

Reclamation Manual

Directives and Standards

Subject:	North American Electric Reliability Corporation (NERC) Electric Reliability Standard Compliance
Purpose:	To establish the requirements for the Electric Reliability Compliance Program. The benefit of implementing these requirements is ensuring the reliability of Bureau of Reclamation's power facilities and the interconnected Bulk Electric System (BES).
Authority:	The Reclamation Act of 1902 (Act of June 17, 1902, ch. 1093, 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), Department of Energy Act of 1977 (Act of August 4, 1977, Pub. L. 95-91, 91 Stat. 565), 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), acts relating to individual dams or projects.
Approving Official:	Senior Advisor, Hydropower
Contact:	Power Resources Office (PRO) (86-51000)

- 1. Introduction.** The Energy Policy Act of 2005 (EPAct) requires all users, owners, and operators of the BES to comply with its electric reliability requirements. Each applicable user, owner, and operator of the BES must comply with Federal Energy Regulatory Commission (FERC)-approved reliability standards developed by the North American Electric Reliability Corporation (NERC) (18 C.F.R. Part 40). The EPAct directed FERC to appoint an Electric Reliability Organization (ERO) responsible for establishing and enforcing reliability standards for the BES. FERC appointed NERC as the ERO. NERC appointed the Western Electricity Coordinating Council (WECC) as a Regional Reliability Organization with authority to enforce nationwide reliability standards and develop specific regional standards. When FERC approves reliability standards developed by NERC or WECC, they are mandatory and enforceable. Reclamation Policy FAC P04 states that Reclamation will comply with mandatory NERC and WECC reliability standards.
- 2. Applicability.** The purpose of Reclamation's Electric Reliability Compliance Program is to provide guidance and tools to assist regions with maintaining high reliability of power facilities through compliance with reliability standards. This Directive and Standard (D&S) defines the requirements to integrate the referenced Policy, Reclamation's Technical Documents, and related program procedures into Reclamation's facility hydropower operations and maintenance (O&M) processes. The five Reclamation regions are registered as a single entity for the Generator Owner (GO), Generator Operator (GOP), and Transmission Owner (TO) functions. This D&S applies to all Reclamation employees who

Reclamation Manual

Directives and Standards

operate and maintain power facilities to which the reliability standards apply. All Reclamation offices involved with power O&M are required to implement the Electric Reliability Compliance Program within the limits imposed on Reclamation by federal laws, orders, and regulations, including limitations on the expenditure of federal funds.

3. Program Administration.

- A. The Senior Advisor, Hydropower, as the Electric Reliability Compliance Officer, directs and administers the Electric Reliability Compliance Program through the Power Resources Office (PRO). The PRO authors and publishes a variety of technical and program documents that define reliability compliance roles, procedures, and responsibilities.
- B. Regional directors (RDs) are responsible for implementing Reclamation's compliance program at their applicable facilities. RDs and the Senior Advisor, Hydropower, in coordination with Area Managers and the Hydropower Management Team (HMT), ensure adequate staffing and funding is available for reliability compliance-related activities.
- C. The HMT provides regional reliability compliance oversight. The HMT has delegated authority from the RDs to make reliability compliance decisions, and advises RDs and associated regional leadership on reliability compliance matters. The HMT makes recommendations on strategic direction and implementation of the reliability program to the Senior Advisor, Hydropower. The HMT and regional reliability compliance representatives provide periodic updates to each other on the status of reliability compliance.
- D. RDs, through Facility Managers, ensure their region performs and documents maintenance to provide the necessary compliance evidence. Facility O&M staff apply reliability standards and requirements to Reclamation power systems.
- E. PRO provides advice, outreach, and oversight to all Reclamation organizations. PRO staff coordinates Reclamation's filings and responses to reliability-related matters, including audits, investigations, and reviews, with FERC, NERC, WECC, the Office of the Solicitor, and appropriate RD and/or the Senior Advisor, Hydropower. The Senior Advisor, Hydropower, represents Reclamation concerning all reliability compliance-related matters. The Supervisor, Electric Reliability Compliance serves as a liaison between Reclamation and FERC, NERC, and WECC.
- F. The Supervisor, Electric Reliability Compliance, supports regional reliability compliance activities in coordination with the HMT and small working groups. These small working groups assemble and evaluate information as requested by the HMT; review and develop draft processes and procedures in support of reliability compliance;

Reclamation Manual

Directives and Standards

and evaluate ways to integrate compliance activities and best practices into normal work activities.

- G. Reclamation leadership and management encourage reliability compliance through performance plan elements for subordinate managers and staff affiliated with or responsible for activities supporting reliability compliance.

4. Program Implementation.

- A. PRO develops guidance to integrate processes, procedures, and internal controls into Reclamation's Power O&M Program for monitoring and managing reliability compliance. Reclamation uses a risk-based approach to compliance to ensure facility reliability by focusing detective, preventive, and corrective internal controls on areas that reduce the most risk. These processes, procedures, and controls guide Reclamation's employees to assign resources and funding to support the administration, execution, and documentation of compliance efforts; detect and remediate potential non-compliance; monitor and evaluate each office's compliance with reliability standards; and share electric reliability compliance information with other offices and entities.
- B. The HMT is responsible for implementing the Electric Reliability Compliance Program within each region. Reliability compliance activities are considered O&M and are charged accordingly. Each region funds its cost of participation in reliability compliance activities. Regional compliance representatives participate on teams to implement the guidance they are given.

5. Program Documents.

- A. Technical Documents guide the Electric Reliability Compliance Program. The Senior Advisor, Hydropower, defines the reliability compliance program by directing the development of reliability compliance Technical Documents and approving and disseminating them Reclamation-wide. These documents describe Reclamation's risk-based approach to ensuring reliability and provide guidance for consistent implementation of reliability standards.
- B. The Supervisor, Electric Reliability Compliance, ensures Technical Documents for reliability compliance are developed collaboratively with regions and other offices that support reliability compliance. Workgroups are formed, as needed, to interpret standards, develop consistent and clear direction, and identify methods to implement activities to comply with reliability standards.
- C. The HMT reviews, provides input, and recommends approval of Reclamation's reliability compliance guidance, outreach, training, and standards development

Reclamation Manual

Directives and Standards

activities. The HMT is responsible for ensuring that changes in guidance are communicated and implemented within the regions.

6. Compliance Assurance.

A. Self-Certification.

- (1) The Supervisor, Electric Reliability Compliance, coordinates self-certification requirements and compiles and maintains Reclamation's records of reliability compliance.
- (2) Area Managers, through Facility Managers, ensure reliability compliance documentation is provided to their region's compliance representative within the required timeframe. Regional compliance representatives prepare compliance documentation for RD self-certification. Each RD annually attests to their region's status of compliance with reliability standards.
- (3) The Supervisor, Electric Reliability Compliance, consolidates regional reliability compliance information into comprehensive Reclamation filings and responses. The Senior Advisor, Hydropower, as the Electric Reliability Compliance Officer and CIP Senior Manager, certifies compliance with reliability standards on behalf of PRO and all of Reclamation, and submits filings to FERC, NERC, and/or WECC.

B. Auditing.

- (1) The PRO Manager is responsible for the performance of annual internal audits of compliance with reliability standards and for investigating reports of potential non-compliance and NERC-reportable power events.
- (2) The Supervisor, Electric Reliability Compliance, coordinates NERC and WECC audits, investigations, and reviews.
- (3) The HMT ensures timely submission of regional documentation in support of internal and external audits. HMT members represent their regions, ensure subject matter experts are available during audits, and coordinate with Facility Managers, through Area Managers, to review, evaluate, and implement recommended actions associated with audit findings.

C. Monitoring Compliance.

- (1) The Supervisor, Electric Reliability Compliance, coordinates reliability compliance requirements among all regions. The HMT ensures compliance with reliability standards and implements actions to correct and prevent potential non-compliance.

Reclamation Manual

Directives and Standards

Regional compliance representatives independently review and evaluate reliability compliance activities and report their findings to their HMT member.

- (2) The Supervisor, Electric Reliability Compliance coordinates with the HMT to perform root cause analysis and prepare self-reports of potential non-compliance and associated mitigation plans. HMT members approve regional mitigation plans to correct potential non-compliance.

7. Communication

- A. The Supervisor, Electric Reliability Compliance, develops and manages a Reclamation-wide reliability compliance outreach and training program to provide resource support to regional compliance representatives and other reliability compliance staff. HMT members coordinate and communicate information within their region, with other directorates, and with other interconnected entities involved in reliability compliance.
- B. Small working groups assemble and evaluate information requested by the HMT to identify ways to integrate compliance activities and best practices into normal work activities. Regional compliance representatives participate in the working groups and distribute approved information to other regional staff with compliance responsibilities.
- C. The Supervisor, Electric Reliability Compliance, hosts meetings with the Power Compliance Outreach Group. This group provides a forum for feedback, lessons learned, and other program communication.

8. Definitions.

- A. **Certifying.** The act of approving the information submitted to WECC, NERC, or FERC during annual self-certifications, audits, and other compliance submissions.
- B. **Critical Infrastructure Protection (CIP) Senior Manager.** The Reclamation executive with overall responsibility and authority for leading and managing Reclamation's implementation of and compliance with CIP standards.
- C. **Directorate.** The organizational component of the Director. This includes regional directors; Director, Technical Services Center (TSC); Director, Policy and Programs (for Security and Emergency Management); and Director, Information Resources Office (IRO).
- D. **Directors.** The Senior Executives responsible for specific programs or facilities. This includes regional directors; Director, Technical Services Center (TSC); Director, Policy and Programs (for Security and Emergency Management); and Director, Information Resources Office (IRO).

Reclamation Manual

Directives and Standards

- E. **Electric Reliability Compliance Officer.** The Reclamation executive with delegated authority to administer and ensure Reclamation's compliance with mandatory reliability standards, including signing related documents.
 - F. **Electric Reliability Compliance Program.** Reclamation's internal compliance program for managing whole-organization compliance with reliability standards.
 - G. **Hydropower Management Team (HMT)¹.** The HMT consists of the Senior Advisor, Hydropower, PRO Manager, and the regional Hydropower Business Line Managers, acting on behalf of each Regional Director to represent the region in program development. These individuals collaborate to successfully implement Reclamation's hydropower program.
 - H. **Regional Compliance Representatives.** The region-level position(s) designated by the regional director to monitor the region's compliance program.
 - I. **Reliability Compliance.** The activities associated with requirements listed in reliability standards or rulings by FERC relevant to the reliability of the BES.
 - J. **Reliability Standards.** Defined reliability requirements for planning and operating the North American bulk power system using a results-based approach that focuses on performance, risk management, and entity capabilities.
 - K. **Power Compliance Outreach Group.** The forum through which Reclamation distributes reliability compliance information.
 - L. **Technical Documents.** Power Reliability Compliance Bulletins (PRCBs) provide information to Reclamation offices engaged in operating and maintaining bulk electric system elements owned by Reclamation. PRCBs describe Reclamation's approach to compliance with each applicable reliability standard and cross-reference reliability standards with Reclamation Facilities Instructions Standards and Techniques (FIST) volumes and Power Equipment Bulletins (PEB). See D&S FAC 04-14, *Power Facilities Technical Documents*.
 - M. **Small Working Groups.** Standing and ad hoc groups of technical subject matter experts that meet to resolve specific compliance issues.
9. **Review Period.** The originating office reviews this release every 4 years.

¹ The HMT collectively replaces previously-developed teams, including the Power Risk Steering Committee, the Reliability Council, and the Regional Power Manager Group.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____