

Proposed Revisions 6-13-2012

Appendix 5A

**Organization Registration and
Certification Manual**

Effective: ~~January 31, 2012~~ Month Day, Year

Table of Contents

| | |
|--|-----------|
| Section I — Executive Summary | 1 |
| Overview | 1 |
| To Whom Does This Document Apply? | 1 |
| When did These Processes Begin? | 2 |
| Where to Access and Submit Form(s)? | 2 |
| Roles and Responsibilities | 2 |
| Regional Entity | 3 |
| Entity Submitting the Application | 3 |
| Section II — Introduction to Organization Registration and Organization Certification Processes | 4 |
| Organization Registration — Entities Required to Register | 4 |
| Organization Certification | 4 |
| Section III — Organization Registration Process | 6 |
| Purpose and Scope | 6 |
| Overview | 6 |
| Organization Registration Process | 6 |
| Section IV — Organization Certification Process | 10 |
| Purpose and Scope | 10 |
| Overview | 10 |
| Organization Certification Process | 10 |
| Section V — NERC Organization Registration Appeals Process | 17 |
| Purpose and Scope | 17 |
| Overview | 17 |
| Organization Registration Appeals Procedure | 17 |
| Section VI — NERC Organization Certification Appeals Process | 21 |
| Purpose and Scope | 21 |
| Overview | 21 |
| Organization Certification Appeals Procedure | 21 |
| Definitions | 24 |

Section I — Executive Summary

Overview

The purpose of this document is twofold: (1) to define the process utilized in the Organization Registration Program by identifying which functional entities must register as owners, operators, and users of the Bulk Power System 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), ~~Transmission Operator (TOP) and~~ Balancing Authority (BA), ~~and Transmission Operator (TOP)~~. The NERC Compliance and Certification Committee (CCC) is responsible for approving and forwarding these processes to the NERC Board of Trustees for its approval. Where a proposal for revisions to these processes comes to the Board of Trustees from sources other than the CCC, the Board of Trustees 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 *Glossary of Terms Used In NERC Reliability Standards* (Glossary of Terms) with responsibilities designated by the individual Reliability Standards.

| | Entities that Must Register | Entities that Need to be Certified |
|---|-----------------------------|------------------------------------|
| Reliability Coordinator (RC) | √ | √ |
| Transmission Operator (TOP) | √ | √ |
| Balancing Authority (BA) | √ | √ |
| Planning Authority (PA)/ Planning Coordinator (PC) | √ | |
| Transmission Planner (TP) | √ | |
| Transmission Service Provider (TSP) | √ | |
| Transmission Owner (TO) | √ | |
| Resource Planner (RP) | √ | |
| Distribution Provider (DP) | √ | |
| Generator Owner (GO) | √ | |
| Generator Operator (GOP) | √ | |
| Load-Serving Entity (LSE) | √ | |
| Purchasing-Selling Entity (PSE) | √ | |
| Interchange Authority (IA) | √ | |
| Reserve Sharing Group (RSG) | √ | |

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)?

Application forms for 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(ies). 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.

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.
 - c. Approves or disapproves Regional Entity recommendation for Registration of an entity.
 - ~~b.d.~~ Approves or disapproves Regional Entity recommendation for Certification of an entity.
2. Manage each entity's NERC Compliance Registry identification number (NERC ID) including:
 - a. Sending a Registration or Certification letter that identifies the new or changed Registration and 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~~ NERC will send a copy of the notification being provided to the Regional Entity(ies) when sending a notification letter which constitutes Registration of the entity.
 - 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 JRO/CFR).

5. Maintain published up-to-date list of Registered Entities (i.e. the NERC Compliance Registry) on the NERC website.

Regional Entity

Registration

- ~~1.~~ Performs data collection and Mapping of Bulk Power System Facilities and those Facilities that have a material impact on the Bulk Power System within its Regional Entity defined reliability Region boundaries.

~~1.~~

- ~~2.~~ ~~Approves or disapproves~~Reviews entity Registration applications.

~~2.~~

- ~~3.~~ Notifies NERC of entities that should be registered.

- ~~4.~~ Notifies NERC of changes in Registration to Registered Entities in the Regional Entity's Region.

- ~~3.~~ ~~Reviews entity Certification applications for completeness.~~

~~Notifies NERC of entities registered with the Regional Entity.~~

~~Approves or denies Certification Team (CT) recommendations and notifies the entity and NERC of the decision.~~

~~—Provides leadership to the CT throughout the Certification process.~~

Certification

- ~~1.1.1.~~ Provides leadership to the Certification Team (CT) through the Certification process.

- ~~1.~~ Reviews entity Certification applications for completeness.

~~2.~~

- ~~3.2.~~ Performs the entity Certification evaluation through the CT.

- ~~3.~~ Approves or denies CT recommendations and notifies the entity and NERC of the decision.

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 (i) identifying entities that should be registered and (ii) certifying ~~entities 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 entities 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 Glossary of Terms with responsibilities designated by the individual Reliability Standards and the NERC *Statement of Compliance Registry Criteria* document.

- Reliability Coordinator
- Transmission Operator
- Balancing Authority
- Planning Authority/Planning Coordinator
- Transmission Planner
- Transmission Service Provider
- Transmission Owner
- Resource Planner
- Distribution Provider
- Generator Owner
- Generator Operator
- Load-Serving Entity
- Purchasing-Selling Entity
- Interchange Authority
- Reserve Sharing Group

The Registration procedure is in Section III of this manual.

Organization Certification

All Registered Entities registered in the NERC Compliance Registry (NCR) for the RC, TOP, and/or BA functions shall be certified. Certification of a RC, TOP and BA shall include evaluation of the competency of those entities to which performance of some or all of the reliability functions of the RC, TOP or BA have been delegated, assigned or contracted to perform the delegated, assigned or contracted reliability functions. The Certification process

shall not be a recurring evaluation of certified entities or third parties to which performance of some or all of these reliability functions have been delegated, assigned or contracted, and review of existing Certifications will be done solely pursuant to Section IV, item 4, Organization Certification Process of this Appendix 5A. 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 Bulk Power System should be registered in the NCR.

Overview

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

Users, Owners, and operators, ~~and users~~ of the Bulk Power System 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; and,
2. Subject to the compliance monitoring and enforcement requirements of Section 400 of the Rules of Procedure.

See Figure 1 *Organization Registration Process Overview*.

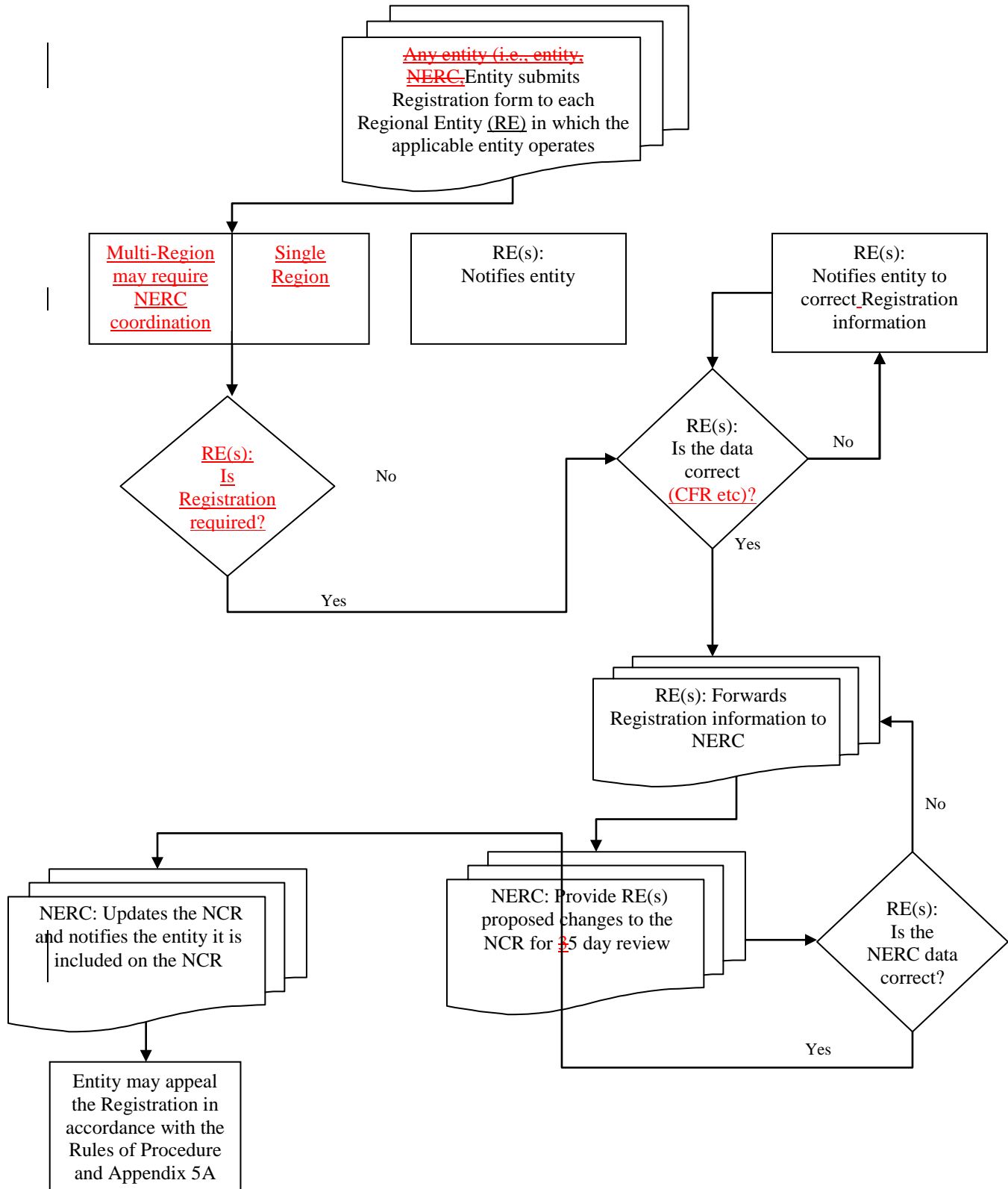
Organization Registration Process

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.
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, unless assignment of more than one NERC ID to the entity is approved by NERC.

5. Regional Entities shall evaluate the submitted information and determine if the information is complete ~~and~~ /correct. If the information is not complete ~~and~~ /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, two or more entities may be registered individually such that they are concurrently registered or co-registered (in accordance with Rules of Procedure Section 510). ~~In addition~~ Moreover, ~~that an~~ entity may register as a Joint Registration Organization (JRO) on behalf of one or more of its members or ~~related-other~~ entities for one or more functions for which such members or ~~related-other~~ entities would otherwise be required to register and, thereby, accept on behalf of such members or ~~related-other~~ entities all compliance responsibility for all Requirements/sub-Requirements of Reliability Standards applicable to that function or those functions including reporting requirements.(Rules of Procedure Section 507).
7. Multiple entities may each register using a Coordinated Functional Registration (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.(Rules of Procedure 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 Rules of Procedure Section 501(1.4).
The Registration submission includes all data requested by NERC that is necessary for accurately identifying and contacting the Registered Entity.
 - b. If the Regional Entity determines that the entity does not need to be registered, or should not be registered, as requested in the Registration application, the Regional Entity will notify the entity.
9. The Regional Entity shall forward all Registration information to NERC:
 - a. NERC forwards the proposed additions or changes to the NCR to the Regional Entity for review and comments.
 - b. The Regional Entity has five (5) working-business Days-days to respond to the proposed changes.
 - c. If NERC does not receive any comments, the NCR will be revised.
10. NERC updates the NCR and notifies the applicable Registered Entity(ies) within 5 Days of the update.
11. The Registered Entity may appeal the registration in accordance with the Rules of Procedure 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 registered, and, if so, advise NERC.
 - 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. (Rules of Procedure Section 400).

Figure 1: Organization Registration Process Overview¹



¹ Registration on behalf of (OBO) occurs when an RE or NERC determine an entity should be registered and the entity does not complete the Registration form. In that case, either the RE or NERC completes the form.

Section IV — Organization Certification Process

Purpose and Scope

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

The steps described below shall constitute the competency evaluation referenced in section 501.2 of the NERC Rules of Procedure. With respect to entities that are being evaluated as part of another entity's Certification, the scope of the review will be commensurate with the activities and functions being performed by such entity by delegation, assignment or contract and the reason for the certification or changes to an already operating and certified Registered Entity. The Certification process shall not be a recurring evaluation of certified entities or third parties to which performance of some or all of these reliability functions have been delegated, assigned or contracted, and review of existing Certifications will be done solely pursuant to item 4 below.

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.

~~Provisional Certification Process—All Reliability Coordinators, Balancing Authorities, and/or Transmission Operators 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 Rules of Procedure.~~

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 and NERC 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 NERC and 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 conditions applicable to Registered Entities or third parties:
 - 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 Bulk Power System reliability
 - c. Relocation of the control center(s)
 - d. Changes to Registered Entity ownership requiring major operating procedure changes
 - e. Significant changes to JRO, CFR, a written agreement or arrangement or otherwise, including concurrent or co-Registration ~~JRO / CFR assignments or agreements changes~~
 - f. Addition or removal of member JRO / CFR utilities or entities
 - g. Complete replacement of a SCADA/EMS system
5. The Certification process shall be completed within nine months of the date of acceptance of the application by the Regional Entity 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 question~~ snair with a submission deadline and a statement of expectations to all entities participating in the Certification process. These ~~question~~ snaires 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 RCs, 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, IAs, GOPs, TPs, DPs, and/or other applicable entities.
8. The Regional Entity shall assemble a Certification Team (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. The Certification Team leader will complete the CT roster in accordance with 8.d below and will send the roster, along with biographical information on the CT members, to the entity seeking Certification. If the entity objects to any member of the CT, the entity must make that known, in writing, to the **Regional Entity Certification Team leader** 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 – for initial certifications
 - 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.
- e. CT composition – for -an entity that has been previously certified
 - i. Where an existing certified, operating entity experiences changes described in paragraph 4 above, the entity will promptly notify the appropriate Regional Entity of the changes. The Regional Entity will appoint a CT leader who will collaborate with NERC in the evaluation of the changes and their impact on the ability of the certified entity to perform the function(s) for which it is certified. NERC has the final authority to establish the appropriate actions to be taken regarding the certification of the entity.
 - ii. The CT shall consist, at a minimum, of representatives from NERC and from the Regional Entity or Regional Entities which have oversight of the entity-.
 - iii. The CT may also include one or more representatives of an existing RC, TOP or BA.

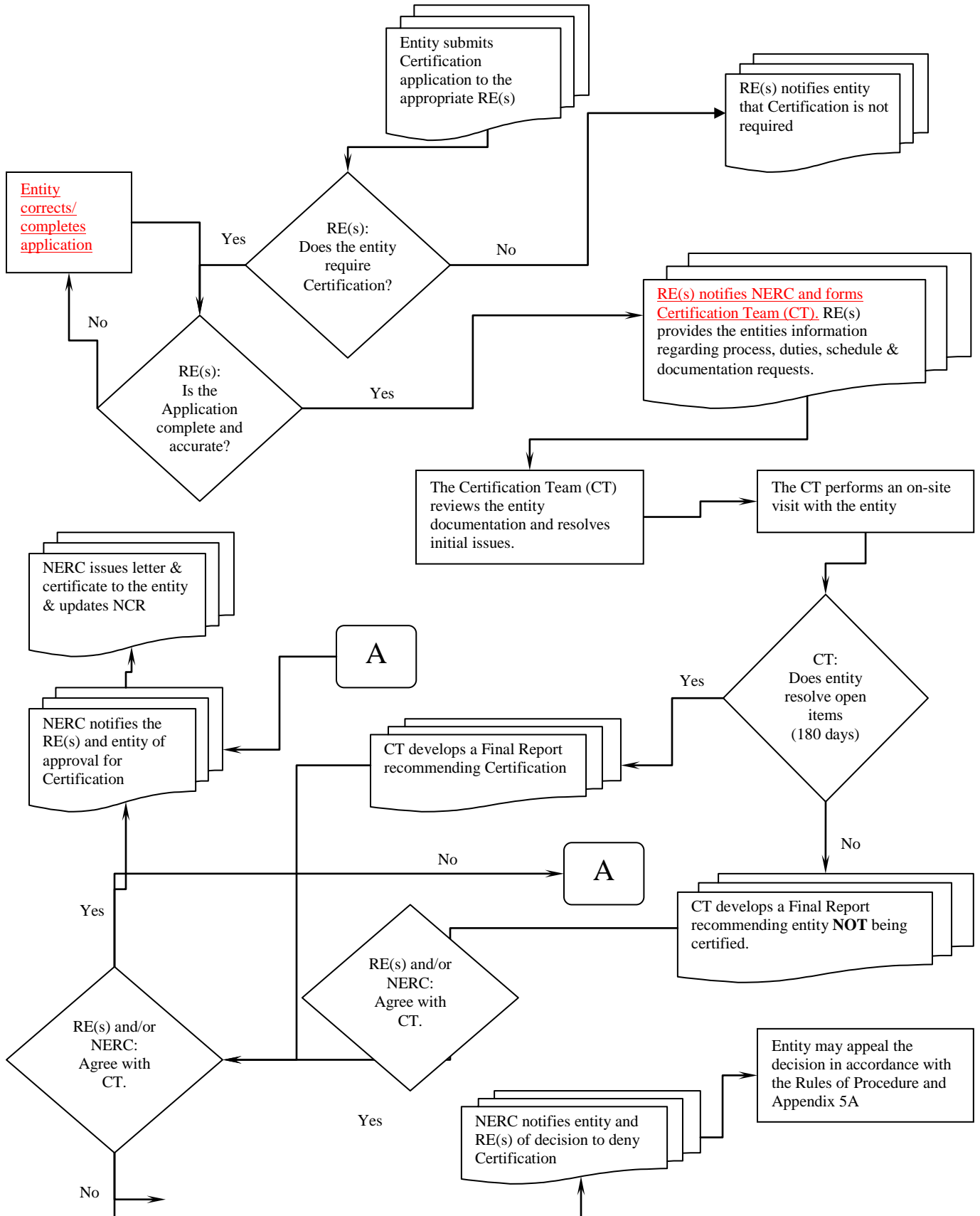
9. Each CT member must complete the NERC auditor training prior to participation.

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 response to 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's (ies) ability to perform those delegated Requirements/sub-Requirements or Reliability Standards.
13. One or more members of the ~~The~~ CT shall conduct at least one on-site visit to the entity's facilities, provided that- the -CT may determine based on consultation with NERC and the Regional Entity that an on-site visit is not necessary. At a minimum, the ~~team~~CT 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 ~~f~~Facilities and equipment associated with the applicable Reliability Standards referenced in the questionnaires;
 - 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 fourteen (14) Days and any resulting comments will be given due consideration~~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.

- Certification Team (CT) – Provide the Certification Team makeup.
 - Objective and Scope – Discussion on entity application (who, what, when, & how).
 - Overall Conclusion – Recommendation being made by the CT.
 - Certification Team Findings – Any item(s) needing to be closed prior to operation that do not hinder the Certification Team 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 Rules of Procedure 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. NERC will also provide a copy of the final report to the entity.
- 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, as well as a Certification letter and a copy of the final report.
 - b. NERC shall update the Compliance Registry ~~prior to the entity(s) going operational~~ in accordance with the Registration rules.
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 Overview²



² The process described is relative to new Certifications.

Section V — NERC Organization Registration Appeals Process

Purpose and Scope

This section describes the process that any organization may appeal 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

Any Registered Entity included on the NCR may challenge its listing and functional assignments with NERC.

1. All registration appeals must be filed in writing to NERC, via registered mail. Appeals are sent to:

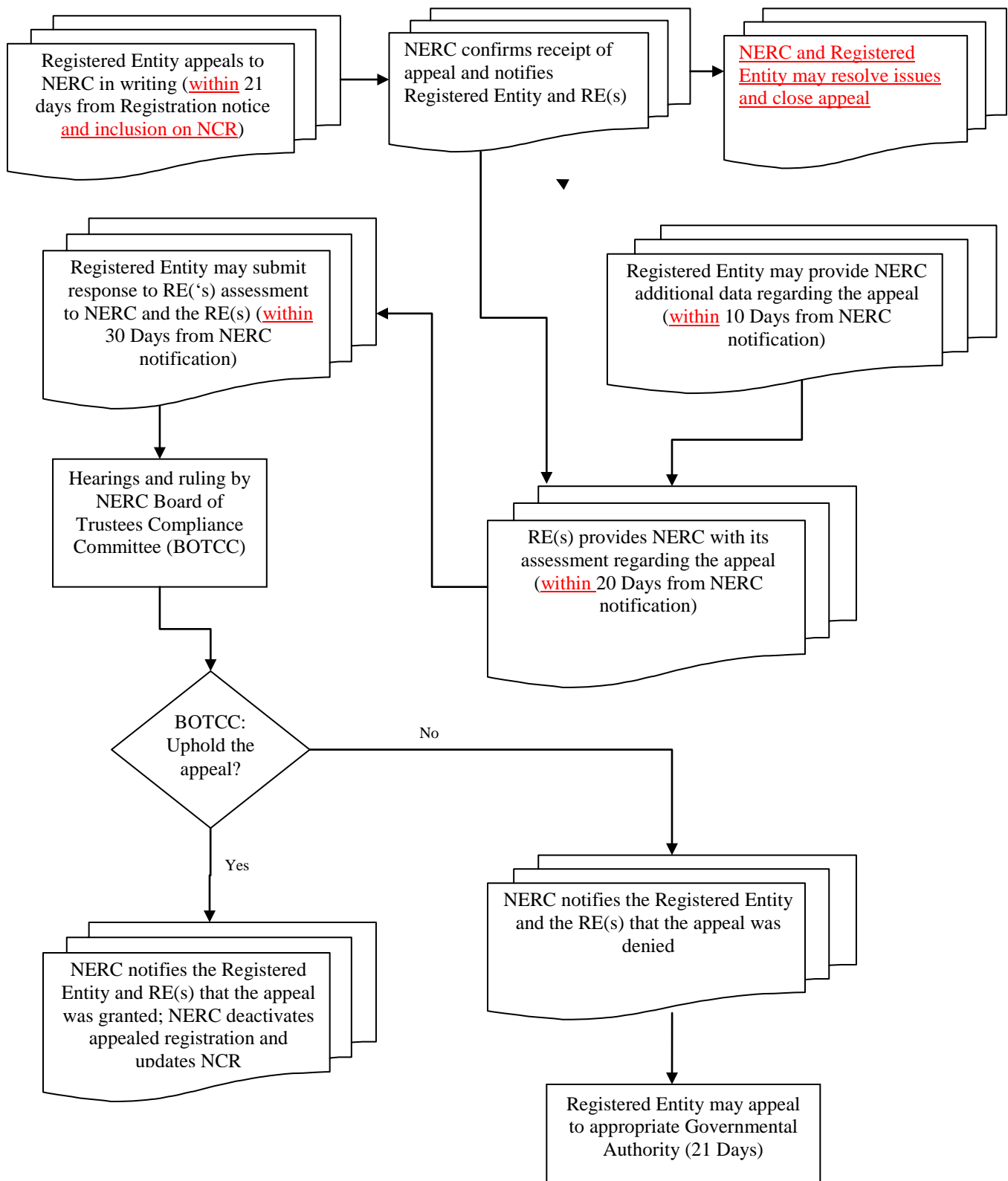
~~Vice President and~~ Director of Compliance Operations
North American Electric Reliability Corporation
~~116-390 Village Blvd.~~ 3353 Peachtree Road NE
Suite 600, North Tower
~~Princeton, New Jersey, 08540~~ Atlanta, GA 30326

2. Each party in the appeals process shall pay its own expenses for each step in the process.
3. A stipulation of invoking the appeals process is that the Regional Entity or Registered Entity requesting the appeal agrees that NERC (its Members, Board of Trustees, 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.
4. Parties retain the right to seek further review of a decision in whatever regulatory agency or court that may have jurisdiction.
5. All appeals must be received within 21 Days of receipt of the NERC letter informing the entity that it is listed on the NCR. The appeal must state why the Registered Entity believes it should not be registered based on the NERC Rules of Procedure and the *NERC Statement of Compliance Registry Criteria*.

6. After receipt of the appeal, the Registered Entity has a 30 day period to work with ~~NERC~~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.
7. 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 Board of Trustees Compliance Committee (BOTCC) that the appeal is resolved and update the NCR as applicable.
8. 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 also confirms 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.
9. 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 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 Rules of Procedure Section 1500.

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.

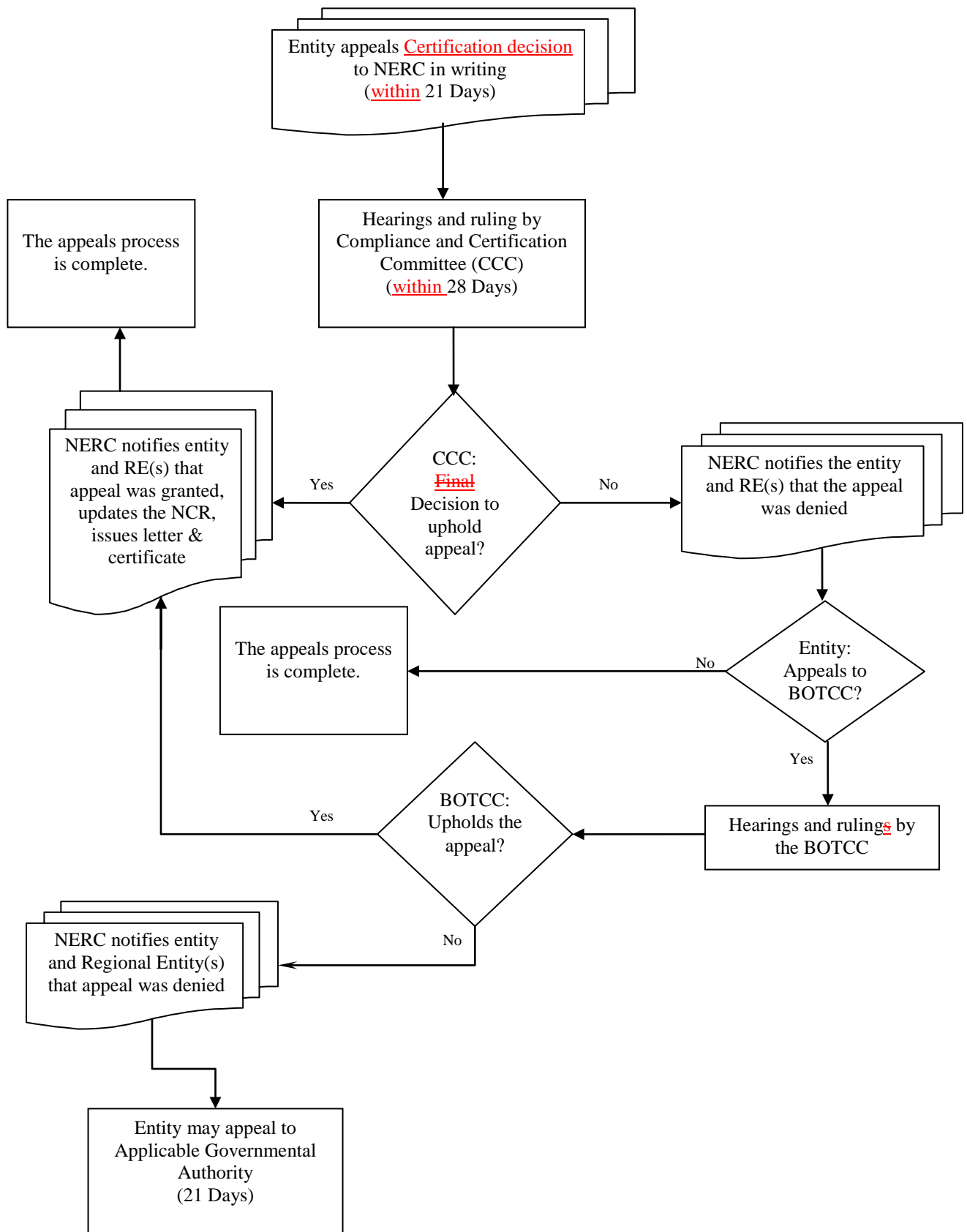
Any entity can appeal an organization Certification decision issued as a result of the Certification process.

2. 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 D~~irector of ~~C~~ompliance operations, in writing, that it wishes to use the NERC appeals process.
 - The ~~D~~irector of ~~C~~ompliance operations is the main contact for all parties in all steps of the appeals process.
 - If an appeal is not filed within twenty one (21) Days ~~o~~ffollowing (i) the date that the Certification report or finding is issued, or (ii) the date that a final ruling in a 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 of Trustees, 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.

3. At any time through this appeals process, an entity may withdraw its appeal.
4. Hearing and Ruling by the Compliance and Certification Committee.
 - a. Within twenty-eight (28) Days of receiving notice from the NERC ~~D~~irector of ~~C~~ompliance operations, 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 Rules of Procedure.
 - b. If the appeal is upheld, NERC notifies the entity and Regional Entity(ies), 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(ies).
5. 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(ies) 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. ~~Based on~~If the BOTCC's ruling on upholds the dispute~~appeal~~, NERC will:
 - Notify the entity and the Regional Entity(ies) as to the BOTCC's ruling and provide copies of the decision that the appeal was upheld.
 - Update the NCR as necessary based on the BOTCC's decision.
 - Issue a Certification letter and a certificate to the entity as if applicable based on the BOTCC's decision.
 - e. If the BOTCC ~~denies and does not uphold the~~ appeal by an entity, ~~NERC will notify the entity and the Regional Entity(ies) that the appeal was denied. T~~he entity may appeal to the Applicable Governmental Authorityies within 21 Days ~~following~~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 Rules of Procedure 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 Rules of Procedure. 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 an new entity is capable of responsibilities for tasks associated with a particular function such as a <u>Reliability Coordinator, Transmission Operator, and/or</u> 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. |
| 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). |