PJM Transmission Owners & NERC Reliability Standards Compliance
March 4, 2010

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Purpose

• Provide the TOAAC with:
  – an Overview of PJM’s recent compliance audit
  – Immediate Lessons Learned
  – Areas for future work and consideration
Audit Overview

- Order 693 – RFC Reliability Standards Compliance Audit
  - Over 300 Requirements and Sub-Requirements
- CIP Compliance Spot Check
  - The following Standards and requirements are within the scope of this Spot Check:
    - CIP-002-1 R1, R2, R3
    - CIP-003-1 R1, R2, R3
    - CIP-004-1 R2, R3, R4
    - CIP-007-1 R1
    - CIP-008-1 R1
    - CIP-009-1 R1, R2
- Substantial Pre-work – over 40K pages of evidence submitted
Audit Team Composition

• 24 Auditors – 3 teams of 8
  – 6 From FERC (3 - CIP),
  – 3 from NERC (1 - CIP)
  – 4 from SERC (1 CIP) remainder were RFC (3 CIP)
• Many with direct PJM Member experience
• NERC present to “observe” RFC and SERC
• FERC present to “observe” NERC, Regions, PJM
• Observers are active auditors
Possible Violations & Mitigations

- COM-002, R2 – Three Part Communications
  - What is a directive?

- VAR-001 R2, R9 – Reactive Resources
  - “Acquire” Reactive Resources
  - SOL Definition
  - Post Contingency Local Load Relief Warnings (PCLLRW)
RFC’s Area of Concern

1. PJM’s definition/application of SOLs to facilities 230 kV and above vs. all BES facilities
2. Post Contingency Local Load Relief Warnings (PCLLRW)
3. Performance of TOP tasks/duties by non-PJM personnel (Examples: 138 kV capacitor switching/operation, system restoration) (TOP/TO Relationship Issue)
TOP/TO Registration

- Not an issue for discussion during the Audit
- PJM spent a lot of time setting the stage for our operating relationship
- NERC seemed to push issue, but RFC staff intervened
- Not an issue for CIP-002 – as it was for ERCOT
- RFC Leadership still in support of our registrations
- **Value in our:**
  - TOP/TO Matrix
  - PJM Certification
  - TO Audits
- But – **Future FERC discussions?**
Importance of Coordination

• Agreements with Neighbors
  – RTO to RTO JOA vs. TOP to TOP/BA

• Communications with Neighbors
  – TOP to TOP vs. RC to RC

• TPL – Planning Standards
  – PC & TEAC Records

• PRC-001 – Relay Coordination
  – Relay Subcommittee Work
Initial Lessons Learned

• Value of “Compliance Bulletins”
• Evidence Mapping –
  – All Versions of Everything
  – When is Too Much? 40K pages, 400 page survey response?
• Preparation
  – Opening Presentation
  – Tour
  – SME’s in Navigating the Evidence
• Rapid and Organized Response to RFI’s
• Very positive support of our TO’s – Thank You
Result - What to Possibly Expect

• SOL Definition – May need to evolve
• Operator training – Spring Seminar?
• Refinements to the TOP/TO Matrix
• Future TOP/TO Discussions with our Regulators
Compliance Beyond the Audit

• PJM’s Four CVI’s
  – Three returned with possible non-compliance
  – Common Themes
    • COM-002
    • PRC-001
  – March 30th Meeting with RFC Staff

• Relays and Certification – still an issue with FERC
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