

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Appendix 5A

Organization Registration and Certification Manual

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RELIABILITY | ACCOUNTABILITY



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Section I — Executive Summary

Overview

The purpose of this document is twofold: (1) to define the process utilized in the Organization Registration Program for identifying which functional entities must register as owners, operators, and users of the Bulk Power System (BPS) for compliance with Reliability Standards; and (2) to define the process utilized in the Organization Certification Program for certifying the following entities: Reliability Coordinator (RC), Balancing Authority (BA), and Transmission Operator (TOP). The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) is responsible for approving and forwarding these processes to the NERC Board of Trustees (Board) for its approval. Where a proposal for revisions to these processes comes to the Board from sources other than the CCC, the Board will seek the concurrence of the CCC before taking action on the proposal.

To Whom Does This Document Apply?

All industry participants responsible for or intending to be responsible for, the following functions must register with NERC through the Organization Registration process. The entities are defined in the NERC *Statement of Compliance Registry Criteria*, set forth in **Appendix 5B** to the NERC Rules of Procedure (ROP), with responsibilities designated by the individual Reliability Standards or by a sub-set list of the otherwise applicable Reliability Standards. Such sub-set list will specify the Reliability Standards and may specify Requirements/sub-Requirements by NERC, in which case the entity will be responsible for compliance with only such sub-set list, in accordance with **Appendix 5B** to the NERC ROP.

	Entities that Must Register	Entities that Need to be Certified
Reliability Coordinator (RC)	√	√
Transmission Operator (TOP)	√	√
Balancing Authority (BA)	√	√
Planning Authority (PA)	√	
Transmission Planner (TP)	√	
Transmission Service Provider (TSP)	√	
Transmission Owner (TO)	√	
Resource Planner (RP)	√	
Distribution Provider (DP)	√	
Generator Owner (GO)	√	
Generator Operator (GOP)	√	
Reserve Sharing Group (RSG)	√	
Frequency Response Sharing Group (FRSG)	√	
Regulation Reserve Sharing Group	√	

When did These Processes Begin?

The initial Registration process began in January of 2006. Registration of new entities is an ongoing process. If a Registered Entity's information changes, these changes must be submitted to the applicable Regional Entity(s).

Certification is ongoing for new entities in accordance with Section IV of this manual.

Where to Access and Submit Form(s)?

Registration and Certification forms are provided on each Regional Entity's website. Completed forms are to be sent electronically to the Compliance and Certification Manager of the applicable Regional Entity(s). It is desirable that entities operate within a single Regional Entity Region; however, if an entity operates in more than one Region, separate Registration applications must be completed and submitted to each of the Regional Entities.

Service

Unless otherwise provided, service may be made by personal delivery, email, deposit in the United States mail properly addressed with first class postage prepaid, registered mail properly addressed with postage prepaid or deposit with a private express courier service properly addressed with charges prepaid or payment arrangements made.

Roles and Responsibilities

The following is a high-level overview of the roles and responsibilities in the Registration and Certification processes:

NERC

1. Oversight of entity processes performed by the Regional Entities, including:
 - a. Governance per the Regional Entity's delegation agreement with NERC.
 - b. Coordination of process execution when an entity is registering and/or certifying with multiple Regional Entities.
2. Manage each entity's NERC Compliance Registry identification number (NERC ID) including:
 - a. Sending a Registration or Certification letter that contains the NERC ID to the applicable Regional Entity(ies) for review and approval. If the Regional Entity(ies) agrees with all the information provided, it will notify NERC to issue the NERC ID to the Registered Entity and will send a copy of the notification being provided to the Regional Entity(ies).
 - b. Ensuring each Registered Entity has only one NERC ID for all Regional Entities in which registered.
3. Make modeling changes based on Registration information.
4. Maintain accurate Registration and Certification records including granting Certification certificates for the Registered Entity(ies) responsible for compliance (including Joint Registration Organization (JRO)/Coordinated Functional Registration (CFR)).
5. Maintain published up-to-date list of Registered Entities (i.e. the NERC Compliance Registry (NCR)) on the NERC website. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.
6. Lead panel reviews in accordance with **Appendix 5A, Organization Registration and Organization Certification Manual**, Section III.D and **Appendix 5B, Statement of Compliance Registry Criteria**.

Regional Entity

1. Performs data collection and Mapping of BPS Facilities and those Facilities that have a material impact on the BPS within its Regional Entity defined reliability Region boundaries.
2. Approves or disapproves entity Registration applications.
3. Reviews entity Certification applications for completeness.
4. Notifies NERC of entities registered with the Regional Entity.

5. Approves or denies Certification Team (CT) recommendations and notifies the entity and NERC of the decision.
6. Provides leadership to the CT throughout the Certification process.

Entity Submitting the Application

1. Completes and submits Registration and/or Certification application.
2. Submits updates to Registration and/or Certification information as necessary and/or requested.
3. Responds to Regional Entity and/or NERC questions pertaining to Registration and/or Certification.
4. Provides documentation or other evidence requested or required to verify compliance with Certification requirements.

Section II — Introduction to Organization Registration and Organization Certification Processes

The processes utilized to implement the Organization Registration and Organization Certification Programs are administered by each Regional Entity. Pursuant to its delegation agreement with NERC, each Regional Entity is responsible for registering and certifying industry participants within its Regional Entity reliability Region boundaries. Each Regional Entity must use the following NERC processes.

Organization Registration — Entities Required to Register

All industry participants responsible for one or more of the functions below must register for each function through the Organization Registration Program. These entities are defined in the NERC *Statement of Compliance Registry Criteria*.

- RC
- TOP
- BA
- PA
- TP
- TSP
- TO
- RP
- DP
- GO
- GOP
- RSG
- FRSG
- Regulation Reserve Sharing Group

The Registration procedure is in Section III of this manual.

Organization Certification

All Registered Entities registered in the NCR for the RC, TOP, and/or BA functions shall be certified. Certification requires the Registered Entity to start operation within 12 months of being NERC certified. This Certification process is described in Section IV of this manual.

Section III – Organization Registration Process

Purpose and Scope

The purpose and scope of this process is to provide guidance on how a user, owner, and/or operator of the BPS should be registered in the NCR.

Overview

Section 39.2 of the Commission’s regulations, and Title 18 of the C.F.R. § 39.2, requires each owner, operator, and user of the BPS to be registered with NERC and to comply with approved Reliability Standards.

Owners, operators, and users of the BPS will be registered by function(s) and are:

1. Responsible for compliance with all applicable Requirements/sub-Requirements within Reliability Standards approved by Applicable Governmental Authorities, for the applicable functions for which the Registered Entity is registered, except to the extent that an entity is granted a sub-set list of applicable Reliability Standards, which specifies the Reliability Standards and may specify Requirements/sub-Requirements by NERC, in which case the entity will be responsible for compliance with only such sub-set list; and,
2. Subject to the compliance monitoring and enforcement requirements of Section 400 of the ROP.

See Figure 1A Organization Registration Process Overview.

A. Organization Registration Process

1. Applicable entities shall begin the Registration process by submitting a completed Registration application to the Regional Entity(ies) of the reliability Region(s) where the entity intends to perform its function(s) (Registration forms are provided on each Regional Entity’s website).
 - a. At any time, an entity may recommend in writing, with supporting documentation, to the Regional Entity(ies) that an entity be added to or removed from the Compliance Registry.
 - b. The Registration process for an entity may also be initiated by a Regional Entity, NERC, or Applicable Governmental Authority.
 - c. With respect to: (i) entities to be registered for the first time; (ii) currently-registered entities or (iii) previously-registered entities, for which registration status changes are sought, including availability and composition of a sub-set list of applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements), the registration process steps in Section III of **Appendix 5A** apply.
 - d. At any time, an entity whose registration is at issue may request expedited treatment and waiver of applicable timelines. NERC, in its sole discretion, shall determine if such a request will be granted and alternative timelines. NERC’s decision is not a final decision that is subject to appeal.
2. NERC shall coordinate Registration of entities that are required to register with multiple Regional Entities in order to ensure consistency of the Registration process.
3. For entities that are required to be certified, the applicable Regional Entity(ies) shall ensure that the Registration information provided is accurate for updating the NCR per items 4 through 12 below and notifies the entity to initiate the Certification process per Section IV of this manual.
4. Entities that have a NERC ID shall use it on the form.

- a. If an entity does not have a NERC ID, NERC shall assign one.
- b. An entity responsible for more than one function will use a single NERC ID.
5. Regional Entities shall evaluate the submitted information and determine if the information is complete/correct. If the information is not complete/correct, the entity will be notified to complete/correct or clarify the Registration information.
6. A single entity must register for all functions that it performs itself. In addition, that entity may register as a JRO on behalf of one or more of its members or related entities for one or more functions for which such members or related entities would otherwise be required to register and, thereby, accept on behalf of such members or related entities all compliance responsibility for all Requirements/sub-Requirements of Reliability Standards applicable to that function or those functions including reporting requirements.(ROP Section 507)
7. Multiple entities may each register using a CFR for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function.(ROP Section 508)
8. In completing the Regional Entity responsibilities for the Registration process, the following are key items the Regional Entity must verify:
 - a. That Regional Entity registrations meet the geographical and electrical Registration boundaries requirements of the ROP Section 501(1.4).
 - b. The Registration submission includes all data requested by NERC that is necessary for accurately identifying and contacting the Registered Entity.
9. The Regional Entity shall forward all Registration information to NERC for inclusion of an entity on the NCR:
 - a. If the Registration determination involves (i) the materiality test set forth in the notes in **Appendix 5B, Statement of Compliance Registry Criteria**; (ii) a sub-set list of Reliability Standards (which specifies Requirements and may specify sub-Requirements);¹ or (iii) a dispute by an entity whose registration status is at issue regarding the Regional Entity's application of **Appendix 5B, Statement of Compliance Registry Criteria**, a NERC-led review panel will be convened in accordance with **Appendix 5A, Organization Registration and Organization Certification Manual**, Section III.D.
 - b. Within five business Days of a Registration determination by NERC or the NERC-led review panel, as applicable, NERC will forward the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - c. The Regional Entity has five business Days to respond to the proposed changes.
 - d. If NERC does not receive any comments, the NCR will be revised. If NERC does receive comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.
10. NERC updates the NCR and notifies the applicable Registered Entity(ies) within five business Days of the update.

¹ If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC-led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue. (See, e.g., UFLS-Only DPs.)

11. The Registered Entity may appeal the final registration determination by NERC in accordance with the ROP Section 500 and Section V of **Appendix 5A**.
12. The NCR shall be dynamic and will be revised as necessary to take account of changing circumstances such as corrections, revisions, and or deletions. Per the Regional Entity’s delegation agreement, the Regional Entity will take any recommendation received under Section 1.a, and other applicable information, under advisement as it determines whether an entity should be on the NCR.
 - a. Each Registered Entity identified in the NCR shall notify its corresponding Regional Entity and/or NERC of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the Registered Entity’s responsibilities with respect to the Reliability Standards. Failure to notify will not relieve the Registered Entity from any responsibility to comply with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards. (ROP Section 400).
 - b. Each Regional Entity has an independent obligation, even in the absence of a notification by a Registered Entity, to review and submit updates to the NCR to NERC, consistent with the procedures in this Section III, with appropriate notification to the affected entities, to the extent the Regional Entity is aware of, or possesses information that the NCR should be updated. These updates include, but are not limited to, conditions on which the sub-set list are no longer applicable, or where a new and emerging risk to reliability is identified that changes the basis upon which the entity was deactivated, deregistered, or upon which a sub-set list of requirements was made applicable, in addition to deactivation² of entities that no longer meet the applicable registration thresholds. This does not excuse the Registered Entity from its obligation to provide such required notifications.
13. Entities registered or subject to registration as a DP that qualify as Underfrequency Load Shedding (UFLS)-Only DPs shall submit Registration information to the Regional Entity. The UFLS-Only DP shall be subject only to the sub-set list of Reliability Standards identified in **Appendix 5B**. Within 50 Days of the entity’s submission of the Registration information to the Regional Entity, the Regional Entity shall issue a decision as to whether UFLS-Only DP treatment is appropriate. If the Regional Entity concludes that it is, then the Regional Entity shall forward the information to NERC and NERC will forward the proposed additions or changes to the NCR to the Regional Entity for review and comment. The Regional Entity has five business Days to respond to the proposed changes. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly. NERC updates the NCR and notifies the applicable Registered Entity(ies) within five business Days of the update. If the entity whose registration is at issue does not agree with the Regional Entity’s decision regarding UFLS-Only DP treatment, the entity may, within 30 Days of issuance of the decision, seek review by the NERC-led review panel in **Appendix 5A**, *Organization Registration and Organization Certification Manual*, Section III.D. If the entity whose registration is at issue does not agree with the determination of the NERC-led review panel, the entity may file an appeal with the NERC Board Compliance Committee (BOTCC) in accordance with the provisions set forth in Section V of this **Appendix 5A**.
14. The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of **Appendix 5A** if it does not agree with the determination of the NERC-led review panel.
15. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance.³ NERC shall notify the Registered Entity and the Regional Entity of such time extensions.

² See Figure 1B: Deactivation Process Overview

³ References to the term Director of Compliance in the NERC ROP should be read to include an equivalent position.

B. Deactivation Process

1. The term Deactivation refers to removal of an entity from the NCR for a specific functional category.
2. As a result of Deactivation, the entity is no longer subject to any prospective compliance obligations with respect to Reliability Standards applicable to that functional category.
3. If all functional categories have been deactivated for a given entity, such entity would be deregistered and removed from the NCR. However, the entity's compliance history will be retained. In its letter notifying the entity of its Deactivation or deregistration, as applicable, NERC will notify the entity of the required retention period, in accordance with the NERC ROP.
4. A Registered Entity may submit a request for Deactivation and supporting information to the Regional Entity at any time. Such information shall include:
 - a. Entity name and NCR ID number;
 - b. Functions for which Deactivation is requested; and
 - c. The basis on which Deactivation is requested, including supporting documentation, which may be limited to an attestation, if appropriate.
5. The Regional Entity shall request any additional information from the Registered Entity within 10 Days of receipt of the request for Deactivation.
6. The Registered Entity shall provide the additional information within 20 Days of its request for Deactivation.
7. The Regional Entity will issue a decision within 50 Days of the date of receipt of all requested information from the Registered Entity.
8. If the Regional Entity agrees with the request for Deactivation, it shall forward its Deactivation determination to NERC within five business Days of issuance of the decision.
9. If NERC accepts the Deactivation determination and the Registered Entity agrees with the determination, NERC will forward within five business Days of receipt of the Deactivation determination from the Regional Entity, the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - a. The Regional Entity has five business Days to respond to the proposed changes.
 - b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.
10. If the Regional Entity or NERC does not agree with the request for Deactivation, the Registered Entity may seek review by the NERC-led review panel in **Appendix 5A, Organization Registration and Organization Certification Manual**, Section III.D.
11. If the Deactivation determination involves (i) the materiality test set forth in the notes in **Appendix 5B, Statement of Compliance Registry Criteria**; (ii) a determination that a sub-set list of Reliability Standards (which will specify Reliability Standards and may specify Requirements/sub-Requirements) should apply as an alternative to Deactivation;⁴ or (iii) the Registered Entity disagrees with the Regional Entity determination, the determination will be submitted to the NERC-led review panel process in **Appendix**

⁴ If NERC has established clearly defined criteria for eligibility for a sub-set list of applicable Reliability Standards and has identified the sub-set list that may apply to similarly situated entities, such criteria shall govern the applicability of such sub-set list and such a matter shall not proceed to the NERC-led review panel, unless there is a dispute by the entity whose sub-set list treatment is at issue. (See, e.g., UFLS-Only DPs.)

5A, Organization Registration and Organization Certification Manual, Section III.D within 30 Days after issuance of the determination.

12. If the NERC-led review panel approves the request for Deactivation, NERC will forward within five business Days of the panel decision, the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - a. The Regional Entity has five business Days to respond to the proposed changes.
 - b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.
13. The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of **Appendix 5A** if it does not agree with the determination of the NERC-led review panel.
14. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.

C. Reactivation Process

1. NERC maintains the NCR, which identifies each Registered Entity and the applicable functional categories for which it is registered.
2. The term Reactivation refers to re-registration pursuant to the NERC ROP Section 500 and **Appendices 5A and 5B** of an entity to the NCR for a specific functional category or the revocation of, or additions to, a sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements) that has been granted to an entity. Reactivation may be initiated by NERC, a Regional Entity or an entity with respect to such entity's own functional categories or sub-set list of Reliability Standards (which specifies Reliability Standards and may specify Requirements/sub-Requirements).
3. Reactivation shall be governed by the procedures in the NERC ROP Section 500 and Section III.A and, as applicable, Section III.D of this **Appendix 5A**.
4. As a result of Reactivation, and consistent with the implementation plan to be developed pursuant to this paragraph, the entity shall prospectively comply with all Reliability Standards applicable to that functional category, or with the sub-set list specified in the Reactivation determination, unless otherwise notified. Within 30 days of a final Reactivation determination, the entity shall submit a proposed implementation plan to the Regional Entity detailing the schedule for complying with any Reliability Standards applicable to the Reactivation. The Regional Entity and Registered Entity shall confer to agree upon such schedule. If the Regional Entity and Registered Entity are unable to agree on the implementation plan, the Regional Entity shall notify the NERC Director of Compliance of the disagreement, and shall provide statements of the Regional Entity's and the Registered Entity's positions, and NERC shall specify a reasonable implementation schedule.
5. The entity's prior compliance history will be retained and shall apply with respect to the Reactivation. In its letter notifying the entity of its Reactivation, NERC will notify the entity of its registration in accordance with the NERC ROP.
6. The Registered Entity may file a registration appeal with the NERC BOTCC in accordance with the provisions set forth in Section V of **Appendix 5A** if it does not agree with the determination of the NERC-led review panel.
7. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.

D. NERC-led Review Panel

1. NERC shall establish a NERC-led, centralized review panel, comprised of a NERC lead with Regional Entity participants, to vet requests for Deactivation of, or decisions not to register, an entity that meets Sections I through IV of the Registry Criteria or requests to add an entity that does not meet (i.e., falls below) Sections I through IV of the Registry Criteria, as well as disputes regarding the application of Sections I through IV of the Registration Criteria and requests for a sub-set list of applicable Reliability Standards (which may specify the Requirements/sub-Requirements).
 - a. The NERC-led review panel will be comprised of a standing pool of individuals with relevant expertise from NERC and each of the Regional Entities. Individuals with relevant expertise shall be appointed by the Regional Entity senior executive (CEO, President, General Manager, etc.) and individuals with relevant expertise shall be appointed by the NERC senior executive (CEO, President, General Manager, etc.). NERC shall select the panel members for a given matter from the standing pool.
 - b. Panel members for a given matter shall comply with Subsection 7 of Section 403 of the NERC ROP, shall not be employed by the Regional Entity whose determination is being reviewed or have otherwise participated in the review of the registration matter, and shall have the required technical background to evaluate registration matters.
2. With respect to review of the application of the criteria contained in the Statement of Compliance Registry Criteria Sections I through IV, the burden of proof is on NERC and the Regional Entity to demonstrate that an entity meets the Registry Criteria for registration.
3. The burden of proof with respect to the materiality test, set forth in **Appendix 5B, *Statement of Compliance Registry Criteria***, is on the entity making the request, i.e., the entity asking to be excluded from the NCR (despite satisfying the threshold criteria)⁵ and the Regional Entity seeking to include an entity in the NCR (that does not satisfy the threshold criteria).
4. The burden of proof with respect to a determination as to whether an entity's compliance obligations should be limited to only a specified sub-set of otherwise applicable Reliability Standards is on the entity requesting such treatment, provided, however, that where NERC has established clearly defined criteria for eligibility for a sub-set of applicable Reliability Standards (which may specify Requirements/sub-Requirements) and has identified the sub-set list that may apply to similarly situated entities (e.g., UFLS-Only DPs), the burden of proof to demonstrate that an entity does not meet the criteria for such a sub-set list is on the Regional Entity and NERC.
5. The entity who bears the burden of proof with respect to application of the materiality test, or a sub-set list of applicable Reliability Standards (which may specify Requirements/sub-Requirements) must submit to NERC, in writing, details of the issues and identification of the Responding Entity,⁶ and the applicable Regional Entity(ies), RC, BA, PA and TOP that have (or will have upon registration of the entity) the entity whose registration status is at issue within their respective Scope of Responsibility. NERC will send a

⁵ By way of example, the Registered Entity whose Deactivation request was denied by the Regional Entity bears the burden of proof (i.e., on materiality) and both requests panel review and makes the submissions required, under 6(a) and (c), unless the issue involves the Regional Entity's application of the threshold criteria. If the issue involves the Regional Entity's application of the threshold criteria, then the Regional Entity bears the burden of proof and makes the submissions required by sections 6(a) and (c), although it is the Registered Entity who makes the request for panel review.

⁶ By way of example, if a Registered Entity is seeking to be deactivated based on the materiality test and therefore bears the burden of proof, then the Responding Entity is the Regional Entity. If a Regional Entity bears the burden of proof in a materiality test case, then the entity whose registration status is at issue is the Responding Entity.

notification to the Regional Entity(ies), the entity whose registration status or sub-set list treatment is at issue, and the referenced RC, BA, PA and TOP acknowledging receipt of the notification of panel review.

- a. To ensure there is no confusion with respect to the rights and responsibilities of a Registered Entity during the panel review process, the notification will confirm whether the Registered Entity will remain on the NCR and will be responsible for compliance with approved Reliability Standards applicable to the function under review.
6. The panel review process timelines with respect to application of the materiality test, or sub-set list treatment of applicable Reliability Standards (which may specify Requirements/sub-Requirements) are as follows:
- a. Within 10 Days of the date of the NERC-led review panel notification, the entity with the burden of proof will provide any additional data supporting its request to NERC (who will forward to the NERC-led review panel), the Responding Entity, the applicable Regional Entity(ies), and the RC, BA, PA and TOP that has (or will have upon registration of the entity) the entity whose registration status at issue within their respective Scope of Responsibility.
 - b. The Responding Entity will provide a copy of its assessment directly to all parties, as well as to NERC, within 20 Days of the date of the NERC panel review notification. If the RC, BA, PA and TOP provide an assessment, they must provide a copy to all parties, as well as NERC, within 20 Days of the date of the NERC panel review notification.
 - c. The entity with the burden of proof may submit a response to the Responding Entity assessment, and any assessment submitted by the RC, BA, PA and TOP, with copies to all parties and NERC, within 30 Days of the date of the NERC panel review notification.
 - d. The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence.
 - e. The NERC-led review panel will render its decision within 60 Days of the final submission to the panel.
7. With respect to threshold disputes regarding application of Sections I through IV of **Appendix 5B**, *Statement of Compliance Registry Criteria*, the entity whose registration status is at issue must submit to NERC, in writing, details of the issues and identification of the applicable Regional Entity(ies), RC, BA, PA and TOP that have (or will have upon registration of the entity) the entity whose registration status is at issue within their respective Scope of Responsibility, NERC will send a notification to the Regional Entity(ies), the entity whose registration status is at issue, and the referenced RC, BA, PA and TOP acknowledging receipt of the notification of panel review.
- a. To ensure there is no confusion with respect to the rights and responsibilities of a Registered Entity during the panel review process, the notification will confirm whether the Registered Entity will remain on the NCR and will be responsible for compliance with approved Reliability Standards applicable to the function under review.
8. The panel review process timelines for threshold disputes regarding application off Sections I through IV of **Appendix 5B**, *Statement of Compliance Registry Criteria* are as follows:
- a. The entity whose registration status is at issue will provide NERC (who will forward to the NERC-led review panel), the applicable Regional Entity(ies), and the RC, BA, PA and TOP that has (or will have upon registration of the entity) the entity whose registration status at issue within their respective Scope of Responsibility, any additional data supporting its request within 10 Days of the date of the NERC panel review notification. In such a case, the Regional Entity has the burden of proof on application of the threshold criteria.
 - b. The Regional Entity will provide a copy of its assessment directly to all parties, as well as to NERC, within 20 Days of the date of the NERC panel review notification. If the RC, BA, PA and TOP provide

- an assessment, they must provide a copy to all parties, as well as NERC, within 20 Days of the date of the NERC panel review notification.
- c. The entity whose registration status is at issue may submit a response to the Regional Entity assessment, and any assessment submitted by the RC, BA, PA and TOP, with copies to all parties and NERC, within 30 Days of the date of the NERC panel review notification.
 - d. The standard of proof in any proceeding under these procedures shall be by a preponderance of the evidence.
 - e. The NERC-led review panel will render its decision within 60 Days of the final submission to the panel.
9. In reaching a decision, the NERC-led review panel will apply the materiality test and other criteria and notes, as applicable, set forth in **Appendix 5B, *Statement of Compliance Registry Criteria***. The NERC-led review panel shall also include a review of individual and aggregate system-wide risks to, and considerations of, reliability of the BPS, as well as the BES Definition, as applicable.
 10. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the entity whose registration status or sub-set list treatment is at issue and the Regional Entity of such time extensions, as well as the RC, BA, PA and TOP, of such time extensions.
 11. Once a decision is made, it will be issued to the entity whose registration status or sub-set list treatment is at issue, the Regional Entity and the referenced RC, BA, PA and TOP. The decision (including its basis) will be posted on the NERC website, with confidential information redacted in accordance with Section 1500 of the NERC ROP.
 12. NERC will forward within five business Days the proposed additions or changes to the NCR to the Regional Entity for review and comment.
 - a. The Regional Entity has 5 business Days to respond to the proposed changes.
 - b. If NERC does not receive any comments, the NCR will be revised. If NERC receives comments, NERC will work with the Regional Entity to the extent changes are needed to the NCR and will revise the NCR accordingly.
 13. The BOTCC will resolve appeals of registration disputes in accordance with NERC ROP Section 500 and **Appendix 5A, *Organization Registration and Organization Certification Manual***, Section V.

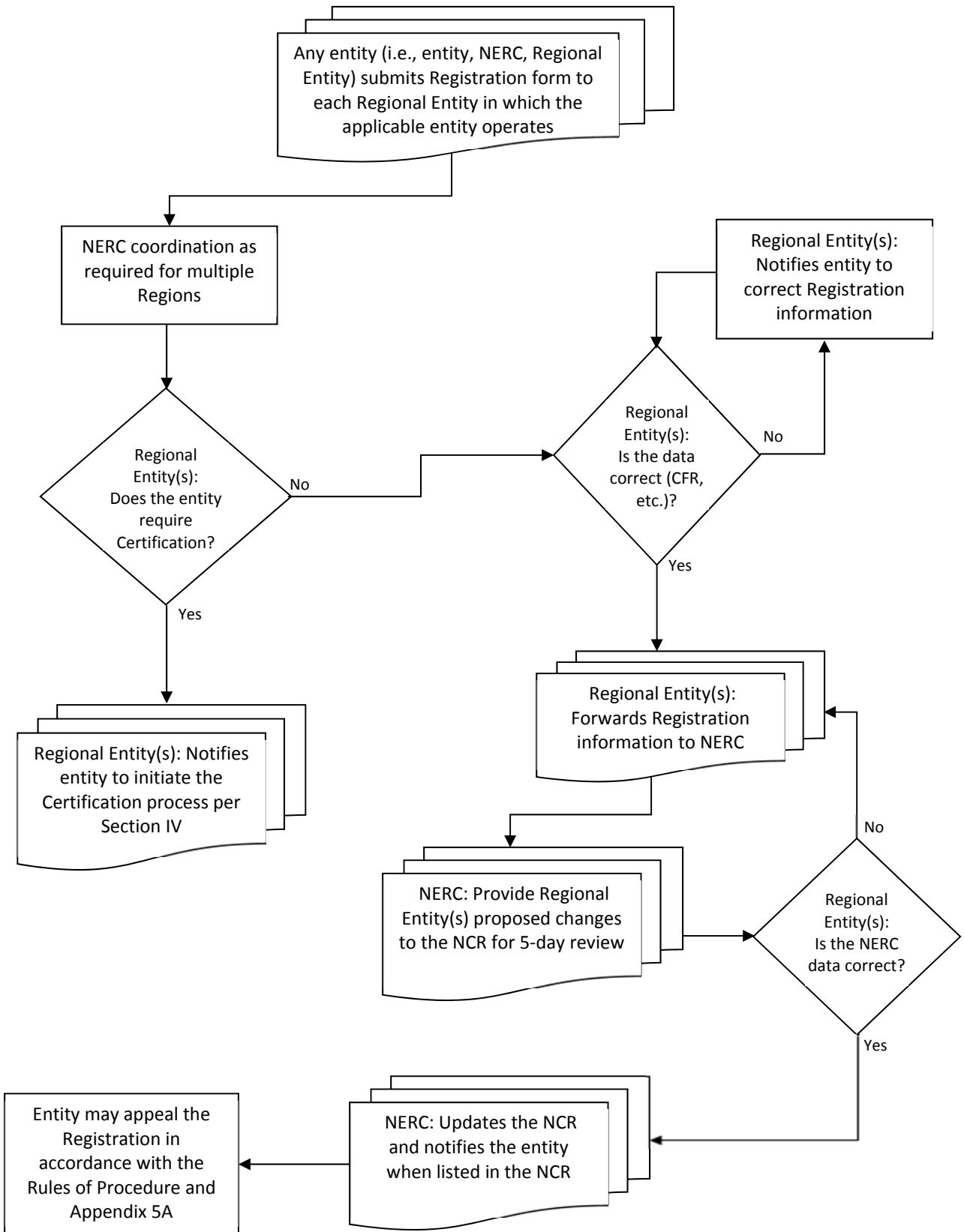


Figure 1A: Organization Registration Process Overview

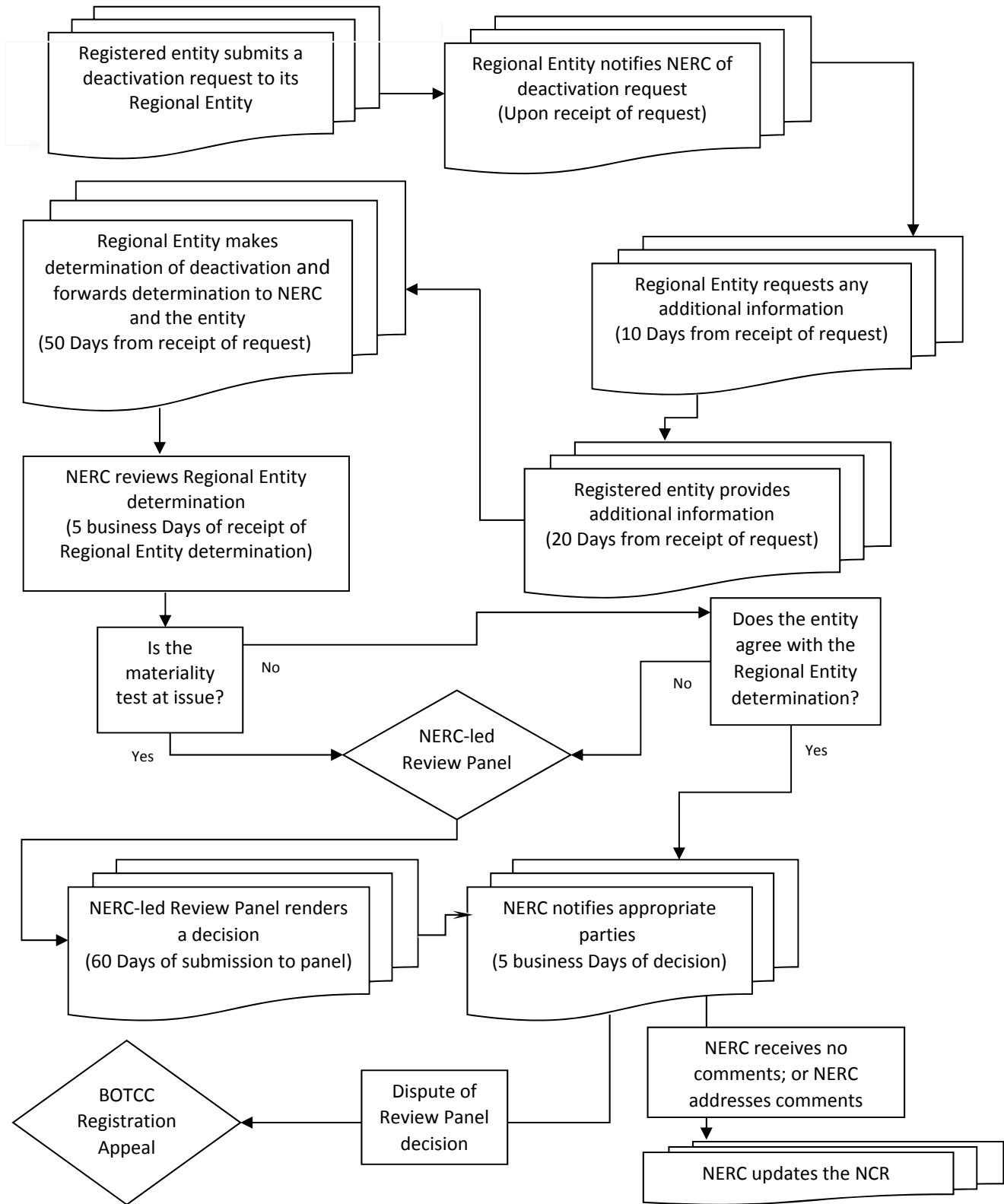


Figure 1B: Deactivation Process Overview

Section IV — Organization Certification Process

Purpose and Scope

The purpose and scope of this process is to provide guidance for completing the Certification of a new entity that will become NERC certified and registered as an RC, TOP, or BA.

Overview

See Figure 2 *Organization Certification Process Overview* for an overview of the Certification process.

Organization Certification Process

1. Certification:
 - a. An entity in a single Regional Entity reliability Region shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity’s website) and sending it to the Regional Entity which will manage the Certification process.
 - b. An entity in multiple Regional Entity reliability Regions shall initiate the Certification process by completing a Certification application (Certification applications are provided on each Regional Entity’s website) and sending it to the Regional Entities in those reliability Regions. Each Regional Entity will inform NERC of the request. The Regional Entities will determine which Regional Entity will provide the leadership to manage the Certification process.
 - c. Provisional Certification Process - All RCs, BAs, and/or TOPs that were already registered and operating on June 18, 2007 become “NERC Certified” upon completion of (1) a NERC readiness evaluation (on site activities completed by the evaluation team); and (2) a CMEP Compliance Audit (on site activities completed by the Compliance Audit team) after June 18, 2007. Recertification on a periodic basis of these Registered Entities will not be required. Demonstration of ongoing satisfactory performance of applicable RC, BA, and TOP functional Requirements shall be accomplished by completion of a CMEP Compliance Audit every three years per the requirements of the NERC ROP.
2. For an entity that is not required to be certified, the Regional Entity(ies) shall reject the application and notify the entity that Certification is not required.
3. If the application is not complete or accurate, the Regional Entity will notify the entity to revise the application as needed. When the application is deemed complete and accurate, it will be accepted. The entity and the Regional Entity shall agree to a timeline including specific milestones for the Certification process.
4. The decision to certify changes to an already operating and certified Registered Entity is a collaborative decision between the affected Regional Entity(s) and NERC. NERC has the final authority regarding this decision. Items to consider for this decision include one or more of the following:
 - a. Changes to a Registered Entity’s Footprint or operational challenges (i.e., TLRs) due to the changes
 - b. Organizational restructuring that could impact the BPS reliability
 - c. Relocation of the control center
 - d. Changes to Registered Entity ownership requiring major operating procedure changes
 - e. Significant changes to JRO/CFR assignments or agreements changes
 - f. Addition or removal of member JRO/CFR utilities or entities

g. Complete replacement of a Supervisory, Control and Data Acquisition (SCADA)/Energy Management System (EMS) system

5. The Certification process shall be completed within nine months of the date of acceptance of the application unless agreed to by all parties involved in the process and approved by NERC.
6. The Regional Entity(ies) shall notify NERC that the Certification process has begun to enable NERC to carry out its roles and responsibilities.
7. The Regional Entity will send a questionnaire with a submission deadline and a statement of expectations to all entities participating in the Certification process. These questionnaires and other related documents are located on the NERC website. The Regional Entity shall distribute questionnaires and other related documents to the following entities, as required:
 - a. Entity seeking Certification.
 - b. Participating BAs, RCs, and TOPs in Footprints in which the entity intends to operate or with which the entity intends to interconnect transmission Facilities.
 - c. Participating TOs, TSPs, PAs, GOs, GOPs, TPs, DPs, and/or other applicable entities.
8. The Regional Entity shall assemble a CT that will be responsible for performing the activities included in the Certification process.
 - a. The CT members shall adhere to NERC’s confidentiality agreements for any data or information made available to the CT member through the Certification process. Team members shall not be employees of or have a direct financial interest in the entity or any of its affiliates.
 - b. The Regional Entity, with concurrence of NERC, may increase or decrease the distribution of the questionnaires and other related documents based upon the complexity of the Certification.
 - c. If the entity objects to any member of the CT, the entity must make that known, in writing, to the Regional Entity listing the reasons for the objection. The Regional Entity will either replace the team member or respond with written justification for keeping the member on the team.
 - d. CT composition
 - i. The BA CT shall consist of representatives from an existing BA, the entity’s proposed RC, TOP, each affected Regional Entity, and NERC.
 - ii. The RC CT shall consist of representatives from an existing RC, a BA and a TOP in the proposed RC Area, each affected Regional Entity, and NERC.
 - iii. The TOP CT shall consist of representatives from an existing TOP, the entity’s proposed RC, each affected Regional Entity, and NERC.
 - iv. Additional CT members with expertise in the any of the NERC Compliance Registry functional areas can be added as necessary.
 - v. Additional CT members from NERC or Regional Entity staff may be added as necessary.
 - vi. Entities such as government representatives or other stakeholders may be observers in the Certification process.
9. Each CT member must complete the NERC auditor training prior to participation.
10. The CT will review the entity’s submitted documentation and address any issues prior to the site visit.
11. The CT shall inform the entity before the on-site visit of any documentation or clarification that is necessary to support the questionnaires.

12. The entity shall identify to the CT prior to the on-site visit all Reliability Standards or Requirements/sub-Requirements which have been delegated to another entity.
 - a. The CT will review the entity(ies) ability to perform those delegated Requirements/sub-Requirements or Reliability Standards.
13. The CT shall conduct at least one on-site visit to the entity's Facilities. At a minimum, the team will:
 - a. Review with the entity the data collected through the questionnaires, and such data that is available only onsite;
 - b. Interview the operations and management personnel;
 - c. Inspect the Facilities and equipment associated with the applicable Reliability Standards referenced in the questionnaire;
 - d. Request demonstration of all tools identified in the Certification process;
 - e. Review documents and data including agreements, processes, and procedures identified in the Certification process;
 - f. Verify operating personnel NERC Certification documents and proposed work schedules; and,
 - g. Review any additional documentation resulting from inquiries arising during the site-visit.
14. The entity, in conjunction with the CT, shall attempt to resolve any deficiencies prior to issuance of the draft report.
15. The draft report is provided to the entity for review for 14 Days and any resulting comments will be assessed by the CT for possible inclusion in the report.
16. The Regional Entity(ies) may grant a time extension, not to exceed 180 Days, to the entity to allow the entity to resolve any open Certification issues.
17. The CT shall provide a Certification recommendation and identification of audit deficiencies in the final written report. All members of the CT shall have an equal voice in the Certification recommendation. This allows for a minority opinion if the review team cannot reach a consensus. The final written Certification report is distributed to NERC, the entity, and the other affected Regional Entities, as applicable.
18. The following is the format for the final report:
 - Title page
 - Table of Contents
 - Introduction – A brief discussion on the Regional Entity(ies) involved, the entity being certified, a description of the function the entity(ies) are being certified for, and a brief timeline of the Certification project.
 - CT – Provide the CT makeup.
 - Objective and Scope – Discussion on entity application (who, what, when, & how).
 - Overall Conclusion – Recommendation being made by the CT.
 - CT Findings – Any item(s) needing to be closed prior to operation that do not hinder the CT from making a recommendation.
 - Positive Observations.
 - Company History – Discussion on the applicant's company history.

- Company Details – Specific details regarding why the entity is being certified and its relationship with other entities (BAs, RCs, and TOPs etc.).
- Documentation List – Provide a list of critical documentation reviewed by the CT used to make the CT’s conclusion and the documentation retention requirements.
- Attachments – Describe those attachments that are for public viewing and those that are separated from the report due to confidentiality issues such as Critical Infrastructure documentation.

19. Certification recommendation and approval.

- a. If the entity intends to operate in a single Regional Entity’s reliability Region, the CT shall make a Certification recommendation to that Regional Entity. The Regional Entity shall approve or disapprove the recommendation. The Regional Entity shall notify the entity and NERC of the Certification decision.
- b. If the entity intends to operate in multiple Regional Entities, the CT shall make a Certification recommendation to all applicable Regional Entities in a single report. Certification recommendation by the Regional Entities must be unanimous. The Regional Entities shall notify the entity and NERC of the Certification decision.
- c. NERC shall approve or disapprove all final Certification recommendations and notify the entity of the decision.

20. The entity may appeal the decision in accordance with the NERC ROP and Section VI of this manual.

21. If the entity is approved for Certification, NERC shall provide the entity a Certification letter and a NERC certificate indicating that that entity is NERC certified as a BA, RC, and/or TOP as applicable.

- a. For those CFR entities that agree upon a division of compliance responsibilities for one or more Reliability Standards or Requirements/sub-Requirements, NERC shall provide all entities responsible for BA, RC and/or TOP Requirements/sub-Requirements and approved for Certification as BA, RC and/or TOP a NERC certificate indicating that those entities are NERC certified as a BA, RC, and/or TOP.
- b. NERC shall update the Compliance Registry prior to the entity(s) going operational.

22. After the entity has been awarded Certification, the Regional Entity(ies) shall notify all applicable entities as to the date that the entity may begin its operation as a certified entity. The entity must commence operation within 12 months of Certification. Failure to begin operation within the 12-month period shall require the entity to reapply for Certification.

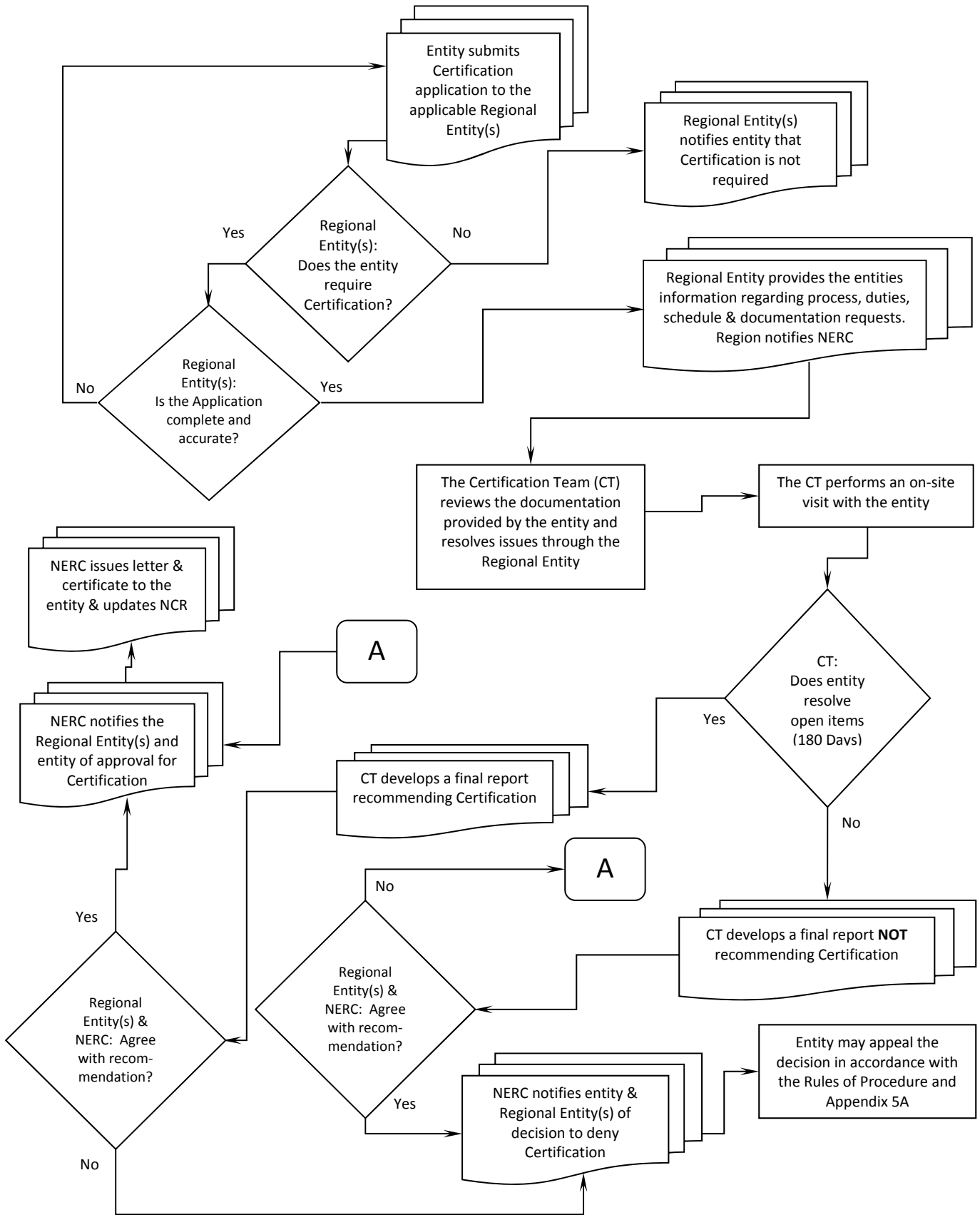


Figure 2: Organization Certification Process Overview

Section V — NERC Organization Registration Appeals Process

Purpose and Scope

This section describes the process that any organization must use to seek review of its listing and functional assignment on the NCR.

Overview

NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 3, *Organization Registration Appeals Process Overview*.

Organization Registration Appeals Procedure

1. Any Registered Entity included on the NCR may challenge final decisions regarding its listing, functional assignments, and determinations regarding the applicability of a sub-set of Reliability Standards (which specifies the specific Reliability Standards and may specify Requirements/sub-Requirements).
2. All registration appeals must be filed in writing to NERC, via registered mail. Appeals are sent to:
Compliance Operations
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
Main: (404) 446-2560
Facsimile: (404) 446-2595
3. Each party in the appeals process shall pay its own expenses for each step in the process.
4. A stipulation of invoking the appeals process is that the Regional Entity or Registered Entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable for, and shall be held harmless against the consequences of or any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This “hold harmless” clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
5. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
6. All appeals must be received within 21 Days of receipt of the NERC determination that is being appealed. The appeal must state why the Registered Entity believes it should not be registered or should be deactivated based on the NERC ROP and the *NERC Statement of Compliance Registry Criteria* or why its compliance obligations should be limited only to a sub-set list of otherwise applicable Reliability Standards (which specifies the Reliability Standards and may specify Requirements/sub-Requirements). A copy of the appeal must be concurrently served on the Regional Entity.

Section V – NERC Organization Registration Appeals Process

7. After receipt of the appeal, the Registered Entity has a 30 day period to work with the Regional Entity to resolve the appeal, if possible. If the appeal is resolved, the Regional Entity will notify NERC with the details of the resolution and NERC will close the appeal.
8. At any time through this appeals process, a Registered Entity may agree with the decision and/or agree to close the appeal. NERC shall notify the involved parties and the NERC BOTCC that the appeal is resolved and update the NCR as applicable.
9. NERC will notify the Registered Entity and the applicable Regional Entity(ies) regarding the appeal with the following expectations:
 - a. The Registered Entity will provide NERC and the applicable Regional Entity(ies) any additional data supporting its appeal within 10 Days of the date of the NERC appeal notification.
 - b. The applicable Regional Entity(ies) will provide a copy of its assessment directly to the Registered Entity, as well as to NERC, within 20 Days of the date of the NERC appeal notification.
 - c. The Registered Entity may submit a response to the Regional Entity(ies) assessment, with copies to the Regional Entity(ies) and NERC, within 30 Days of the date of the NERC appeal notification.
 - d. To ensure there is no confusion with respect to the rights and responsibilities of the Registered Entity during the appeal process, the notification will confirm whether the Registered Entity will remain on the NERC Compliance Registry and will be responsible for compliance with approved Reliability Standards applicable to the function under appeal during the appeal.
 - e. NERC may extend the timelines for good cause shown. Requests should be sent to the Director of Compliance. NERC shall notify the Registered Entity and the Regional Entity of such time extensions.
10. Hearing and Ruling by the BOTCC
 - a. The BOTCC will resolve Registration disputes.
 - b. The BOTCC may request additional data from NERC, the relevant Regional Entity(ies) or the Registered Entity, and prescribe the timeframe for the submitting the requested data.
 - c. The BOTCC will provide a written decision regarding any appeals, along with the basis for its decision.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the Registered Entity and Regional Entity(ies) that the appeal was granted.
 - Update the NCR.
 - e. If the BOTCC does not uphold the appeal, NERC will:
 - Notify the Registered Entity and the Regional Entity(ies) that the appeal was denied.
 - The Registered Entity may appeal to Federal Energy Regulatory Commission (FERC) or another Applicable Governmental Authority within 21 Days of the notification of the decision.
 - f. A record of the appeals process shall be maintained by NERC. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

Section V – NERC Organization Registration Appeals Process

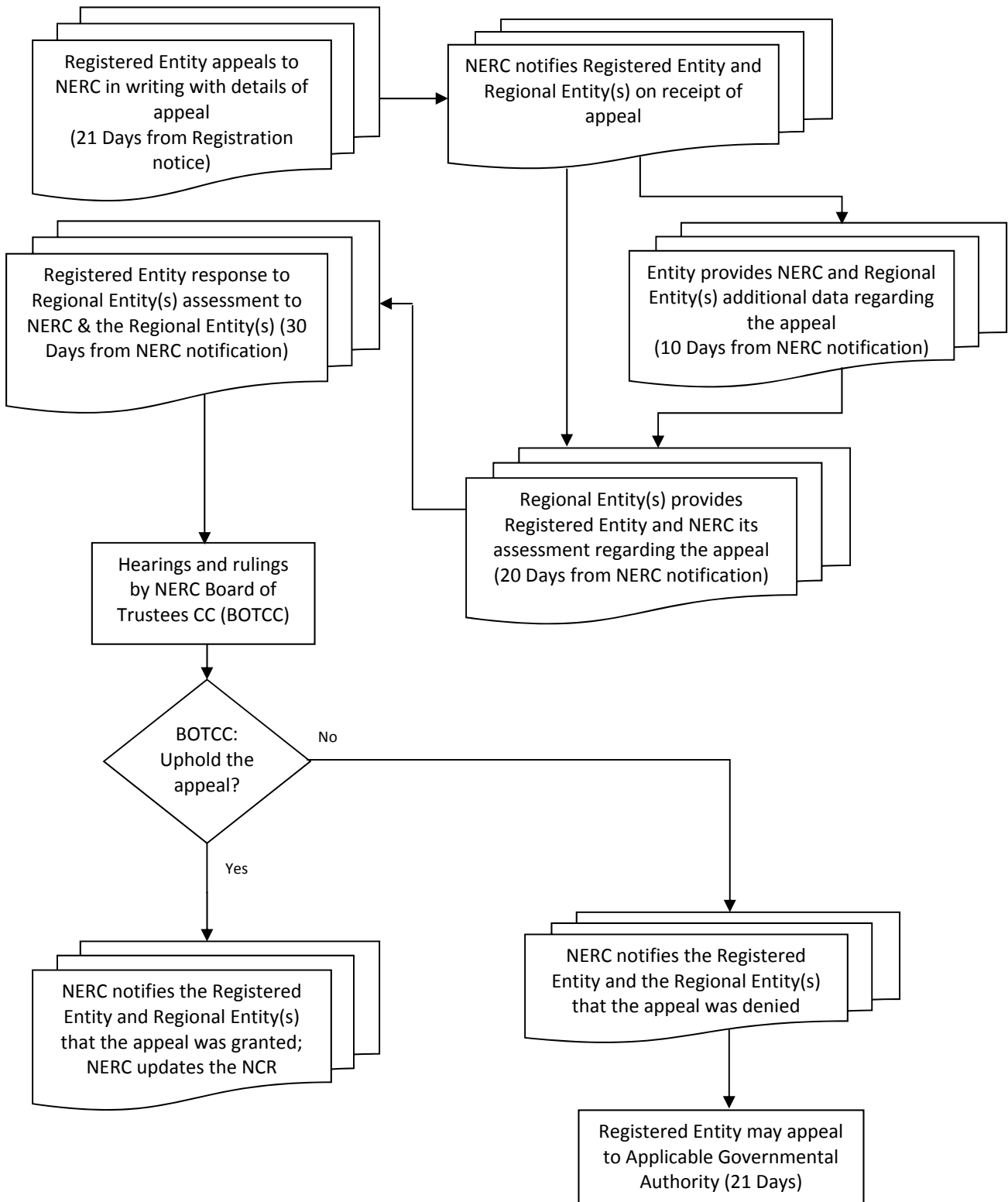


Figure 3: Organization Registration Appeals Process Overview

Section VI — NERC Organization Certification Appeals Process

Purpose and Scope

This section describes the process for an organization to appeal the Certification decision that was determined in the Certification process.

Overview

The NERC Organization Certification Program provides a key means to fulfill NERC's mission. In conducting this program, NERC has established documented procedures to ensure a fair and impartial appeals process. No one with a direct interest in a dispute may participate in the appeals process except as a party or witness. See Figure 4 *Organization Certification Appeals Process Overview*.

Organization Certification Appeals Procedure

1. Appeal for an Organization Certification Finding.
2. Any entity can appeal an organization Certification decision issued as a result of the Certification process.
3. Requirements and Conditions for Appeals.
 - a. For all appeals under the NERC Organization Certification Program, the appeals process begins when an entity notifies the NERC Vice President and Director of Compliance, in writing, that it wishes to use the NERC appeals process.
 - The Director of Compliance is the main contact for all parties in all steps of the appeals process.
 - If an appeal is not filed within 21 Days of the date that the Certification report or finding is issued, or the final Regional Entity appeals process ruling is made, the finding shall be considered final and un-appealable.
 - b. Each party in the appeals process shall pay its own expenses for each step in the process.
 - c. A stipulation of invoking the appeals process is that the Regional Entity or entity requesting the appeal agrees that NERC (its Members, Board, committees, subcommittees, and staff), any person assisting in the appeals process, and any company employing a person assisting in the appeals process, shall not be liable, and shall be held harmless against the consequences of or any action or inaction or of any agreement reached in resolution of the dispute or any failure to reach agreement as a result of the appeals proceeding. This "hold harmless" clause does not extend to matters constituting gross negligence, intentional misconduct, or a breach of confidentiality.
 - d. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
4. At any time through this appeals process, an entity may withdraw its appeal.
5. Hearing and Ruling by the Compliance and Certification Committee.
 - a. Within 28 Days of receiving notice from the NERC Director of Compliance, the CCC will conduct a hearing where all the parties or representatives of the disputing parties will present the issue in question, in accordance with CCC procedure CCCPP-005, *Hearing Procedures for Use in Appeals of Certification Matters*, which is incorporated in **Appendix 4E** of the ROP.
 - b. If the appeal is upheld, NERC notifies the entity and Regional Entity(s), updates the NCR, and issues any appropriate letter and certificate to the entity.
 - c. If the appeal is denied, NERC notifies the entity and Regional Entity(s).

6. Hearings and Ruling by the BOTCC.
 - a. The BOTCC will be asked to resolve a dispute related to the NERC Organization Certification Program if any party to the appeal contests the CCC final order.
 - b. The BOTCC may request additional data from NERC, Regional Entity(s) or the entity and prescribe the timeframe for the submitting the requested data.
 - c. At the next regularly scheduled BOTCC meeting, or at a special meeting if the Board determines it is necessary, the Chairman of the CCC will present a summary of the dispute and the actions taken to the BOTCC.
 - Each party will have an opportunity to state its case.
 - The BOTCC will then rule on the dispute.
 - d. If the BOTCC upholds the appeal, NERC will:
 - Notify the entity and the Regional Entity(ies) that the appeal was upheld.
 - Update the NCR.
 - Issue a Certification letter and a certificate to the entity as applicable.
 - e. If the BOTCC does not uphold the appeal, NERC will notify the entity and the Regional Entity(ies) that the appeal was denied.
 - The entity may appeal to Applicable Governmental Authorities within 21 Days of the issuance of the decision.
 - f. A record of the appeals process shall be maintained by NERC and available upon request. Confidentiality of the record of the appeal will be based on the NERC ROP Section 1500.

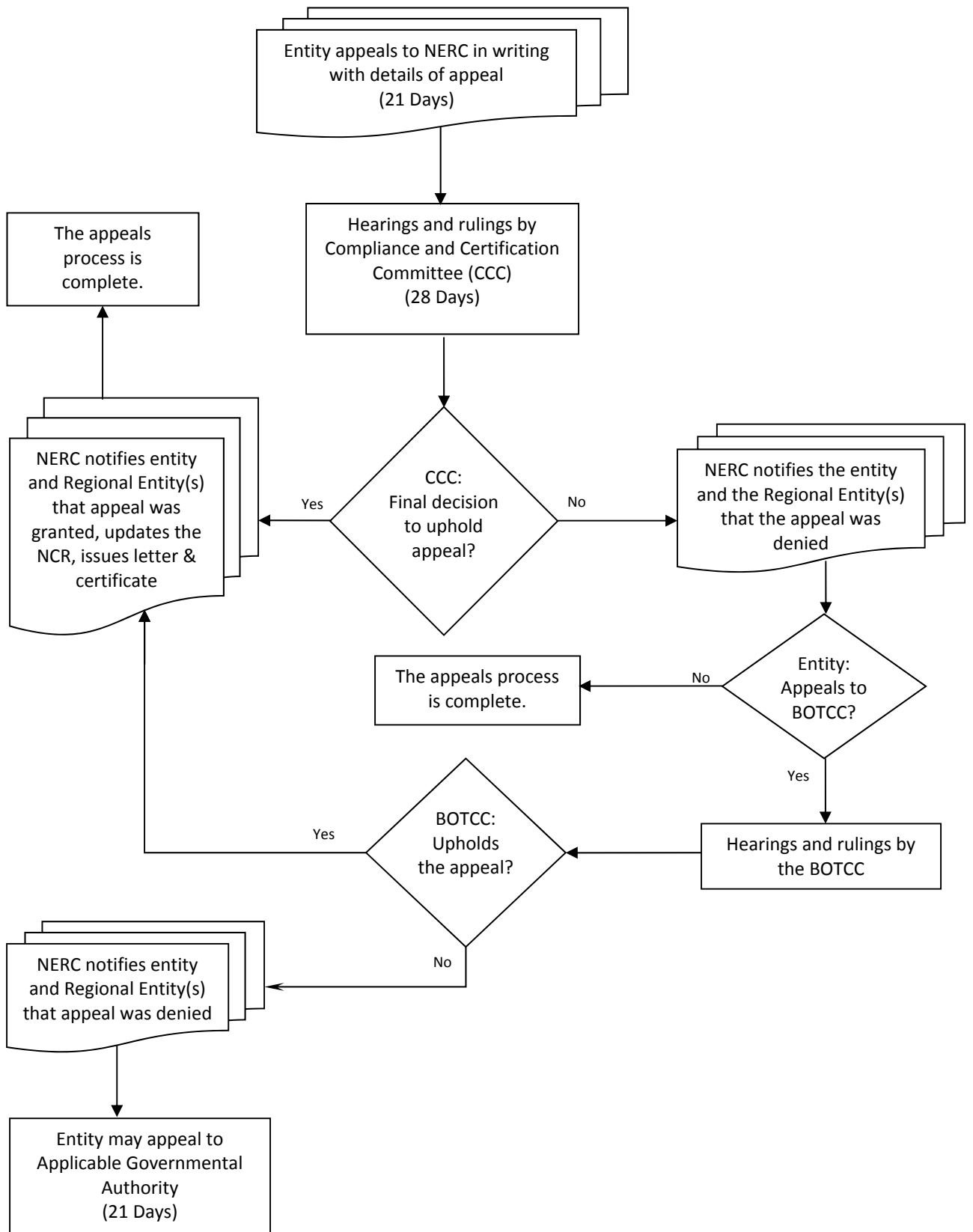


Figure 4: Organization Certification Appeals Process Overview

Definitions

Capitalized terms used in this Appendix shall have the definitions set forth in Appendix 2 of the ROP. For convenience of reference, definitions used in this Appendix are also set forth below:

NERC Organization Certification	The process undertaken by NERC and a Regional Entity to verify that a new entity is capable of responsibilities for tasks associated with a particular function such as a Balancing Authority, Transmission Operator, and/or Reliability Coordinator.
Compliance and Certification Manager	The individual/individuals within the Regional Entity that is/are responsible for monitoring compliance of entities with applicable NERC Reliability Standards.
Days	Days as used in the Registration and Certification processes are defined as calendar days.
Footprint	The geographical or electric area served by an entity.
Functional Entity	An entity responsible for a function that is required to ensure the Reliable Operation of the electric grid as identified in the NERC Reliability Standards.
Mapping	The process of determining whether a Regional Entity's Footprint is being served by Registered Entities.
NERC Identification Number (NERC ID)	A number given to NERC Registered Entities that will be used to identify the entity for certain NERC activities. Corporate entities may have multiple NERC IDs to show different corporate involvement in NERC activities.
Regional Entity	An entity having enforcement authority pursuant to 18 C.F.R. § 39.8.
Registration	Processes undertaken by NERC and Regional Entities to identify which entities are responsible for reliability functions within the Regional Entity's Region.
Coordinated Functional Registration (CFR)	Where two or more entities (parties) agree in writing upon a division of compliance responsibility among the parties for one or more Reliability Standard(s) applicable to a particular function, and/or for one or more Requirement(s)/sub-Requirement(s) within particular Reliability Standard(s).