

# factsheet

August 2006

## Preparing for reliability entity registration Based on the NERC Functional Model

The Energy Policy Act of 2005 (EPAcT 2005) strongly emphasized reliability of the nation's bulk electric power system. The North American Electric Reliability Council's (NERC) current schedule is to have 102 standards in place by January 2007 that address reliability in a number of areas grouped by function.

NERC has been certified by FERC to be the Electric Reliability Organization (ERO) mandated by the EPAcT 2005. Among its duties is a requirement to register all users, owners and operators of the bulk power system in the United States according to the reliability functions they carry out to help ensure compliance with the coming mandatory reliability standards.

Specific and measurable standards will apply to each function, and each functional entity will have responsibility and accountability for meeting these standards. Failure to do so could result in substantial fines or other sanctions. While a user, owner or operator may delegate the performance of its reliability-related function to another party, it retains the responsibility for meeting the applicable standards.

NERC has turned to the regional reliability organizations for help in compiling the registry. The Western Electric Coordinating Council (WECC) fulfills this role in the Western interconnection and has asked entities within this area to register according to the NERC functional model. While BPA has registered for the functions it performs, many users, owners and operators that exist or act within BPA's control area have not fully understood the extent and urgency of

this matter, nor its application to them. To help promote a better understanding of the relevant issues, WECC, BPA and the Public Power Council organized four workshops in mid-July. Information from the workshops can be found on WECC's Web site at [www.wecc.biz/wrap.php?file=wrap/entity-registration.html](http://www.wecc.biz/wrap.php?file=wrap/entity-registration.html).

BPA has identified the need to collaborate with customers in the BPA control area to do further analysis in preparing a consistent and comprehensive registration packet for submission to WECC. BPA recommends that utilities performing reliability functions and operating in the BPA control area defer individual registration until this analysis can be completed and a preliminary, non-binding registration packet can be reviewed. A packet will be submitted to WECC on or before, Dec. 1, 2006.

### Working as partners

BPA supports reliability standards and wants to work in partnership with its customers, WECC and NERC to ensure a smooth transition to compliance with the standards as mandated by the EPAcT 2005. In response to requests from customers, BPA has agreed to form a task force with customer representatives to provide coordination and assistance with entity registration under the NERC Functional Model. The goal of the task force is to develop a comprehensive and consistent approach to registration for BPA and those entities within the BPA control area ("Balancing Authority" under the NERC model). To that end, the following individuals have agreed to serve on the task force:



Organizations	Representatives
Northwest Requirements Utilities Legal representative – Public utility focus	Geoff Carr Susan Ackerman
PNGC Power	John Prescott
Public Power Council	Nancy Baker and/or Marilyn Showalter
Northwest Power Pool	Don Badley
United Electric Cooperative (GTA)	Ralph Williams
Grant County PUD	Tim Culbertson
Bonneville Power Administration	Anne Draper, Lynn Aspaas, Lorissa Jones, Angela DeClerck, Steve Larson, Todd Miller, Don Watkins

BPA looks forward to collaborating with customers and partners to identify our respective reliability-related activities, clarifying our function registration responsibilities and resolving any potential overlaps or gaps. BPA is willing to commit to continue performing the reliability-related activities it currently performs in support of its customers.

### Taking a phased approach

BPA is proposing a phased plan to accomplish this important preparation work. Issue resolution and communication are key elements of all phases.

Phase I of the plan would take up most of the month of August and focus on:

- identifying all potentially impacted entities and their reliability-related activities;
- documenting current practices and identifying any “gaps;”
- establishing principles for delegation agreement templates; and
- identifying outstanding issues requiring resolution.

Phase II would extend from September through November 2006 and focus on:

- deciding which entities will be the registrants for each function and which other entities will be

performing certain activities of the function in support of the registrant;

- developing terms and conditions for delegation agreements; and
- preparation of the preliminary and non-binding registration packet for submission to WECC on or before December 1, 2006.

Phase III would extend from December 2006 through April 2007:

- negotiating and executing delegation agreements;
- executing binding registration; and
- preparing for reliability program compliance and reporting.

Registrations and Delegation Agreements will need to be in place prior to commencement of mandatory compliance with (enforcement of) the NERC Reliability Standards, anticipated to be June 2007.

The first meeting of the task force is scheduled for Thursday, Aug. 10, in Portland.

If you have comments or questions, please call your Transmission account executive, Anne Draper at (503) 230-4277 or Lorissa Jones at (360) 418-8978.