

Reclamation Manual

Directives and Standards

- Subject:** North American Electric Reliability Corporation (NERC) Electric Reliability Standard Compliance
- Purpose:** Establish the requirements for the Electric Reliability Compliance Program. The benefit of adhering to these requirements is ensuring the reliability of the Bureau of Reclamation's power facilities.
- Authority:** The Reclamation Act of 1902 (Act of June 17, 1902, ch. 1093; 32 Stat.388), the Town Sites and Power Development Act of 1906 (Act of April 16, 1906, ch. 1361, 34 Stat. 116), Federal Power Act of 1920 (Act of June 10, 1920, ch. 285, 41 Stat. 1063), Reclamation Project Act of 1939 (Act of August 4, 1939, ch. 418, 53 Stat. 1187), Energy Policy Act of 1992 (Act of October 24, 1992, 106 Stat. 2776), Energy Policy Act of 2005 (Act of August 8, 2005, 119 Stat. 594), and acts relating to individual dams or projects.
- Approving Official:** Director, Technical Resources
- Contact:** Power Resources Office, 86-61600
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1. **Introduction.** The Energy Policy Act of 2005, Title XII – Electricity (18 CFR Parts 39 and 40), requires all users, owners and operators of the Bulk Electric System (BES) to register with NERC. Congress enacted this legislation after the northeast power grid Blackout of 2003. During this event, approximately 50 million users lost power. NERC has been appointed by Federal Energy Regulatory Commission (FERC) as the Electric Reliability Organization to improve the reliability and security of the BES in North America. Part of NERC's role is to develop national BES Reliability Standards, determine if regional Reliability Standards are necessary, and monitor compliance and recommend fines and sanctions for violations of the Reliability Standards. Reclamation has issued a Policy stating that Reclamation will comply with the Reliability Standards. This Directive and Standard (D&S) defines the requirements to achieve total integration of the referenced Policy, this D&S, and resulting business practices into the Reclamation hydropower operations and maintenance (O&M) processes.
2. **Applicability.** This D&S applies to all Reclamation power facilities operated and maintained directly by Reclamation staff to which the Reliability Standards apply. All Reclamation offices involved in power O&M processes are required to implement the program within the limits imposed on Reclamation by Federal laws, orders, and regulations, including limitations on the expenditure of Federal funds.
3. **Definitions.**
 - A. **Certifying.** For the purposes of this D&S, certifying means the act of attesting to the status of, or approving the information submitted.

Reclamation Manual

Directives and Standards

- B. **Directorate.** The organizational component of the Director. This includes the Regional Offices, the Security, Safety and Law Enforcement (SSLE) Office, and the Chief Information Office (CIO).
 - C. **Directors.** The Senior Executive responsible for specific programs or facilities. This definition includes Regional Directors, Director of SSLE, and the Director of the CIO.
 - D. **Electric Reliability Compliance Program.** The internal compliance program for managing a whole-organization compliance with Reliability Standards.
 - E. **Reliability Compliance.** The activities associated with requirements listed in Reliability Standards or rulings by FERC relative to the reliability of the BES.
 - F. **Reliability Standards.** Specific requirements applicable to Reclamation, defining tasks or procedures for maintaining reliability of the BES developed by Western Electricity Coordinating Council (WECC) or through the NERC standards development process and approved by FERC.
4. **Responsibilities.**
- A. **Deputy Commissioner for Operations.** The Deputy Commissioner for Operations, or as delegated, is responsible for the administering and directing compliance with Reliability Standards.
 - B. **Director, Technical Resources.** The Director, Technical Resources, or as delegated, is responsible for administration of compliance with Reliability Standards.
 - C. **Director, Chief Information Office.** The Director, CIO, is responsible for:
 - (1) ensuring that all aspects of Reclamation's Information Technology (IT) requirements comply with Reliability Standards, and other applicable Federal IT standards, policy, and legislation.
 - (2) resolving conflicting differences between requirements outlined in Reliability Standards, and other applicable Federal IT standards, policy, and legislation – including the promulgation of such resolutions as may be necessary.
 - (3) evaluating applicable IT systems to certify compliance with Reliability Standard IT requirements.
 - D. **Technical Resources, Senior Advisor Hydropower.** The Senior Advisor Hydropower is responsible for:
 - (1) representing Reclamation with WECC, NERC, and FERC in all Reliability Compliance related matters.

Reclamation Manual

Directives and Standards

- (2) coordinating Reclamation's filings and responses to Reliability Compliance related matters with the appropriate Director;
- (3) advising the Deputy Commissioner for Operations on Reliability Compliance matters including the results of all internal audits and status of compliance with Reliability Standards;
- (4) coordinating with the Office of the Solicitor on legal matters relating to Reliability Compliance;
- (5) working with all responsible Directors, certifying on behalf of the Deputy Commissioner for Operations compliance with Reliability Standards, including all filings with the NERC and FERC concerning Reliability Compliance related matters; and
- (6) encouraging compliance through Reliability Compliance performance plan elements for subordinate managers affiliated with activities supporting compliance.

E. Technical Resources, Power Resources Manager. The Power Resources Manager is responsible for:

- (1) consolidating Directorate information relating to Reliability Compliance matters into comprehensive Reclamation filings and responses including preparing certification documents concerning Reliability Compliance related matters;
- (2) preparing annual status report for Reclamation management on Reliability Compliance activities;
- (3) reporting to WECC on Reliability Compliance related matters;
- (4) developing a Reclamation-wide Reliability Compliance outreach and training program;
- (5) conducting annual audits of each Directorate's compliance with Reliability Standards and investigating reports of potential Reliability Compliance violations and NERC reportable power incidents;
- (6) coordinating FERC, NERC, and WECC audits, investigations, and reviews;
- (7) participating and serving as Chair of the Reliability Council and, in that capacity, reporting to the Senior Advisor on Reliability Compliance related matters;
- (8) designating a Chair for the Reliability Workgroup;

Reclamation Manual

Directives and Standards

- (9) providing adequate resource support for the Reliability Workgroup;
- (10) approving and disseminating Reclamation wide guidance documents concerning Reliability Compliance developed through the Power Resources Office program;
- (11) coordinating Reclamation's participation on NERC and WECC Reliability Standards development workgroups and task forces;
- (12) in coordination with area managers and Reliability Compliance Representatives, preparing self reports of non-compliance and mitigation plans; and
- (13) encouraging compliance through Reliability Compliance performance plan elements for subordinates affiliated with activities supporting compliance.

F. **Directors.** Each Director is responsible for:

- (1) ensuring maintenance and documentation of their Directorate's respective business practices and procedures necessary for compliance with Reliability Standards;
- (2) directing compliance with Reliability Standards at assigned facilities;
- (3) ensuring the support and coordination of IT-related compliance requirements with the CIO; all such activities shall be focused on achieving, maintaining, and supporting demonstrable evidence of compliance with the subject Reliability Standards;
- (4) ensuring adequate staffing and funding is available for Reliability Compliance related activities within the limits imposed on Reclamation by Federal laws, orders and regulations, including limitations on the expenditure of Federal funds;
- (5) encouraging compliance through Reliability Compliance performance plan elements for subordinate managers affiliated with activities supporting compliance;
- (6) designating a Reliability Compliance representative for the Directorate with the authority to fulfill their duties; and
- (7) certifying compliance with Reliability Standards including approval of Directorate mitigation plans to correct potential compliance violations.

G. **Reliability Compliance Representative.** Reliability Compliance Representatives are responsible for:

- (1) advising the Director on Reliability Compliance matters;

Reclamation Manual

Directives and Standards

- (2) participating in the Reliability Council , coordinating with other interconnected entities or agency's involved in Reliability Compliance that interact with the Reliability Council Representative's Directorate, and representing the Directorate during compliance audits;
- (3) developing the staffing and funding levels for maintaining the compliance with Reliability Standards;
- (4) designating a representative to participate at Reliability Workgroup meetings;
- (5) preparing the Directorate business practices and procedures necessary for compliance with Reliability Standards;
- (6) coordinating Directorate Reliability Compliance outreach and training;
- (7) ensuring timely submission of Directorate documentation to the Power Resources Manager in support of WECC, NERC, of FERC audits, investigations, or reviews; and
- (8) preparing Directorate compliance documentation for Director Certification, including mitigation plans to correct potential compliance violations.

H. Area Managers. Area managers with power facilities to which the Reliability Standards apply, are responsible for:

- (1) complying with the Reliability Standards;
- (2) ensuring the documentation is provided to the Reliability Compliance Representative within the specific timeframe in support of Reliability Compliance filings;
- (3) directing sufficient resources and funding to ensure compliance with Reliability Standards within the limits imposed on Reclamation by Federal laws, orders and regulations, including limitations on the expenditure of Federal funds;
- (4) developing and implementing Reliability Compliance performance plan elements for staff affiliated with activities supporting compliance; and
- (5) completing actions to correct potential compliance violations and prevent future violations.

I. Reliability Council. The Reliability Council consists of the Power Resources Manager, the Reliability Compliance Representatives from each regional office, and representatives from SSLE and the CIO. The Reliability Council members will coordinate information among the various Directorates and provide oversight of

Reclamation Manual

Directives and Standards

Reclamation power systems reliability and application of the Reliability Standards. The Council members will set priorities, strategic choices, and decisions related to Reclamation's participation in the development or modification of NERC Reliability Standards. The Council members will:

- (1) provide periodic reports to the Senior Advisor Hydropower;
- (2) in coordination with area managers, evaluate and recommend actions associated with audit findings;
- (3) review and recommend approval of Reclamation's Reliability Standard development activities responses including but not limited to NERC balloting, Reliability Standard comments submission, and standard drafting team assignments;
- (4) review, recommend approval of Reclamation's Reliability Compliance outreach and training program;
- (5) act on information presented from the Reclamation Reliability Workgroup regarding Reliability Compliance; and
- (6) direct the development of Reclamation guidance on Reliability Compliance matters.

J. **Reliability Workgroup.** Members of the Reliability Workgroup are designated by each Director, who may designate one or more workgroup members as appropriate for the Directorate. The Reliability Workgroup assembles and evaluates the information requested by the Reliability Council. The workgroup also independently conducts studies and evaluations of Reliability Compliance activities and reports the findings to the Council. The Reliability Workgroup members will:

- (1) provide information to their respective Reliability Council Representative as requested;
- (2) coordinate Directorate data assessments;
- (3) review and develop draft policies and procedures in support of Reliability Compliance;
- (4) provide forum for feedback and lessons learned, and;
- (5) monitor compliance processes and procedures for consistency across the Directorates.

Reclamation Manual

Directives and Standards

5. **Goals and Objectives.** The intent of the Electric Reliability Compliance Program is to achieve full compliance with the electric Reliability Standards through:
 - A. developing compliance and enforcement business practices and procedures and integrating those practices into Reclamation's power O&M programs;
 - B. systematic and timely detection and remediation of violations including implementation of effective preventive measures;
 - C. assigning resources and funding to support administration and execution of compliance efforts;
 - D. monitoring and evaluating the level of compliance with the standards; and
 - E. sharing the information with other affected offices and entities.

6. **Program Implementation – Funding.** Reliability Compliance activities are considered O&M and charged accordingly. Each Directorate will fund its cost of participation in Reliability Compliance activities.