate rating) or when the entity has responsibility for any facility consisting of one or more units that are connected to the bulk power system at a common bus with total generation above 75 MVA gross nameplate rating, or;

III.c.3 Any generator, regardless of size, that is a blackstart unit material to and designated as part of a transmission operator entity’s restoration plan, or;

III.c.4 Any generator, regardless of size, that is material to the reliability of the bulk power system.

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NPCC is providing this additional guidance to all the entities in the NPCC footprint that the following guidelines will also be utilized when NPCC is assessing the need to register a Generator Owner (GO) and Generator Operator (GOP) to the NPCC and NERC Compliance Registries:

NPCC Definition of Material Generation and Implementation Schedule:

All generating units (individual generating unit > 20 MVA (gross nameplate rating) or generating plant/facility > 75 MVA (gross aggregate nameplate rating)) that are connected via step up transformers to transmission facilities 100 kV and above are considered material to the reliability of the bulk electric system in the United States. These generation assets, their owner and their operator, will be identified by NPCC Compliance. NPCC will contact the owners and operators of these identified generation assets with an NPCC notification email.

Following receipt of the NPCC notification email, each generation owner and/or operator will have 60 calendar days to review the applicable NERC standards for full compliance. After 60 calendar days from the original NPCC written notification, the identified owner and/or operator will be added to the NPCC compliance registry for those identified generation assets. Within the 60 calendar day period, the identified owner and/or operator shall develop mitigation plan(s), if necessary, for any compliance requirement that the entity has identified as not fully compliant. These proposed mitigation plans, including expected completion dates, shall be submitted to NPCC Compliance before the end of the 60 calendar day period.

NPCC Compliance will review and approve the submitted mitigation plan(s) in conjunction with NERC, according to the NERC Compliance Monitoring and Enforcement Program (CMEP, Attachment 4c of the Rules of procedure, Section 6.0). The identified owner and/or operator will be notified by NPCC Compliance if there are any questions concerning the submitted mitigation plan(s).

As an additional clarification, all newly identified generation assets will need to be compliant with NERC standards CIP-002 through CIP-009 using Table 4 of the NERC CIP Implementation schedule.

NOTE: NPCC may revise this generation materiality Compliance Guidance Document at any time based on changes to the Statement of Compliance Registry Criteria or any other reliability issue.

Reference Documents:

- Statement of Compliance Registry Criteria, version 5.0
- NERC Rules of Procedure - Section 500 – Organization Registration and Certification
- NERC Rules of Procedure – Appendix 4C, Section 6.0