PJM Reliability Audit of Transmission Owners

Planning Committee Presentation December 19, 2007

Leanne Harrison
NERC & Regional Coordination Department
• **Purpose of Audit**

  – Verification of those reliability responsibilities that are shared between Transmission Owners and PJM (i.e. evaluation of the support provided to PJM)

  – As defined in the PJM Manuals, Transmission Owner Agreement, and PJM Operating Agreement

  – Audit procedure is designed around the use of the Transmission Owner Matrix (Section VI of procedure)
• Formerly called Local Control Center Readiness Audits
  – Conducted in conjunction with NERC Readiness Evaluations
  – Four audits completed since 2006 (PSEG, PPL, ComEd, and BGE)
  – Effort now revised to focus on compliance in lieu of readiness (Enforcement Sanctions applicable since June 18, 2007)
  – Effort is independent of NERC activities
  – New name is TO Reliability Audit
• Utilizing the TO Matrix, the audit focuses on seven key areas:
  • Operations
  • Planning
  • Information Technology and Data Management
  • Operator Training
  • Voltage Control
  • Maintenance/Testing
  • Load Shed/System Restoration/Blackstart

• Matrix is posted on pjm.com (Documents > NERC & Regional Coordination) under “Postings”
• Redesign Team
  • OC Representatives from PEPCO, BGE & FE who were also members of the original development team for the LCC Audit procedure
  • Enhanced original TO Matrix to include:
    – Questions that audit team would ask
    – References to NERC Readiness Questionnaire where applicable
    – Descriptions of acceptable evidence for the audit team to review
  • Pilot effort completed in August at Dominion – favorable feedback
Audit Procedure

- Audit conducted once per three year cycle
- Flexible scheduling options
- Use of Questionnaires (one to PJM Ops and one to Neighbors)
- PJM NERC & Regional Coordination Department is POC/Team Lead
- Volunteers to participate sought through OC
- 2 ½ to 3 days onsite
- Audit report remains Confidential
• To schedule an audit, submit request to
  Leanne Harrison
  Senior Engineer, NERC & Regional Coordination Department
  harril@pjm.com or 610-666-8206
  – Or, provide a point of contact (default will be to
    contact OC Representative) to schedule PJM reviews
• 2008 NERC Readiness Evaluation and Compliance Audit schedules posted on
  nerc.com
• Presentations of Audit Procedure (including latest Draft revision of TO Matrix) to be made in December to SOS-T, OC and PC
• Revised TO Matrix to be presented to the TOA-AC at their next meeting on 1/8/08 for approval
Audit Requests Received

- PECO  Week of 2/24/08
- First Energy  Week of 9/15/08
• PJM has requested to be a member on each of the following scheduled NERC reviews of TOs within our footprint
  • First Energy (Reading)  5/20-22/08
  • Old Dominion Electric Coop (Glen Allen, VA)  9/16-18/08
  • Potomac Electric Power (Wash, DC)  10/7-9/08
  • Orange & Rockland Utilities (Spring Valley, NY)  10/28-30)
  • Dayton Power & Light (Dayton, OH)  11/18-20/08
• PJM plans to develop similar Reliability Audit Procedures and accompanying matrices for Generation Owners, Generator Operators, and LSEs to verify their support of PJM in satisfying the requirements presented in PJM Manuals and reliability standards

• Most likely a six year review cycle
• Questions?

• Comments?

• Suggestions?