



2019 Small Entity Seminar

This document provides SERC staff responses to questions asked by entities. The information provided herein is intended, on its date of posting, to provide guidance to the industry. Actions based on this information shall have no standing for the purpose of contesting or mitigating any findings of noncompliance by SERC. Compliance depends on a number of factors including the precise language of the Standard, the specific facts and circumstances, and the quality of evidence. Compliance will continue to be determined based on language in the NERC Reliability Standards as they may be amended from time to time.

- 1. TOP-001-4, R13 – A small entity with 1 BES facility has four radials. Nothing on their system causes an adverse impact on BES. They do have SCADA on that station. Can the SCADA serve as Real-Time Assessment? Entity contracts with a third party TOP to provide the 5-minute assessment. What are the compliance options for this entity?**

- a) What is SERC’s expectation on demonstrating compliance for this requirement? What evidence/documentation is expected?**

Providing logs from the third party real-time assessment would be adequate to show compliance for TOP-001-4 R13. Records for thirty days (from the time of request) should be provided to the audit team. The evidence should show time stamps that the assessment was performed within the 5 minute requirement.

- 2. RC Data Specification in IRO-010 and TO/BA Specs in TOP-003 Who has the burden of documenting the data specification and indicating that the specification is related to those standards? The entity is not getting a clear indication from TOP/BA on what specifications are for compliance purposes.**

Each requirement prescribes what registration is responsible for the requirement. If the requirement states the TOP and BA then both are obligated to show compliance for the requirement.

Example: TOP-003-3 R3

R3. Each **Transmission Operator** shall distribute its data specification to entities that have data required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessment. [Violation Risk Factor: Low] [Time Horizon: Operations Planning]

M3. Each **Transmission Operator** shall make available evidence that it has distributed its data specification to entities that have data required by the Transmission Operator's Operational Planning Analyses, Real-time monitoring, and Real-time Assessments. Such evidence could include but is not limited to web postings with an electronic notice of the posting, dated operator logs, voice recordings, postal receipts showing the recipient, date and contents, or e-mail records.

In this example the TOP has the burden to show evidence for R3.

3. How does SERC determine the frequency of audits for those entities that are not included in the ROP outlined 3-year cycle? Does SERC consider an entity's risk?

SERC considers an entity's risk by way of the Inherent Risk Assessment (IRA). For those entities that are not registered as a RC, BA, or TOP, the results of their IRA help determine their Compliance Oversight Plan (COP). The COP helps determine not only the scope of an engagement, but what engagement would take place, and its frequency (Audit, Spot Check, Guided Self Certification).

4. COM-002-4 R6, 3 way communications. The NERC defined term Emergency is pretty broad. What is SERC's audit approach?

SERC's audit approach to an Operating Instruction issued or received during an Emergency is bound by the approved NERC Glossary of Terms definition of Emergency. If abnormal system conditions transgress to adversely affect the reliability of the BES, the applicable functional entity should consider the necessary communication requirements that are required by NERC Standard COM-002-4.

5. What is SERC's audit approach regarding attestations in general and proving negatives? If an entity has standards that are applicable by function, but the standard is not applicable due to not having the equipment for example, what is the best practice for documenting non applicability, including review periods?

Q: How are attestations to be handled, and when should they be updated and signed?

A: 3/18/2014

How are attestations to be handled? When should attestations be updated and signed?

Attestations should be worded to cover the entire current audit period and cover all elements of the Requirement. A Registered Entity may sign and date attestations anytime from the date of the Audit Notification Letter to the date of the onsite portion of the audit. However, the Registered Entity must notify the Audit Team Lead if the conditions of the attestation change after signing and dating it. The Audit Team Lead will be able to provide a Registered Entity more information on the timing and specific wording of different attestations.

- 6. UFLS only DPs- PRC-006 and PRC-005 seem to be the only applicable standards and that the CIP standards do not apply. Is this a correct assumption?**

The Reliability Standards applicable to UFLS-Only Distribution Providers are: (1) PRC-005 and PRC-006 and (2) PRC-006-SERC-02. 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. CIP standards do not apply at this time.

- 7. Could you expand on the BES/registration exemption process for DPs that are over the 75 megawatt threshold, but only used for the local distribution of electrical energy.**

If an entity that is registered as a DP believes that it is not material to the reliability of the BES, it may request a NERC-led panel review as outlined in ROP Appendix 5A, Section III D.

Materiality is a broad term referring to the risk that an entity poses to the BES. In order to demonstrate this an entity is required to notify NERC and also its TOP, BA, RC, and PC of its intentions and offer them an opportunity to comment. In some cases the entity will be asked to perform additional studies.

Additional information on materiality can be found in the notes section of ROP Appendix 5B.

The NERC Directly Connected Practice Guide may also be helpful.

The BES Exemption Exception process is described in NERC ROP Appendix 5C and refers to BES elements only and can be helpful in determining GO and TO registrations. It can also be helpful in determining Directly Connected questions for DP registrations.

The BES Definition Reference Document along with other useful information can be found on the NERC website [here](#).

- 8. On July 1, 2019, when SERC takes over, does the entity need to update all of the compliance documents time stamped and signed by July 1, or can the entity incorporate the update from FRCC to SERC in their annual review process?**

The FRCC transition to SERC should have no bearing on an entity's procedure updates. A caveat might be if certain procedures reference FRCC, they would need to reference SERC.

9. **EOP-005-3 R8 Interpretation Question: It appears that the only “new” item is 8.5. We know we must include the item in our annual plan by the effective date of 4/1/19. Must the training be complete by 4/1/19, or can it be completed in our training cycle as included in our annual plan?**

There is no measurement that indicates that training for EOP-005-3 R8 should be conducted prior to April 1, 2019. Training can be conducted on the regular scheduled cycle indicated in the annual training plan. EOP-005-3 R8 had minimal change from the previous version of EOP-005-2 R10. Training under the previous version would be used to show compliance for EOP-005-3 R8. New training material should address EOP-005-3 R8.5 when the training is updated for the modified standard.