

SECTION 500 — ORGANIZATION REGISTRATION AND CERTIFICATION

501. Scope of the Organization Registration and Organization Certification Programs

The purpose of the Organization Registration Program is to clearly identify those entities that are responsible for compliance with the FERC approved Reliability Standards. Organizations that are registered are included on the NERC Compliance Registry (NCR) and are responsible for knowing the content of and for complying with all applicable Reliability Standards. Registered Entities are not and do not become Members of NERC or a Regional Entity, by virtue of being listed on the NCR. Membership in NERC is governed by Article II of NERC's Bylaws; membership in a Regional Entity ~~or regional reliability organization~~ is governed by that entity's bylaws or rules.

The purpose of the Organization Certification Program is to ensure that ~~the new entity (i.e., applicant to be an RC, BA, or TOP that is not already performing the function for which it is applying to be certified as)~~ has an entity that is or is to be registered as a Reliability Coordinator, Transmission Operator, and/or Balancing Authority has the tools, processes, training, and procedures to demonstrate ~~their-its~~ ability to meet the Requirements/sub-Requirements of all of the Reliability Standards applicable to ~~the-its~~ function(s). ~~which it is applying thereby demonstrating the ability to become certified and then operational.~~

Organization Registration and Organization Certification may be delegated to Regional Entities in accordance with the procedures in this Section 500; the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into these Rules of Procedure as **Appendix 5A**; and, approved Regional Entity delegation agreements or other applicable agreements.

1. **NERC Compliance Registry** — NERC shall establish and maintain the NCR of the Bulk Power System owners, operators, and users that are subject to approved Reliability Standards.
 - 1.1 (a) The NCR shall set forth the identity and functions performed for each organization responsible for meeting Requirements/sub-Requirements of the Reliability Standards. Bulk Power System owners, operators, and users (i) shall provide to NERC and the applicable Regional Entity information necessary to complete the Registration, and (ii) shall provide NERC and the applicable Regional Entity with timely updates to information concerning the Registered Entity's ownership, operations, contact information, and other information that may affect the Registered Entity's Registration status or other information recorded in the Compliance Registry.
 - (b) A generation or transmission cooperative, a joint-action agency or another organization may register as a Joint Registration Organization

(JRO), in lieu of each of the JRO's members or ~~related-other~~ entities being registered individually for one or more functions. Refer to Section 507.

(c) Multiple entities may each register using a Coordinated Functional Registration (CFR) for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function pursuant to a written agreement for the division of compliance responsibility. Refer to Section 508.

- 1.2 In the development of the NCR, NERC and the Regional Entities shall determine which organizations should be placed on the NCR based on the criteria provided in the NERC *Statement of Compliance Registry Criteria* which is incorporated into these Rules of Procedure as **Appendix 5B**.
- 1.3 NERC and the Regional Entities shall use the following rules for establishing and maintaining the NCR based on the Registration criteria as set forth in **Appendix 5B** *Statement of Compliance Registry Criteria*:
 - 1.3.1 NERC shall notify each organization that it is on the NCR. The ~~organization~~Registered Entity is responsible for compliance with all the Reliability Standards applicable to the functions for which it is registered from the time it receives the Registration- notification from NERC or such other prior date as agreed between the entity and the Regional Entity.
 - 1.3.2 Any organization receiving such a notice may challenge its placement on the NCR according to the process in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section V.
 - 1.3.3 The Compliance Committee of the Board of Trustees shall promptly issue a written decision on the challenge, including the reasons for the decision.
 - 1.3.4 The decision of the Compliance Committee of the Board of Trustees shall be final unless, within 21 days of the date of the Compliance Committee of the Board of Trustees decision, the organization appeals the decision to the Applicable Governmental Authority.
 - 1.3.5 Each Registered Entity identified on the NCR shall notify its corresponding Regional Entity(s) of any corrections, revisions, deletions, changes in ownership, corporate structure, or similar matters that affect the Registered Entity's responsibilities with respect to the Reliability Standards. Failure to notify will not relieve the Registered Entity from any responsibility to comply

with the Reliability Standards or shield it from any Penalties or sanctions associated with failing to comply with the Reliability Standards applicable to its associated Registration.

1.4 For all geographical or electrical areas of the Bulk Power System, the Registration process shall ensure that (1) no areas are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical, and (2) there is no unnecessary duplication of such coverage or of required oversight of such coverage. In particular the process shall:

1.4.1 Ensure that all areas are under the oversight of ~~one and only one~~ Reliability Coordinator.

1.4.2 Ensure that all Balancing Authorities and Transmission Operator entities¹ are under the responsibility of ~~one and only one~~ Reliability Coordinator.

1.4.3 Ensure that all transmission Facilities of the Bulk Power System are the responsibility and under the control of ~~one and only one~~ Transmission Planner, Planning Authority/Planning Coordinator, and Transmission Operator.

1.4.4 Ensure that all Loads and generators are under the responsibility and control of ~~one and only one~~ Balancing Authority.

1.5 NERC shall maintain the NCR of organizations responsible for meeting the Requirements/sub-Requirements of the Reliability Standards currently in effect on its website and shall update the NCR at least monthly.

2. **Entity Certification** — NERC shall provide for Certification of Reliability Coordinators, Transmission Operators, and Balancing Authorities. ~~all entities with primary reliability responsibilities requiring Certification. This includes those entities that satisfy the criteria established in the NERC provisional Certification process. The NERC programs~~ NERC Certification activities shall include, but are not limited to, the following:

2.1 Evaluate the competency, pursuant to **Appendix 5A Organization Registration and Organization Certification Manual**, of (i) entities that are registered or are to be registered as a Reliability Coordinator, Transmission Operator or Balancing Authority and (ii) third parties to which performance of some or all of these reliability functions have been

¹ Some organizations perform the listed functions (e.g., Balancing Authority, Transmission Operator) over areas that transcend the Footprints of more than one Reliability Coordinator. Such organizations will have multiple Registrations, with each such Registration corresponding to that portion of the organization's overall area that is within the Footprint of a particular Reliability Coordinator.

delegated, assigned or contracted. The Certification process shall not be a recurring evaluation of certified entities or third parties to which performance of some or all of these reliability functions have been delegated, assigned or contracted, and review of existing Certifications will be done solely pursuant to Section IV, item 4, Organization Certification Process of Appendix 5A.

~~2.1 Evaluate and certify the competency of entities performing reliability functions. The entities presently expected to be certified include Reliability Coordinators, Transmission Operators, and Balancing Authorities.~~

~~2.2 Evaluate and certify each applicant's ability to meet the requirements for Certification.~~

~~2.32.2~~ Maintain process documentation.

~~2.42.3~~ Maintain records of currently certified entities.

~~2.52.4~~ Issue a Certification document to the applicant that successfully demonstrates its competency to perform the evaluated functions.

3. Delegation and Oversight

3.1 NERC may delegate responsibilities for Organization Registration and Organization Certification to Regional Entities in accordance with requirements established by NERC. Delegation will be via the delegation agreement between NERC and the Regional Entity or other applicable agreement. The Regional Entity shall administer Organization Registration and Organization Certification Programs in accordance with such delegations to meet NERC's programs goals and requirements subject to NERC oversight.

3.2 NERC shall develop and maintain a plan to ensure the continuity of Organization Registration and Organization Certification within the geographic or electrical boundaries of a Regional Entity in the event that no entity is functioning as a Regional Entity for that Region, or the Regional Entity withdraws as a Regional Entity, or does not operate its Organization Registration and Organization Certification Programs in accordance with delegation agreements.

3.3 NERC shall develop and maintain a program to monitor and oversee the NERC Organization Registration and Organization Certification Programs activities that are delegated to each Regional Entity through a delegation agreement or other applicable agreement.

3.3.1 This program shall monitor whether the Regional Entity carries out those delegated activities in accordance with NERC requirements,

and whether there is consistency, fairness of administration, and comparability.

3.3.2 Monitoring and oversight shall be accomplished through direct participation in the Organization Registration and Organization Certification Programs with periodic reviews of documents and records of both programs.

502. Organization Registration and Organization Certification Program Requirements

1. NERC shall maintain the Organization Registration and Organization Certification Programs.
 - 1.1 The roles and authority of Regional Entities in the programs are delegated from NERC pursuant to the Rules of Procedure through regional delegation agreements or other applicable agreements.
 - 1.2 Processes for the programs shall be administered by NERC and the Regional Entities. Materials that each Regional Entity uses are subject to review and approval by NERC.
 - 1.3 The appeals process for the Organization Registration and Organization Certification Programs are identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Sections V and VI, respectively.
 - 1.4 The Certification Team membership is identified in **Appendix 5A** *Organization Registration and Organization Certification Manual*, Section IV.8.d.
2. To ensure consistency and fairness of the Organization Registration and Organization Certification Programs, NERC shall develop procedures to be used by all Regional Entities and NERC in accordance with the following criteria:
 - 2.1 NERC and the Regional Entities shall have data management processes and procedures that provide for confidentiality, integrity, and retention of data and information collected.
 - 2.2 Documentation used to substantiate the conclusions of the Regional Entity/ NERC related to Registration and/or Certification must be retained by the Regional Entity for ~~(6)~~ six (6) years, unless a different retention period is otherwise identified, for the purposes of future audits of these programs.
 - 2.3 To maintain the integrity of the NERC Organization Registration and Organization Certification Programs, NERC, Regional Entities, Certification Team members, program audit team members (Section 506),

and committee members shall maintain the confidentiality of information provided by an applicant or entities.

2.2.12.3.1 NERC and the Regional Entities shall have appropriate codes of conduct and confidentiality agreements for staff, Certification Team, Certification related committees, and Certification program audit team members.

2.2.22.3.2 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall maintain the confidentiality of any Registration or Certification-related discussions or documents designated as confidential (see Section 1500 for types of Confidential Information).

2.2.32.3.3 NERC, Regional Entities, Certification Team members, program audit team members and committee members shall treat as confidential the individual comments expressed during evaluations, program audits and report-drafting sessions.

2.2.42.3.4 Copies of notes, draft reports, and other interim documents developed or used during an entity Certification evaluation or program audit shall be destroyed after the public posting of a final, uncontested report.

2.2.52.3.5 Information deemed by an applicant, entity, a Regional Entity, or NERC as confidential, including Critical Energy Infrastructure Information, shall not be released publicly or distributed outside of a committee or team.

2.2.62.3.6 In the event that an individual violates any of the confidentiality rules set forth above, that individual and any member organization with which the individual is associated will be subject to immediate dismissal from the audit team and may be prohibited from future participation in Compliance Monitoring and Enforcement Program activities by the Regional Entity or NERC.

2.2.72.3.7 NERC shall develop and provide training in auditing skills to all individuals prior to their participation in Certification evaluations. The Certification Team leader shall confirm that all Certification Team members have completed all required training. Training for Certification Team leaders shall be more comprehensive than the training given to industry subject matter experts and Regional Entity

members. Training for Regional Entity members may be delegated to the Regional Entity.

- 2.4 An applicant that is determined to be competent to perform a function after completing all Certification requirements shall be deemed certified by NERC to perform that function, ~~for which it has demonstrated full competency.~~

~~2.4.1—All NERC certified entities shall be included on the NCR.~~

503. Regional Entity Implementation of Organization Registration and Organization Certification Program Requirements

1. **Delegation** — Recognizing the Regional Entity’s knowledge of and experience with their members, NERC may delegate responsibility for Organization Registration and Organization Certification to the Regional Entity through a delegation agreement.
2. **Registration** — The following Organization Registration activities shall be managed by the Regional Entity per the NERC *Organization Registration and Organization Certification Manual*, which is incorporated into the Rules of Procedure as Appendix 5A *Organization Registration and Organization Certification Manual*:
 - 2.1 Regional Entities shall verify that all Reliability Coordinators, Transmission Operators, and Balancing Authorities, ~~and Transmission Operators~~ meet the Registration requirements of Section 501(1.4).
3. **Certification** — The following Organization Certification activities shall be managed by the Regional Entity in accordance with an approved delegation agreement or another applicable agreement:
 - 3.1 An entity seeking Certification to perform one of the functions requiring Certification shall contact the Regional Entity for the Region(s) in which it plans to operate to apply for Certification.
 - 3.2 An entity seeking Certification and other affected entities shall provide all information and data requested by NERC or the Regional Entity to conduct the Certification process.
 - 3.3 Regional Entities shall notify NERC of all Certification applicants.
 - 3.4 NERC and/or the Regional Entity shall evaluate ~~the competency of entities requiring Certification to meet the NERC Certification requirements.~~ the competency, pursuant to **Appendix 5A Organization Registration and Organization Certification Manual**, of (i) entities that are registered or are to be registered as a Reliability Coordinator, Transmission Operator or Balancing Authority and (ii) third parties to which performance of some or

all of these reliability functions have been delegated, assigned or contracted. The Certification process shall not be a recurring evaluation of certified entities or third parties to which performance of some or all of these reliability functions have been delegated, assigned or contracted, and review of existing Certifications will be done solely pursuant to Section IV, item 4, Organization Certification Process of Appendix 5A.

3.43.5 NERC or the Regional Entity shall establish Certification procedures to include evaluation processes, schedules and deadlines, expectations of the applicants and all entities participating in the evaluation and Certification processes, and requirements for Certification Team members.

3.4.13.5.1 The ~~NERC / Regional Entity~~ Certification procedures will include provisions for on-site visit(s) to the applicant's facilities (as further described in Appendix 5A) to review the data collected through questionnaires, interviewing the operations and management personnel, inspecting the facilities and equipment (including requesting a demonstration of all tools identified in the Certification process), reviewing all necessary documents and data (including all agreements, processes, and procedures identified in the Certification process), reviewing Certification documents and projected system operator work schedules, and reviewing any additional documentation needed to support the completed questionnaire or inquiries arising during the site visit.

3.5.2 The ~~NERC / Regional Entity~~ Certification procedures will provide for preparation of a written report by the Certification Team, detailing any deficiencies that must be resolved prior to granting Certification, along with any other recommendations for consideration by the applicant, the Regional Entity, or NERC.

3.53.6 –Upon satisfactory completion of all Certification activities, NERC will send a letter notifying the entity of its Certification as a Reliability Coordinator, Transmission Operator or Balancing Authority.

504. Appeals

1. NERC shall maintain an appeals process to resolve any disputes related to Registration or Certification activities per the *Organization Registration and Organization Certification Manual*, which is incorporated in these Rules of Procedure as Appendix 5A.
2. The Regional Entity Certification appeals process shall culminate with the Regional Entity board or a committee established by and reporting to the Regional Entity board as the final adjudicator, provided that where applicable, Canadian provincial governmental authorities may act as the final adjudicator in their jurisdictions. NERC shall be notified of all appeals and may observe any proceedings (**Appendix 5A** *Organization Registration and Organization*

Certification Manual).

505. Program Maintenance

NERC shall maintain its program materials, including such manuals or other documents as it deems necessary, of the governing policies and procedures of the Organization Registration and Organization Certification Programs.

506. Independent Audit of NERC Organization Registration and Organization Certification Program

1. NERC, through the Compliance and Certification Committee, shall provide for an independent audit of its Organization Registration and Organization Certification Programs at least once every three years, or more frequently, as determined by the Board. The audit shall be conducted by independent expert auditors as selected by the Board.
2. The audit shall evaluate the success, effectiveness and consistency of the NERC Organization Registration and Organization Certification Programs.
3. The final report shall be posted by NERC for public viewing.
4. If the audit report includes recommendations to improve the Organization Registration and Organization Certification Programs, the administrators of the program shall provide a written response to the Board within 30 days of the posting of the final report, detailing the disposition of each and every recommendation, including an explanation of the reasons for rejecting a recommendation and an implementation plan for the recommendations accepted.

507. Provisions Relating to Joint Registration Organizations (JRO)

1. In addition to registering as the entity responsible for all functions that it performs itself, an entity may register as a JRO on behalf of one or more of its members ~~or related or other~~ entities for one or more functions for which such members or related entities would otherwise be required to register and, thereby, accept on behalf of such members ~~or related or other~~ entities all compliance responsibility for that function or those functions including all reporting requirements. Any entity seeking to register as a JRO must submit a written agreement with its members ~~or related or other~~ entities for all Requirements/sub-Requirements for the function(s) for which the entity is registering for and takes responsibility for, which would otherwise be the responsibility of one or more of its members or ~~other related~~ entities. Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the JRO Registration.

2. The JRO Registration data must include the same Registration information as a normal compliance Registration entry. The JRO is responsible for providing all of the information and data, including submitting reports, as needed by the Regional Entity for performing assessments of compliance.
3. The Regional Entity shall notify NERC of each JRO that the Regional Entity accepts. The notification will identify the point of contact and the function(s) being registered for on behalf of its members or related entities.
4. For purposes of Compliance Audits, the Regional Entity shall keep a list of all JROs. This document shall contain a list of each JRO's members or related entities and the function(s) for which the JRO is registered for that member(s) or related entity(s). It is the responsibility of the JRO to provide the Regional Entity with this information as well as the applicable JRO agreement(s).
5. The Regional Entity may request clarification of any list submitted to it that identifies the members of the JRO and may request such additional information as the Regional Entity deems appropriate.
6. The Regional Entity's acceptance of a JRO shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded the JRO will meet the Registration requirements of Section 501(1.4).
7. NERC shall maintain, and post on its website, a JRO registry listing all JRO Registrations that have been reviewed and accepted by the Regional Entity. The posting shall identify the JRO entity taking compliance responsibilities for itself and its members.
8. The JRO shall inform the Regional Entity of any changes to an existing JRO. The Regional Entity shall promptly notify NERC of each such revision.
9. Nothing in Section 507 shall preclude a member of a JRO, a related entity, or any other entity from registering on its own behalf and undertaking full compliance responsibility including reporting Requirements for the Reliability Standards applicable to the function(s) for which the member or other entity is registering. A JRO member or related entity that registers as responsible for any Reliability Standard or Requirement/sub-Requirement of a Reliability Standard shall inform the JRO of its Registration.

508. Provisions Relating to Coordinated Functional Registration (CFR) Entities

1. In addition to registering as an entity responsible for all functions that it performs itself, multiple entities may each register using a CFR for one or more Reliability Standard(s) and/or for one or more Requirements/sub-Requirements within particular Reliability Standard(s) applicable to a specific function. The CFR submission must include a written agreement that governs itself and clearly specifies the entities' respective compliance responsibilities. The Registration of

the CFR is the complete Registration for each entity. Additionally, each entity shall take full compliance responsibility for those Reliability Standards and/or Requirements/sub-Requirements it has registered for in the CFR. Neither NERC nor the Regional Entity shall be parties to any such agreement, nor shall NERC or the Regional Entity have responsibility for reviewing or approving any such agreement, other than to verify that the agreement provides for an allocation or assignment of responsibilities consistent with the CFR.

2. Each CFR or each individual entity within a CFR must identify a point of contact that is responsible for providing information and data, including submitting reports as needed by the Regional Entity related to the CFR Registration.
3. The Regional Entity shall notify NERC of each CFR that the Regional Entity accepts.
4. NERC or the Regional Entity may request clarification of any list submitted to it that identifies the compliance responsibilities of the CFR and may request such additional information as NERC or the Regional Entity deems appropriate.
5. The Regional Entity's acceptance of that CFR shall be a representation by the Regional Entity to NERC that the Regional Entity has concluded the CFR will meet the Registration requirements of Section 501(1.4).
6. NERC shall maintain, and post on its website, a CFR registry listing all CFR Registrations that have been accepted by NERC or by a Regional Entity. The posting shall clearly list all the Reliability Standards or Requirements/sub-Requirements thereof for which each entity of the CFR is responsible for under the CFR.
7. The point of contact shall inform the Regional Entity of any changes to an existing CFR. The Regional Entity shall promptly notify NERC of each such revision.
8. In the event of a violation of a Reliability Standard or of a Requirement/sub-Requirement of a Reliability Standard for which an entity of a CFR is registered, that entity shall be identified in the Notice of Alleged Violation and shall be assessed the sanction or Penalty in accordance with the NERC Sanctions Guidelines. In the event a Regional Entity is not able to determine which entity(ies) is responsible for a particular Reliability Standard, or Requirements/sub-Requirements thereof that has been violated, the Regional Entity shall investigate the noncompliance in accordance with the NERC Rules of Procedure Section 400, *Compliance Enforcement*, to determine the entity(ies) to which the Regional Entity shall ~~to~~ issue the sanction or Penalty for the violation.
9. Nothing in Section 508 shall preclude an entity registered in a CFR, or any other entity from registering on its own behalf and undertaking full compliance responsibility including reporting Requirements for the Reliability Standards applicable to the function(s) for which the entity is registering. An entity

registered in a CFR that registers as responsible for any Reliability Standard or Requirement/sub-Requirement of a Reliability Standard shall inform the point of contact of its Registration.

509. Exceptions to the Definition of the Bulk Electric System

An Element is considered to be (or not be) part of the Bulk Electric System by applying the BES Definition to the Element (including the inclusions and exclusions set forth therein). Appendix 5C sets forth the procedures by which (i) an entity may request a determination that an Element that falls within the definition of the Bulk Electric System should be exempted from being considered a part of the Bulk Electric System, or (ii) an entity may request that an Element that falls outside of the definition of the Bulk Electric System should be considered part of the Bulk Electric System.

510. Concurrent Registration or Co-Registration

In cases where (a) two or more entities share responsibility for taking actions or performing tasks necessary to ensure compliance with Reliability Standards associated with a function and (b) no entity has expressly accepted or assumed responsibility for compliance with all applicable approved NERC Reliability Standards or associated Requirements for such function and applicable reporting obligations, on behalf of such entities, through individual Registration, JRO, CFR, a written agreement or arrangement or otherwise, NERC, in concert with the Regional Entity, shall register such entities individually for the given function, which shall be referred to as concurrent Registration or co-rRegistration.