NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Compliance Application Notice — DRAFT
Compliance Application: EOP-005-1 R7

Posted July 30 2010

Effective September xx, 2010 | *Effective until retired or until a subsequent version of this standard is FERC-approved and enforceable.*

Primary Interest Groups
Balancing Authorities
Transmission Operators

Issue: Evidentiary Requirements regarding Actual Testing or by Simulation
Registered entities and Regional Entities have requested clarification of the types of evidence that a Compliance Enforcement Authority will accept to demonstrate that a registered entity has verified its restoration procedure "by actual testing or by simulation," as required by EOP-005-1 R7. Registered entities and Regional Entities request clarification of whether the size of an entity dictates whether one conducts the verification of its restoration procedure by actual testing or by simulation.

Reliability Objective
The reliability objective of EOP-005-1 R7 is to ensure that registered entities have plans, processes and procedures that enable them to restore the electric system to normal conditions following a partial or total shutdown of the system. As a result, the standard requires registered entities to verify by actual testing or by simulation that such restoration procedures will work to restore the system if needed.

Compliance Application
Registered entities must provide evidence to demonstrate to the Compliance Enforcement Authority that they have verified that their restoration procedures will ensure restoration of the electric system in the event of a partial or total shutdown. The standard does not dictate in which circumstances actual testing or simulation must occur. The size of an entity also does not dictate whether actual testing or simulation is required. Registered entities may conduct either actual testing, simulation or some combination of both. In all events, the ultimate goal is to verify that processes and procedures will work to restore the system.

The purpose of the actual testing and simulation is to verify that there are plans, processes and procedures in place that will work to restore the system. Provided below is a non-exclusive list of actual testing or simulation methods that have been used: manual, computerized, electronic, real-time and other simulation and actual testing, including physical, computerized, electronic and other testing, drills, exercises, and table top reviews. Types of evidence may include, but are not limited to, actual responses to system disturbances or events, screen shots, analysis and reports (such as transient stability analysis, steady state power flow analysis, or other modeling tools or techniques), one-lines, testing results, as well as other types of evidence. To the extent a registered entity's restoration procedure requires coordination with a third party, it should

similarly demonstrate that it has verified that the procedures to coordinate are in place and work to restore the system.

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