



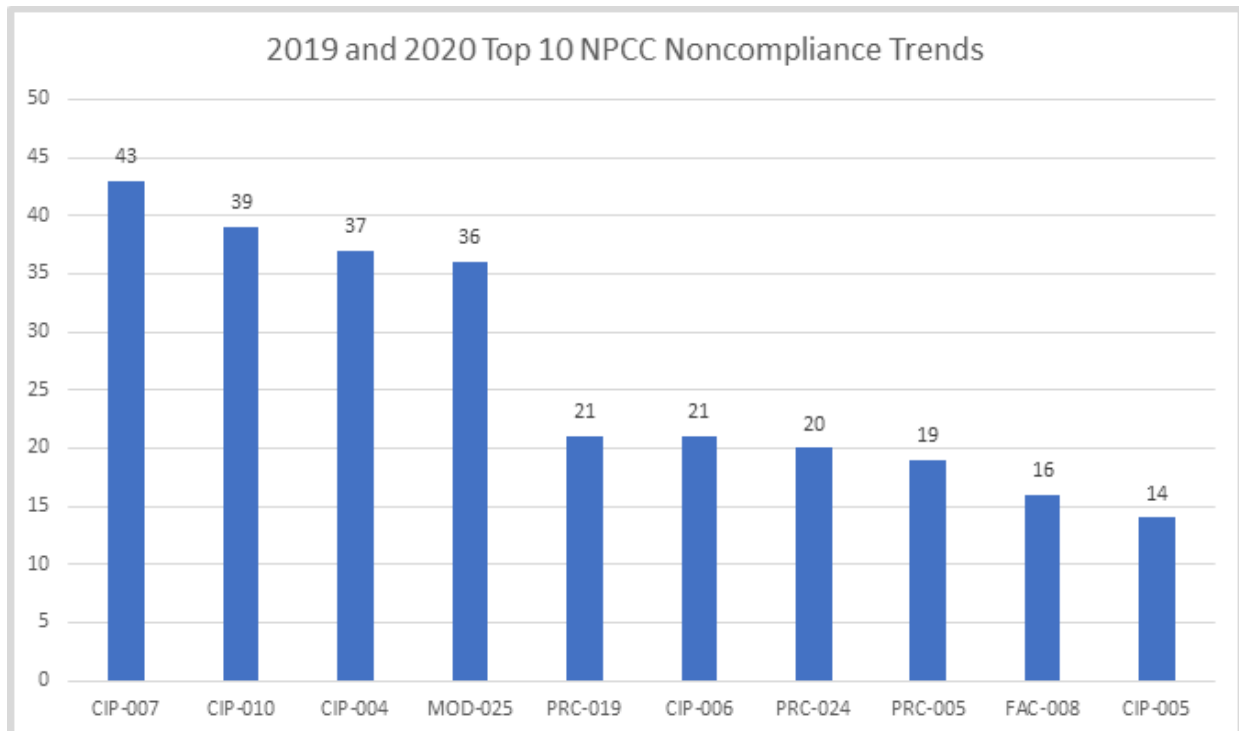
# Compliance Bulletin

September 2020

*NPCC publishes compliance bulletins as a means to engage and inform NPCC entities on aspects of Bulk Power System security, reliability, and compliance.*

## NPCC Noncompliance Trends

Based on the trends of noncompliance discovered in 2019 and 2020 with Operations and Planning (O&P) NERC Reliability Standards, NPCC believes there is an aggregated risk to the Bulk Electric System (BES) when these non-compliances are taken as a whole. In an effort to ensure that potential issues are discovered earlier, so that subsequent mitigation can be started and completed earlier, NPCC is recommending that entities review these trends and perform a series of self-assessments prior to their 2021 compliance monitoring engagement. This will enhance the reliability and security of the BES by discovering and mitigating these potential issues at an earlier point in time.





NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVE. OF THE AMERICAS, NEW YORK, NY 10018 (212) 840-1070 FAX (212) 302-2782

In general, the noncompliance trends shown above are uniform across the ERO and match what the other NERC Regions are discovering. NPCC encourages entities to self-assess their adherence to the above standards and requirements, and self-report any identified issues of noncompliance. To assist Generator Owners with O&P Reliability Standard focus and preparation, a breakdown of the reasons and root causes for the top 5 O&P issues are provided below.

### MOD-25-2 R1, R2

**Root Cause:** The noncompliance's were due to a lack of mature internal controls to ensure that MOD-025 Real and Reactive tests were completed within the prescribed timeline of the Implementation Plan.

- Making incorrect assumptions on how to calculate the % complete for each deadline in the MOD-025 Implementation Plan. The % calculation is based on NCR, not by parent company nor by Interconnection.
- Waiting too long to schedule the Real/Reactive testing with its RTO/ISO.
- Providing the results to the TP/RTO/ISO on a form developed by the TP/RTO/ISO that did not contain all the data fields in Attachment 2.
- Not submitting the completed test results to the TP within 90 days.

### PRC-019-2 R1

**Root Cause:** The noncompliance's were due to a lack of mature internal controls to ensure PRC-019 evaluations were completed within the prescribed timelines of the Implementation Plan.

- Making incorrect assumptions on how to calculate the verification % complete for each deadline in the PRC-019 Implementation Plan.
- The entity did not perform an assessment of its records, mistakenly believed it was compliant with the Standard, and did not seek assistance with PRC-019 evaluations in a timely fashion prior to the effective date of the Standard.
- The entity did not understand it had to perform an actual verification and thought it could use manufacturer data.
- The entity could not produce the documentation that it completed the verification of proper coordination on the required % of Facilities by the required dates in the staggered Implementation Plan.
- Unforeseen long lead-times associated with securing the services of an engineering consultant to perform coordination of voltage regulating system controls as well as the complexity of required activities.



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- The entity completed the verification steps within the timeline of the PRC-019 Implementation Plan which resulted in the entity becoming aware that things were not coordinated properly, but did not adjust the settings to bring things back into proper coordination within 90 days of becoming aware.

## PRC-024-2 R1, R2

**Root Cause:** The noncompliance's were due to a lack of mature internal controls to ensure the PRC-024 verifications were completed within the prescribed timeline in the Implementation Plan.

- Making incorrect assumptions on how to calculate the % complete for each deadline in the PRC-024 Implementation Plan.
- Not meeting the % deadline in the PRC-024 Implementation Plan for verifying R1 frequency settings.
- Not meeting the % deadline in the PRC-024 Implementation Plan for verifying the R2 voltage settings.
- Making incorrect assumptions on what an "applicable Facility" is and then calculating the % complete incorrectly for R1 and R2.

## PRC-005-6 R3

**Root Cause:** The noncompliance's were due to a lack of mature internal controls to ensure the PRC-005 time-based maintenance activities were completed in accordance with the intervals prescribed within the standard and/or the Implementation Plan.

- The entity failed to calculate its completed % correctly as per the PRC-005-2/6 Implementation Plan.
- The entity had an inadequate internal manual tracking system and scheduling process. There were many cases of missed battery deadlines due to this.
- The entity failed to compile a comprehensive list of every single protection system component due to newly implemented tracking sheets that were not yet accurate.
- The entity misunderstood the requirement and that performing battery discharge testing on an 18-month frequency removed the need for performing the 18-month testing of battery terminal connection resistance.
- The entity failed to communicate its new test set and NERC Protection Systems Maintenance Program to the maintenance staff.
- For protection system components that the entity chose to delay entry into the periodicity's required by PRC-005-2/6, the entity failed to meet the maintenance cycle that was previously established in the outgoing PRC-005-1b program for those components. (Due to misunderstanding the need to continue the established cycle and/or due to poor record keeping in the outgoing program.)



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## FAC-008-2, R6

**Root Cause:** The noncompliance's were due to a lack of mature internal controls to ensure that facility ratings were calculated and implemented as per the documented Facility Rating Methodology.

- Not considering all series components in complete fashion, which were limiting, during the establishment of the overall transmission line rating.
- Not considering substation components that could limit the overall transmission line rating.
- Data entry error into ratings database.
- Ratings can be changed by one person without peer/manager review.
- Not having a mature hand-off process for field work completion where Engineering could compare the as-built drawings to design drawings, so that Operations/Planning could be kept informed.
- Having separate documented Facility Ratings Methodologies for different operating areas of the entity.
- Not having a mature Change Management process for capital and emergency work.
- Complex computer application for calculating real-time ratings based on ambient temp/recent load had incorrect information on most limiting series component.
- Once rating is established, there was no process to perform a review after a specified timeframe.
- There is no formal process to train people on the methodology and communications of ratings once they are determined.