NPCC Compliance Webinar

The Effect of the Revised BES Definition on Compliance Obligations Within NPCC

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Revised BES Definition

• 100 kV Core, Inclusions, Exclusions, Exception Requests
• Effective Date in U.S. is July 1, 2014
• Enforcement Date in U.S. is July 1, 2016 for all existing assets that are newly identified by good faith application of the revised BES definition
• Newly commissioned assets must be compliant upon synchronization
• [http://www.nerc.com/pa/RAPA/Pages/BES.aspx](http://www.nerc.com/pa/RAPA/Pages/BES.aspx)
The Bulk Power System (established by Section 215 of the FPA)

Revised BES Definition + Certain Functional Entities

Currently in NPCC = A10 + CGS002 + Certain Functional Entities (Until July 1, 2014)

Exclusions and Inclusions And Exception Requests (Rules of Procedure)
U.S. Portion - July 1, 2014 through July 1, 2016

NPCC U.S. Compliance Pool* = 1 + 2 + 3 + 4

1. Transmission Elements captured by A-10 Methodology** (a.k.a. “BPS” list)

2. Generation Assets captured by Compliance Guidance Statement CGS-02 (Thresholds: 20 MVA, 75MVA, 100kV)

3. Certain Functional Entities (i.e. DP, TO in PRC-006)

4. Newly commissioned assets that meet the revised definition

*Already existing #1 or #2 unlikely to leave the pool by applying revised definition

**NPCC Criteria Document A-10 Classification of Bulk Power System Elements
Both Sides of NPCC

• United States: FERC and NERC jurisdiction
  – The EPA of 2005 amended Section 215 of FPA

• Canada: Provincial agreements/legislation
  – Memorandum of Understanding (MOU) between Provincial Authority/NPCC/NERC.
  – Registry and elements determined on Provincial basis
  – NB, NS, Quebec, Ontario
Canadian Portion Prior to July 1, 2014

• Elements, Standards, Entities, Degree of Enforcement determined in concert with MOU and Reliability Coordinator

• In general, A10 Criteria was used by all 4 provinces to identify elements for compliance with NERC Standards
Effect on Certification & Registration

• The U.S. element pool that must meet NERC Standards will increase

• Newly identified BES elements in NY require a TOP to be assigned
  – 7 NY TOs will be certified and registered as TOPs
  – TP registration needed as well

• Deregistration is expected to be minimal

• Minimal Element Increase (I3, I4 - Bstart, Disp Gen)
After July 1, 2016

United States Pool
1. Application of Revised BES Definition (Core, I’s, E’s, ER’s)
2. Certain Functional Entities (i.e. DP, TO in PRC-006)
   U.S. Compliance Pool = 1 + 2

Canadian Pool
Still determined by Provincial Authority with RC input
- IESO, NB, NS using Revised BES 100 kV brightline as a basis with Provincial specific exception request process
- Quebec – not using revised BES brightline; using higher voltage thresholds
- In practice, each province has its own BES list
What will happen to A10?

• A10 methodology will remain to determine which elements owned by NPCC Full Members must meet NPCC Criteria
• Design, Planning, Operation, Maintenance
• Classification of Bulk Power System Elements
• The A10 list of BPS busses will still be updated annually
• https://www.npcc.org/Standards/Criteria/A-10-Revised%20Full%20Member%20Approved%20December%2001,%202009%20GJD.pdf
What will CGS-002 be used for?

- Compliance Guidance Statement CGS-002
- *Generator Materiality*
- Not needed after July 1, 2014
- It will be retired

What about PRC-002-NPCC-01?

• Revised BES has no impact on current U.S. and Canadian activities
• NPCC Elements as of October 2011 must continue to meet the 4 year FERC approved Implementation Plan
• For newly identified BES elements, the 2 year BES implementation does not create a PRC-002-NPCC-01 obligation
• Newly identified BES elements will be addressed by:
  — North American SDT via PRC-002 Implementation Plan
  — Or NPCC SDT via a separate Implementation Plan
• Compliance Guidance Statement CGS-005 posted 6/5/13
BESnet

• Is for U.S. users, not for Canada
• Is not an element data repository for U.S. ERO
• Captures the differential between:
  1. Pre-July 2014 elements subject to compliance and
  2. Elements captured by applying the revised BES
• July 1, 2014 - Entity able to enter the differential into BESnet *
• Exception Requests are also entered
• Entity establishes Entity Administrator and Users
• http://www.nerc.com/pa/RAPA/Pages/BES.aspx

* June 18 – NERC advises entities to “pace their submittals to ensure a smooth transition”
Follow up...

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