TAPS Comments
Proposed IBR Registration-Related
Revisions to Appendices 2, 5A,
and 5B of the NERC Rules
of Procedure

Oct. 30, 2023

via e-mail to ROPcomments@nerc.net

COMMENTS OF TRANSMISSION ACCESS POLICY STUDY GROUP ON POSTING OF PROPOSED CHANGES TO NERC RULES OF PROCEDURE DATED SEPT. 12, 2023

TAPS appreciates the opportunity to comment on NERC's proposed changes to Appendix 5B to the NERC Rules of Procedure ("ROP"), and related changes to Appendices 2 and 5A, dated September 12, 2023.[1] TAPS respects the stated intent of the proposed changes and has no objection to much of the proposed language, but, as explained below, structural and clarifying edits to Appendix 5B are needed to eliminate confusion and ensure that intent is achieved. In the attached redline, TAPS suggests changes to address the concerns described below.

I. BACKGROUND

The proposed changes respond to a Federal Energy Regulatory Commission ("FERC") directive to register "owners and operators of IBRs that are connected to the Bulk-Power System [("BPS")], but are not currently required to register with NERC under the bulk electric system (BES) definition . . . that have an aggregate, material impact on the reliable operation of the [BPS]."[2] NERC proposes to add two new categories, Generator Owner – Inverter-Based Resource ("GO-IBR") and Generator Operator – Inverter-Based Resource ("GOP-IBR"), to the Registry Criteria.

II. APPENDIX 5B

A. Status of GO-IBR and GOP-IBR Categories

Under the currently-effective Registry Criteria, NERC registers as GOs and GOPs the owners and operators of "generating Faciliy(ties),"[3] i.e., BES generation.[4] This elegant approach, which leverages the detailed bright-line Bulk Electric System definition, was proposed in 2014 as part

[1] NERC, Proposed Changes to the Rules of Proc., App. 5B, Statement of Compliance Registry Criteria (Sept. 12, 2023) (redlined draft) ("Revised Appendix 5B" or "Revised Registry Criteria"), https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix_5B_IBR-Redline.pdf; NERC, Proposed Changes to the Rules of Proc., App. 2, Definitions Used in the Rules of Procedure, (Sept. 12, 2023) (redlined draft), https://www.nerc.com/AboutNERC/RulesOfProcedure/ROP_App-2_IBR_Redline.pdf; NERC, Proposed Changes to the Rules of Proc., App. 5A, Organization Registration and Certification Program, (Sept. 12, 2023) (redlined draft) ("Revised Appendix 5A"), https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix5A_IBR_Redline.pdf.

[2] *Registration of Inverter-Based Res.*, 181 FERC ¶ 61,124 P 1 (2022) ("IBR Registration Order") (footnote omitted).

[3] NERC, Rules of Proc. in Effect, App. 5B, Statement of Compliance Registry Criteria § II (Jan. 19, 2021) ("Appendix 5B" or "Registry Criteria"), https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix%205B.pdf (defining GO and GOP as, respectively, the entity that "owns and maintains" or "operates" "generating Facility(ies)").

[4] NERC, Rules of Proc. in Effect, App. 2, Definitions Used in the Rules of Procedure at 10 (May 19, 2022) https://www.nerc.com/AboutNERC/RulesOfProcedure/ROP_Appendix%202_20220519.pdf, (defining "Facility" as "a set of electrical equipment that operates as a single *Bulk Electric System* Element" (emphasis added)).

of NERC's Risk-Based Registration Initiative ("RBR"),[5] following NERC's extensive refinements to the BES definition and creation of a BES exceptions process.[6] RBR replaced the previous Registry Criteria approach—still in use with respect to Distribution Providers[7]—of defining GO/GOPs broadly as owning/operating generating "units," and then restricting registration based on capacity thresholds and direct connection to the BES.[8]

To accommodate registration of appropriate non-BES IBRs, NERC proposes to add "[n]otes" to the existing Section II definitions of GO and GOP, stating that "[a]s provided in Section IV below, an entity that owns and maintains[/operates] non-BES inverter-based resource(s) shall be registered a [GO-IBR/GOP-IBR]."[9] NERC has described this approach as consisting of "two separate functions within the existing GO/GOP framework,"[10] stating that its proposed structure is "similar to" and "consistent with" that used for UFLS-Only Distribution Providers.[11]

But the UFLS-Only DP structure does not work for registering non-BES IBRs. Because GO/GOP registration is no longer structured like DP registration, the new GO/GOP-IBR categories cannot be structured like UFLS-Only DP, and the owners and operators of non-BES IBRs cannot be "within" the existing GO/GOP categories. Section II's definition of "Distribution Provider"[12] is broad enough to encompass UFLS-Only DPs as set out in Section III. The GO and GOP definitions, however, are not broad enough to encompass GO/GOP-IBRs. As noted above, GOs and GOPs are defined in Section II as owning/operating BES generation. So GO/GOP-IBRs—entities that own/operate *non-BES* IBRs—cannot be subsets of the GO/GOP categories. NERC's proposed "[n]otes" to the GO/GOP definitions do not purport to expand those definitions; nor should they, because doing so would undermine the current effective and economical linkage between GO/GOP registration and the BES definition, necessitating more extensive and wide-ranging changes to the Registry Criteria.

To achieve NERC's intent and avoid undercutting the GO/GOP definitions, the proposed GO/GOP-IBR categories should instead be structured as *independent* categories with broad definitions set out in Section II and registration thresholds contained in Section IV. Indeed,

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[5] *N. Am. Elec. Reliability Corp.*, Petition of the North American Electric Reliability Corporation for Approval of Risk-Based Registration Initiative Rules of Procedure Revisions, Ex. B, Proposed NERC Rules of Procedure – Redlined version, App. 5B at 7 (§ 2, revising definitions of GO and GOP), 13-14 (deleting § III thresholds for GO/GOP registration), Docket No. RR15-4-000 (Dec. 11, 2014), ("RBR Petition") eLibrary No. 20141211-5214.

[6] *See*, *e.g.*, *N. Am. Elec. Reliability Corp*., 146 FERC ¶ 61,199 (2014) (approving revised BES definition and setting out procedural history).

[7] Registry Criteria §§ II-III.

[8] *See* RBR Petition Ex. B, Proposed NERC Rules of Procedure – Redlined version, App. 5B at 7, 13-14.

[9] North American Electric Reliability Corporation Inverter Based Resources Work Plan Progress Update at 2-3, Docket No. RD22-4-001 (Aug. 16, 2023), eLibrary No. 20230816-5151 (IBR Work Plan Update).

[10] *Id.* at 3, n.9.

[11] *Id*. at 3 & n.9.

[12] Registry Criteria § II.

NERC's proposed new footnote 9[13] makes clear that GO-IBR and GOP-IBR registration are intended to be independent of GO and GOP registration; if the structure of Section II is corrected as we suggest, so that it does not incorrectly imply a relationship between the GO/GOP-IBR and GO/GOP categories, footnote 9 may not be needed.

While we have not attached a proposed redline of Revised Appendix 5A, we note that conforming changes to Section II of that appendix would be needed to reflect that GO-IBR and GOP-IBR are independent categories.

B. Clarifications

As we understand NERC's intent, where at least 20 MVA of non-BES IBR capacity is connected at a common point of connection at 60 kV or above, via a collector system analogous to that required under Inclusion I4 of the BES definition, any entity that owns and/or operates some or all of that non-BES IBR capacity will be registered as a GO/GOP-IBR. TAPS suggests revisions to proposed Section IV of the Registry Criteria to reduce the risk of conflicting interpretations of the thresholds. Our proposed clarifications are reflected in the attached redline.

1. Interconnection

NERC proposes to register owners and operators of "non-BES inverter based generating resources that have an aggregate nameplate capacity of greater than or equal to 20 MVA, *delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV*."[14] NERC has described its approach as "consistent with how aggregate nameplate capacity is determined for dispersed power producing resources that fall within Inclusion I4 of the BES Definition."[15] TAPS supports modeling the GO/GOP-IBR definitions on Inclusion I4; doing so should help avoid confusion thanks to the guidance already available regarding the application of I4 to various configurations.

But the proposed language omits a key part of Inclusion I4: BES dispersed generating resources must be "<u>connected through a system designed primarily for</u> delivering such capacity to a common point of connection . . . "[16] It is our understanding that NERC's omission of the underlined language is simply meant to eliminate unnecessary verbiage, and is *not* intended to change the type of interconnection being described. But the omitted language serves an important purpose: NERC's proposed language could be read as requiring the registration of all owners and operators of IBR-DERs (potentially including residential rooftop solar or electric vehicles with bidirectional charging capability) on any distribution system with at least 20 MVA of total IBR-DER capacity, because the distribution system theoretically "deliver[s]" the IBR-DERs' capacity to the 69 kV point of connection. With the omitted words inserted, however, the

[13] Revised Registry Criteria § IV n.9.

[14] *Id*. § IV (emphasis added).

[15] IBR Work Plan Update at 5.

[16] NERC, *Glossary of Terms Used in NERC Reliability Standards* at 7 (Mar. 8, 2023), https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf (definition of Bulk Electric System, Inclusion I4) (emphasis added); *see also* App. 2 at 3.

Section IV language would read "non-BES [IBRs] that have an aggregate nameplate capacity of greater than or equal to 20 MVA, connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV." By restoring the omitted portion of the Inclusion I4 language, NERC would avoid this unintended result by ensuring that IBR-DERs—IBRs located on a distribution system—would *not* qualify as GO/GOP-IBRs, because a distribution system is not "designed primarily for delivering" the output of DERs to the BPS. Rather, a distribution system is designed primarily for serving load.

Even if the underlined language did not add meaning to Inclusion I4, however, its *omission* would change the meaning of the GO/GOP-IBR criteria, because the use of only a portion of I4's language could be interpreted as an intentional distinction between the types of configuration that meet the GO/GOP-IBR criteria and those described by Inclusion I4.

2. Aggregate Capacity

NERC proposes to register an entity as a GO-IBR and/or GOP-IBR "if the entity owns, maintains, or operates non-BES inverter based generating resources that have an aggregate nameplate capacity of greater than or equal to 20 MVA, delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV." This could be interpreted to mean that, for example, if a particular entity owned 15 MVA of non-BES IBR capacity at a point of connection, that entity would not meet the criteria for registration as a GO/GOP-IBR, even if the *total* non-BES IBR capacity at that point of connection were at least 20 MVA. Such a result would diverge from the longstanding approach to GO/GOP registration, in which an entity that owns and operates 50 MVA of capacity within an 80 MVA I4 aggregation is subject to registration as a GO/GOP because its units are BES "generating Facility(ies)," even though that entity owns and operates less than the 75 MVA threshold in Inclusion I4.

TAPS believes that NERC's intent is instead that—paralleling GO/GOP registration and Inclusion I4 of the BES definition—if at least 20 MVA of non-BES IBR capacity is connected to a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV, then any entity that owns/operates any of that non-BES IBR capacity is subject to registration as a GO/GOP-IBR. We have suggested revisions to Section IV that attempt to provide more clarity on this issue.[17]

Finally, we suggest revisions to make more explicit what we take to be NERC's intent on two other issues: (1) capacity is aggregated separately for each connection point, and (2) only non-BES capacity is included in the aggregation, i.e., any synchronous and/or BES capacity does not count towards the 20 MVA threshold.

[17] The drafting challenge posed by the concept of aggregating the total non-BES IBR capacity on a collector system, and then registering all owners/operators of such capacity, is exacerbated by the fact that there is no "non-BES IBR aggregation" analogue to "BES generation." We would be happy to discuss possible solutions as a supplement to the changes we have proposed.

3. Proposed Footnote 9

NERC proposes a new footnote 9, clarifying that "[o]wners and operators of IBRs that meet the BES threshold shall be registered as a GO or GOP, as applicable. Entities that own and operate both BES and non-BES IBRs will be registered as both a GO and GO-IBR and/or as a GOP and GOP-IBR, as applicable."[18] As noted above, NERC may avoid the need for this footnote by recognizing GO-IBR and GOP-IBR as independent categories in Section II, since doing so would eliminate confusion over whether the new categories are instead subsets of GO and GOP. If NERC retains footnote 9, however, we suggest two minor clarifications, which are included in the attached redline. The first proposed edit replaces "IBRs that meet the BES threshold" with "BES IBRs," to account for the fact that the BES status of generation (and thus whether its owner/operator is subject to GO/GOP registration) can be changed via the BES exceptions process. And we propose a clarification to the footnote's second sentence to make it consistent with NERC's proposal to register as GO/GOP-IBRs the owners/operators of only a subset of non-BES IBRs—those that meet the thresholds set out in Section IV.

[18] Revised Registry Criteria § IV, n.9.

10/30 TAPS PROPOSED REVISIONS

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Appendix 5B

Statement of Compliance Registry Criteria
Revision 8

Effective:, 202X

RELIABILITY | RESILIENCE | SECURITY




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Statement of Compliance Registry Criteria (Revision 8)

Summary

This document describes how the North American Electric Reliability Corporation (NERC) will identify organizations that may be candidates for Registration and assign them to the Compliance Registry.

NERC and the Regional Entities[1] have the obligation to identify and register all entities that meet the criteria for inclusion in the Compliance Registry, as further explained in the balance of this document.

Organizations will be responsible to register and to comply with approved Reliability Standards to the extent that they are owners, operators, and users of the Bulk Power System (BPS), perform a function listed in the functional types identified in Section II of this document, and are material to the Reliable Operation of the interconnected BPS as defined by the criteria and sections set forth in this document. NERC will apply the following principles to the Compliance Registry:

- In order to carry out its responsibilities related to enforcement of Reliability Standards, NERC must identify the owners, operators, and users of the BPS who have a material impact[2] on the BPS through a Compliance Registry. NERC and the Regional Entities will make their best efforts to identify all owners, users and operators who have a material impact on the BPS in order to develop a complete and current Compliance Registry list. The Compliance Registry will be updated as required and maintained on an on-going basis.
- Organizations listed in the Compliance Registry are responsible and will be monitored for compliance with applicable mandatory Reliability Standards. They will be subject to NERC's and the Regional Entities' Compliance Monitoring and Enforcement Programs.
- NERC and Regional Entities will not monitor nor hold those not in the Compliance Registry responsible for compliance with the Reliability Standards. An entity which is not initially placed on the Compliance Registry, but which is identified subsequently as having a material impact on the BPS, will be added to the Compliance Registry. Such entity will not be subject to a sanction or Penalty by NERC or the Regional Entity for actions or inactions prior to being placed on the Compliance Registry, but may be required to comply with a Remedial Action Directive or Mitigation Plan in order to become compliant with applicable Reliability Standards. After such entity has been placed on the Compliance Registry, it shall be responsible for complying with Reliability Standards and may be subject to sanctions or Penalties as well as any Remedial Action Directives and Mitigation Plans required by the Regional Entities or NERC for future violations, including any failure to follow a Remedial Action Directive or Mitigation Plan to become compliant with Reliability Standards.
- Required compliance by a given organization with the Reliability Standards will begin the later of (i) inclusion of that organization in the Compliance Registry and (ii) approval by the Applicable Governmental Authority of mandatory Reliability Standards applicable to the registered entity.

Entities responsible for funding NERC and the Regional Entities have been identified in the budget documents filed with FERC.[3] Presence on or absence from the Compliance Registry has no bearing on an entity's independent responsibility for funding NERC and the Regional Entities.

[1] The term "Regional Entities" includes Cross-Border Regional Entities that have footprints in the U.S., Canada, and Mexico, as applicable. Applicable Governmental Authorities in Canadian jurisdictions may have adopted their own Rules of Procedure and Compliance Registry requirements. Registered Entities may be subject to the Compliance Monitoring and Enforcement Programs (CMEP) in their respective jurisdictions, in accordance with applicable laws and regulations.

[2] The criteria for determining whether an entity will be placed on the Compliance Registry are set forth in the balance of this document. At any time a person may recommend in writing, with supporting reasons, to the Director of Compliance (or an equivalent position) that an organization be added to or removed from the Compliance Registry, pursuant to NERC Rules of Procedure Section 501.1.3.5.

[3] Budget documents are submitted to Applicable Governmental Authorities in Canada for information.

Background

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(ies). Based on selection as the ERO, NERC's Organization Registration program[4] is the means by which NERC and the Regional Entities plan, manage, and execute Reliability Standard compliance oversight of owners, operators, and users of the BPS. Organizations listed in the Compliance Registry are subject to NERC's and the Regional Entities' Compliance Monitoring and Enforcement Programs.

Statement of Issue

As the ERO, NERC intends to comprehensively and thoroughly protect the reliability of the grid. To support this goal NERC will include in its Compliance Registry each entity that NERC concludes can materially impact the reliability of the BPS.

NERC will identify those entities that may need to be listed in its Compliance Registry. Identifying these organizations is necessary and prudent for the purpose of determining resource needs, both at the NERC and Regional Entity level, and for communicating with these entities regarding their potential responsibilities and obligations. Candidate entities can be identified at any time, as and when needed. The Compliance Registry is available on NERC's website.

Resolution

The potential costs and effort of registering every organization potentially within the scope of "owner, operator, and user of the BPS," while ignoring their impact upon reliability, would be disproportionate to the improvement in reliability that would reasonably be anticipated from doing so.

NERC and the Regional Entities have identified two principles they believe are key to the entity selection process. These are:

1. There needs to be consistency between Regions and across the continent with respect to which entities are registered; and
2. Any entity reasonably deemed material to the reliability of the BPS will be registered, irrespective of other considerations.

To address the second principle the Regional Entities, working with NERC, will identify and register any entity they deem material to the reliability of the BPS.

Registry Criteria

In order to promote consistency, NERC and the Regional Entities use the following criteria as the basis for determining whether particular entities should be identified as candidates for Registration. All organizations meeting or exceeding the criteria will be identified as candidates.

The following criteria (Sections I-V) plus the statement in Section VI will provide guidance regarding an entity's Registration status:

I. Owners, operators, or users of the BPS are candidates for Registration.[5]

[4] See NERC ERO Application; Exhibit C; Section 500 – Organization Registration and Certification.

[5] See NERC Rules of Procedure Section 501.1 NERC Compliance Registry — NERC shall establish and maintain the NCR of the BPS owners, operators, and users that are subject to approved Reliability Standards. For purposes of this Section I, users, owners, and operators of the BPS includes: 1) entities that use, own, or operate Elements of the Bulk Electric System (BES) as defined in Appendix 2 of the NERC Rules of Procedure and NERC Glossary of Terms; as well as 2) entities otherwise defined in the Registry Criteria in this Appendix 5B.

II. Entities identified in Section I above will be categorized as Registration candidates who may be subject to Registration under one or more appropriate Functional Entity types based on a comparison of the functions the entity normally performs against the following function type definitions.[6]

Function Type	Acronym	Definition/Discussion
Balancing Authority	BA	The responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real-time.
Distribution Provider	DP	Provides and operates the "wires" between the transmission system and the end-use customer. For those end-use customers who are served at transmission voltages, the Transmission Owner also serves as the Distribution Provider. Thus, the Distribution Provider is not defined by a specific voltage, but rather as performing the distribution function at any voltage. Note: As provided in Section III.b.1 below, a Distribution Provider entity shall be an Underfrequency Load Shedding (UFLS)-Only Distribution Provider if it is the responsible entity that owns, controls or operates UFLS Protection System(s) needed to implement a required UFLS program designed for the protection of the BES, but does not meet any of the other registration criteria for a Distribution Provider.
Frequency Response Sharing Group	FRSG	A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating resources required to jointly meet the sum of the Frequency Response Obligations of its members.
Generator Operator	GOP	The entity that operates generating Facility(ies)and performs the functions of supplying energy and Interconnected Operations Services. ~~Note: As provided in Section IV below, an entity that operates non-BES inverter-based resource(s) shall be registered as a Generator Operator – Inverter Based Resource (GOP-IBR).~~
Generator Operator – Inverter-Based Resource	GOP-IBR	The entity that operates non-BES inverter-based resource(s) and performs the functions of supplying energy and Interconnected Operations Services.
Generator Owner	GO	Entity that owns and maintains generating Facility(ies). ~~Note: As provided in Section IV below, an entity that owns and maintains non-BES inverter-based resource(s) shall be registered a Generator Owner – Inverter Based Resource (GO-IBR).~~

Generator Owner – Inverter-Based Resource	GO-IBR	Entity that owns and maintains non-BES inverter-based resource(s).
Planning Authority/ Planning Coordinator	PA/PC	The responsible entity that coordinates and integrates transmission Facilities and service plans, resource plans, and Protection Systems.

[6] Exclusion: An entity will not be registered based on these criteria if responsibilities for compliance with approved NERC Reliability Standards or associated Requirements including reporting have been transferred by written agreement to another entity that has registered for the appropriate function for the transferred responsibilities, including bilateral agreements and Sections 501, 507, and 508 of the NERC Rules of Procedure.

Function Type	Acronym	Definition/Discussion
Reliability Coordinator	RC	The entity that is the highest level of authority who is responsible for the Reliable Operation of the BES, has the Wide Area view of the BES, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.
Regulation Reserve Sharing Group	RRSG	A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply the Regulating Reserve required for all member Balancing Authorities to use in meeting applicable regulating standards.
Reserve Sharing Group	RSG	A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply Operating Reserves required for each Balancing Authority's use in recovering from contingencies within the group. Scheduling energy from an Adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in more quickly (e.g., between zero and ten minutes), then, for the purposes of recovery from a Reportable Balancing Contingency Event, the areas become a Reserve Sharing Group.
Resource Planner	RP	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific Loads (customer demand and energy requirements) within a Planning Authority area.
Transmission Owner	TO	The entity that owns and maintains transmission Facilities.
Transmission Operator	TOP	The entity responsible for the reliability of its local transmission system and operates or directs the operations of the transmission Facilities.
Transmission Planner	TP	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority area.
Transmission Service Provider	TSP	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.

III. Entities identified in Section II above as being subject to Registration as a Distribution Provider should be included in the Compliance Registry for these functions only if they meet any of the criteria listed below:

III(a) Distribution Provider:

III.a.1 Distribution Provider system serving >75 MW of peak Load that is directly connected to the BES;[7] or

III.a.2 Distribution Provider is the responsible entity that owns, controls, or operates Facilities that are part of any of the following Protection Systems or programs designed, installed, and operated for the protection of the BES:[8]

- a required Undervoltage Load Shedding (UVLS) program and/or
- a required Special Protection System or Remedial Action Scheme and/or
- a required transmission Protection System; or

III.a.3 Distribution Provider that is responsible for providing services related to Nuclear Plant Interface Requirements (NPIRs) pursuant to an executed agreement; or

III.a.4 Distribution Provider with field switching personnel identified as performing unique tasks associated with the Transmission Operator's restoration plan that are outside of their normal tasks.

III(b) Distribution Provider with UFLS-Only assets (referred to as "UFLS-Only Distribution Provider")

III.b.1 UFLS-Only Distribution Provider does not meet any of the other registration criteria in Sections III(a)(1)-(4) for a Distribution Provider; and

III.b.2 UFLS-Only Distribution Provider is the responsible entity that owns, controls, or operates UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES.

The Reliability Standards applicable to UFLS-Only Distribution Providers are: (1) any version of PRC-005 and PRC-006 applicable to UFLS-Only Distribution Providers, (2) any regional Reliability Standard whose purpose is to develop or establish a UFLS Program, and (3) any Reliability Standard that lists UFLS-Only Distribution Provider in the applicability section. Reliability Standards that apply to Distribution Providers will not apply to UFLS-Only Distribution Providers, unless explicitly stated in the applicability section of these Reliability Standards and in future revisions and/or versions.

IV. An entity identified in ~~the Notes to Generator Owner or Generator Operator in~~ Section II above ~~shall be included in the Compliance Registry~~ as being subject to registration as a Generator Owner-Inverter-Based Resource (GO-IBR) and/or Generator Operator- Inverter-Based Resource (GOP-IBR) shall be included in the Compliance Registry for these functions only if:

IV(a) the entity owns, maintains, or operates non-BES inverter based generating resources that ~~have an aggregate nameplate capacity of greater than or equal to 20 MVA~~, are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kV ("sub-BES collector system"); *and*

IV(b) the aggregate nameplate capacity of all non-BES IBRs connected through that sub-BES collector system is greater than or equal to 20 MVA. For purposes of determining whether the 20 MVA threshold is met:

IV.b.1. Nameplate capacity is aggregated separately for each sub-BES collector system; and

IV.b.2. If both non-BES IBRs and other resources (i.e., synchronous and/or BES generation) are connected to a particular sub-BES collector system, only the capacity of the non-BES IBRs is included in the aggregation.[9]

V. Joint Registration Organization, Coordinated Functional Registration and applicable Member Registration.

Pursuant to FERC's directive in paragraph 107 of Order No. 693, NERC's rules pertaining to joint Registrations and Joint Registration Organizations, as well as Coordinated Functional Registrations, are now found in Section 501, 507, and 508 of the NERC Rules of Procedure.

VI. If NERC or a Regional Entity encounters an organization that is not listed in the Compliance Registry, but which should be subject to the Reliability Standards, NERC or the Regional Entity is obligated and will initiate actions to

[7] Ownership, control or operation of UFLS Protection System(s) needed to implement a required UFLS Program designed for the protection of the BES does not affect an entity's eligibility for registration pursuant to III.a.1.

[8] As used in Section III.a.2, "protection of the Bulk Electric System" means protection to prevent instability, Cascading, or uncontrolled separation of the BES and not for local voltage issues (UVLS) or local line loading management (Special Protection System) that are demonstrated to be contained within a local area.

[9] Owners and operators of BES IBRs ~~that meet the BES threshold~~ shall be registered as a GO or GOP, as applicable. Entities that own and operate both ~~BES and~~ non-BES IBRs meeting the criteria in Sec. IV and BES generation will be registered as both a ~~GO and~~ GO-IBR and a GO, and/or as a ~~GOP and~~ GOP-IBR and a GOP, as applicable.

add that organization to the Compliance Registry, subject to that organization's right to challenge as provided in Section 500 of NERC's Rules of Procedure.

Determination of Material Impact

An entity that does not meet (i.e., falls below) the criteria may nevertheless be registered if it can be demonstrated that the entity has a material impact on the reliability of the BES. Similarly, an entity that meets the criteria may be excluded if it can be demonstrated to NERC that the entity does not have a material impact on the reliability of the BES. Such Registration decisions regarding materiality must be made by the NERC-led Registration Review Panel in accordance with Section III(D) of Appendix 5A to the NERC Rules of Procedure. In order to ensure a consistent approach to assessing materiality, a non-exclusive set of factors ("materiality test") for consideration is identified below; however, only a sub-set of these factors, or other additional factors, may be applicable to a particular functional registration category or specific entity, as appropriate:

1. Is the entity specifically identified in the emergency operation plans and/or restoration plans of an associated Reliability Coordinator, Balancing Authority, Generator Operator or Transmission Operator?
2. Will intentional or inadvertent removal of an Element owned or operated by the entity, or a common mode failure of two Elements as identified in the Reliability Standards (for example, loss of two Elements as a result of a breaker failure), lead to a reliability issue on another entity's system (such as a neighboring entity's Element exceeding an applicable rating, or loss of non-consequential load due to a single contingency)? Conversely, will such contingencies on a neighboring entity's system result in issues for Reliability Standards compliance on the system of the entity in question?
3. Can the normal operation, misoperation or malicious use of the entity's cyber assets cause a detrimental impact (e.g., by limiting the operational alternatives) on the operational reliability of an associated Balancing Authority, Generator Operator or Transmission Operator?
4. Can the normal operation, misoperation, or malicious use of the entity's Protection Systems (including UFLS, UVLS, Special Protection System, Remedial Action Schemes and other Protection Systems protecting BES Facilities) cause an adverse impact on the operational reliability of any associated Balancing Authority, Generator Operator or Transmission Operator, or the automatic load shedding programs of a PC or TP (UFLS, UVLS)?

Limitation of responsibilities to a sub-set of Reliability Standards

NERC may limit the compliance obligations of (1) a given entity registered for a particular function or (2) a similarly situated class of entities, as warranted based on the particular facts and circumstances, to a sub-set list of Reliability Standards (which may specify Requirements/sub- Requirements). If NERC establishes a sub-set list for similarly situated class of entities, NERC will post the eligibility criteria and sub-set list of applicable Reliability Standards to the Registration and Certification page of the NERC Website.