

Proposed Revisions to Appendices 2, 5A, and 5B of the NERC Rules of Procedure to Register Material Bulk Power System connected, non-Bulk Electric System, Inverter-Based Resources

Organization Registration Program

Introduction

On November 17, 2022, the Federal Energy Regulatory Commission (FERC) directed NERC to submit a work plan describing how it plans to identify and register owners and operators of inverter-based resources (IBR) that are connected to and have a material impact in the aggregate on the Bulk-Power System (BPS), but are not currently required to register with NERC under the bulk electric system (BES) definition. On February 15, 2023, as amended in March 2023, NERC filed a Work Plan outlining concepts and milestones to achieve that directive.

On May 18, 2023, FERC accepted the Work Plan. NERC has filed Work Plan updates every 90 days thereafter. NERC posted its proposed revisions to Appendices 2, 5A, and 5B of the NERC Rules of Procedure (ROP) for a 45 day public comment period between September 13th – October 30th, 2023. The substance of NERC's proposal is consistent with these Work Plan filings and the September 13th posting, although NERC has improved the organizational structure and made other clarifying edits in response to comments submitted. NERC appreciates the feedback and stakeholder participation throughout this ROP development process.

NERC proposes the following revisions to the ROP to accurately reflect and address non-BES, BPS connected IBRs (unregistered IBRs) that have a material impact in aggregate on BPS reliability.¹

- **Appendix 2 – Definitions Used in the ROP:** i) Revising the definitions of “Generator Owner” and “Generator Operator” to mirror the revisions proposed in Appendix 5B; and ii) revising the Reserve Sharing Group (RSG) definition for consistency with Reliability Standard Project 2022-01 Reporting ACE Definition and Associated Terms (Project 2022-01).
- **Appendix 5A – Organization Registration and Certification Manual:** Making changes that conform with those in Appendix 5B and reducing legislative history.
- **Appendix 5B – Statement of Compliance Registry Criteria:** i) Revising the Registry Criteria for “Generator Owner” and “Generator Operator” to add the new category of owners and operators of

¹ This proposal does not include distributed energy resources. Rather it only includes IBRs that are interconnected to the BPS. Nonetheless, NERC is reviewing potential impacts associated with DERs on the BPS.

unregistered BPS connected, non-BES, IBRs; ii) clarifying the scope of registration in Section I of the Registry Criteria; iii) reducing legislative history; and iv) revising the RSG definition for consistency with Reliability Standard Project 2022-01.

Overview of Revisions

Appendix 2 – Definitions Used in the ROP

Revision #1:

NERC proposes to revise the definitions of GO and GOP to reflect a new category of entities that own and maintain or operate BPS connected, non-BES, IBR in a manner that mirrors the proposal in Appendix 5B.

Business Case: The proposed changes would conform and be consistent with the proposed expanded definitions of GO and GOP in the Registry Criteria.

Revision #2:

NERC proposes to revise the RSG definition to be consistent with the revised definition being proposed in Project 2022-01.

Business case: The proposed revision would conform and be consistent with the revised RSG definition being proposed in Project 2022-01. Incorporating these revisions would support administrative efficiency.

Revision #3:

NERC proposes to reflect that references to the “Board of Trustees Compliance Committee,” “BOTCC” or “Compliance Committee” means the Compliance Committee of the NERC Board of Trustees or its successor.

Business case: This administrative update supports NERC’s recent updates to its governance model establishing the Regulatory Oversight Committee (ROC) as the successor to the BOTCC.

Appendix 5A – Organization Registration and Certification Manual:

Revision #1:

Changing “Facilities” to “facilities” in order to reflect NERC’s scope of authority to register entities that own, operate, or use BPS assets consistent with the revisions in Appendix 5B.

Business Case: The ROP should reflect that owners, operators, and users of the BPS are candidates for registration. This change will be consistent with the fact that unregistered IBRs are connected to the BPS.

Revision #2:

Clarifying language that *de novo* review applies to BOTCC (now ROC) review of Registration appeals.

Business Case: Clarify that per existing practice *de novo* review is applied to Registration appeals.

Appendix 5B – Statement of Compliance Registry Criteria

Revision #1:

NERC proposes to revise GO and GOP Registry Criteria to include a new category. These functions would address registration of the entity that i) owns and maintains or ii) 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.

Business Case: As described in Docket No. RD22-4, through several assessments, event reports, and studies, NERC has determined that organizations which own or operate unregistered IBRs that i) aggregate to nameplate capacity equal or greater than 20 MVA; at ii) a common point of connection at a voltage greater than or equal to 60 kV, are material to the Reliable Operation of the interconnected BPS.² In response to comments on NERC's September 13th posting, NERC revised its proposal to reflect updates to the GO and GOP Registry Criteria directly rather than creation of associated GO-IBR and GOP-IBR functions.

Revision #2:

NERC proposes to revise the Registry Criteria to remove duplicative information, clarify Section I of the Criteria to make clear that owners, operators, or users of the BPS are candidates for Registration, and in response to comments update notes on materiality review to ensure clarity that the NERC-Led Review Panel process would be available to category 2 GOs and GOPs.

Business Case: The ROP should reflect that users, owners, and operators of the BPS are candidates for registration. The ROP should also reflect that Category 2 GOs and GOPs would be eligible for the same NERC-Led Review Panel process available to other GOs and GOPs. These changes will be consistent with the fact that unregistered IBRs are connected to the BPS.

Revision #3:

Remove portions of the legislative history from the Background portion of Appendix 5B.

Business case: Remove legacy information that is not necessary for understanding the Registry Criteria.

Revision #4:

NERC proposes to revise the RSG function definition to be consistent with the revised definition being proposed in Project 2022-01.

Business case: The proposed revision will conform and be consistent with the revised RSG definition being proposed in Project 2022-01 and including such updates with this project would support administrative efficiency.

² ERO Enterprise BPS Resource Trends Task Force, *Analysis of the Changing Mix of Generating Resources on the BPS* (Feb. 2023), available as Attach. 2 of NERC's work plan filing. *N. Am. Elec. Reliability Corp.*, (Feb. 15, 2023) Docket No. RD22-4-000, https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/IBR%20Registration%20Work%20Plan_final.pdf.