

# Reclamation Manual

Directives and Standards

## *TEMPORARY RELEASE*

*(Expires 05/26/2008)*

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- Subject:** Power System Reliability
- Purpose:** Establishes directives and standards for compliance with mandatory reliability standards established in the Energy Policy Act of 2005. The benefits are to provide consistent procedures across Reclamation for meeting these mandatory reliability requirements.
- Authority:** The Reclamation Act of 1902 (Act of June 17, 1902, 32 Stat.388), the Town Sites and Power Development Act of 1906 (Act of April 16, 1906, ch. 1361, 34 Stat. 116), Federal Power Act of 1920 (Act of June 10, 1920, ch.285, 41 Stat. 1063), Reclamation Project Act of 1939 (Act of August 4, 1939, ch. 418, 53 Stat. 1187), Energy Policy Act of 1992 (Act of October 24, 1992, 106 Stat. 2776), Energy Policy Act of 2005 (Act of August 8, 2005, 119 Stat. 594), and acts relating to individual dams or projects.
- Approving Official:** Director, Office of Program and Policy Services
- Contact:** Power Resources Office, 84-54000
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1. **Introduction.** Historically, Reclamation projects have aided in maintaining power system reliability. Power system disturbances in the 1960s resulted in voluntary reliability criteria to be met by system participants. The U.S. Energy Policy Act of 2005 authorized the creation of an Electric Reliability Organization (ERO) responsible for establishing a system of mandatory, enforceable electric system reliability standards. These standards apply to all users, owners, and operators of the bulk power system. Under the authority of this act, the Federal Energy Regulatory Commission (Commission) designated the North American Electric Reliability Corporation (NERC) as the ERO.
2. **Reliability Organizations.**
  - A. **North American Electric Reliability Corporation.**
    - (1) **Background.**
      - (a) NERC was created after the Northeast blackout of 1965 as a voluntary organization to promote bulk power system reliability and security. NERC's members are eight regional reliability organizations. The members of these regional reliability organizations represent all segments of the electric industry including investor-owned utilities; Federal power marketing administrations; rural electric cooperatives; state, municipal, and provincial utilities; independent power producers; power marketers; and end-use

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customers. These entities account for virtually all of the bulk electricity system in the United States, Canada, and a portion of Baja California Norte, Mexico.

- (b) In promoting electric system reliability and security, NERC:
  - (i) serves as the ERO;
  - (ii) as the ERO, establishes and enforces mandatory standards to ensure electric system reliability;
  - (iii) in conjunction with the eight regional reliability organizations, conducts a compliance monitoring and enforcement program;
  - (iv) imposes sanctions, including monetary penalties, for noncompliance; and
  - (v) maintains liaisons with the Federal, state, and provincial governments in the United States, Canada, Mexico, and users, owners and operators of the bulk power system.
- (2) **North American Electric Reliability Corporation Standards.** NERC's reliability standards may be found at NERC's Web site, <http://www.nerc.com/>.

#### **B. Western Electricity Coordinating Council.**

- (1) **Background.** WECC was created on April 18, 2002, by merger of the Western Systems Coordinating Council, the Western Regional Transmission Association, and the Southwest Regional Transmission Association. Reclamation is a member of WECC, and, until the imposition of mandatory reliability standards through the Energy Policy Act of 2005, has voluntarily adhered to WECC standards. In February 2006, WECC, acting for NERC, requested all users, owners, and operators of the bulk power system in the Western Interconnection to register under the NERC Reliability Functional Model. Reclamation registered as a Generator Owner, Generator Operator, and Transmission Owner on February 24, 2006.
- (2) **Western Electricity Coordinating Council Standards.** WECC, as the regional reliability coordinator for the Western Interconnection, acts in accordance with reliability standards established by the ERO and listed at NERC's Web site. WECC's relationship with NERC is defined in a contractual Delegation Agreement with NERC. Under this contract, WECC agrees to work with NERC

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to monitor, assess, and enforce compliance with reliability standards. In addition, WECC may establish and enforce regional reliability standards unique to the Western Interconnection with the concurrence of the ERO. WECC standards may be found at WECC's Web site, <http://www.wecc.biz/index.php>.

3. **Reliability Compliance and Documentation.** Reclamation power facilities will comply with all applicable NERC and WECC standards unless doing so would violate safety, equipment, or regulatory or statutory requirements. Facilities will maintain appropriate documentation to verify compliance. Documentation requirements are published on NERC's Web site. WECC will perform audits to ensure compliance with the ERO's reliability standards.
4. **Responsibilities.**
  - A. **Area Offices.** Area offices are responsible for ensuring that all mandatory reliability standards are met at their respective power facilities. In addition, area offices will be responsible for ensuring adequate and timely documentation of activities associated with meeting reliability standards is made and submitted to their respective regional office.
  - B. **Regional Offices.** Regional offices are responsible for ensuring timely submission of all compliance documentation. Standards for compliance documentation may be found at NERC's Web site. Compliance documentation for reliability standards unique to WECC may be found at their Web site.
  - C. **Office of Program and Policy Services, Power Resources Office.** The Power Resources Office is responsible for providing information and advice on the NERC and WECC reliability standards compliance requirements. The Power Resources Office will advise area and regional offices of changes or additions to reliability standards and required documentation. In addition, the Power Resources Office will coordinate Reclamation-wide data submittals.
5. **Waivers.** Waivers (previously called, "Variances") from this Directive and Standard will not be allowed without review by the Senior Executive responsible for the respective functional area. Procedures for requesting a waiver are provided in Reclamation Manual Directive and Standard, *Request for Waiver from a Reclamation Manual Requirement and Approval or Disapproval of the Request*, RCD 03-03.