

TAPS STATEMENT OF THE ISSUE

Nearly two thousand entities are registered for compliance with and enforcement of NERC standards. Over the last several years, NERC has been moving toward a risk-based approach to standards as well as compliance and enforcement. However, this risk-informed approach to more effective and efficient fulfillment of NERC's reliability mission has not yet addressed the significant burdens imposed on small entities and the ERO Enterprise by application of NERC standards (and compliance and enforcement activities) to many small entities that have little or no material impact on bulk electric system ("BES") reliability. The resulting dedication of resources of all involved is disproportionate to risk, and does not significantly advance BES reliability.

PROPOSED QUESTIONS

1. Is it your perception that registration as currently handled subjects entities to NERC compliance burdens that are not commensurate with the risk posed to the BES? Please explain.
2. What could be the benefits of a more streamlined Compliance Registry?
3. Is DP/LSE registration of entities with peak load less than 25 MW, or not directly connected to the BES, on the basis of their participation in a BES system protection program consistent with a risk-informed approach to reliability? What risks to the BES, if any, would result from deregistering such entities? Are any such risks significant? If so, how could they be mitigated, short of full DP/LSE registration?
4. Should the current load thresholds for LSEs and DPs (peak Load is > 25 MW and is directly connected to the Bulk Power (>100 kV) System) be increased? What factors should be considered in revising the thresholds? Do you have any suggestions as to ranges of thresholds that might merit evaluation? What risks to the BES, if any, would result from increasing the thresholds? Are any such risks significant? If so, how could they be mitigated, short of full registration of small LSE/DPs above the current thresholds?
5. Is DP/LSE registration of entities directly connected to the BES but with peak load less than 75 MW consistent with a risk-informed approach to reliability? What risks to the

BES, if any, would result from deregistering such entities? Are any such risks significant? If so, how could they be mitigated, short of full DP/LSE registration?

6. If the DP/LSE registration threshold were raised to 75 MW, would DP/LSE registration of entities with peak load less than 75 MW, or not directly connected to the BES, on the basis of their participation in a BES system protection program be consistent with a risk-informed approach to reliability? What risks to the BES, if any, would result from deregistering such entities? Are any such risks significant? If so, how could they be mitigated, short of full DP/LSE registration?
7. Should a *de minimis* threshold on miles or configuration of BES transmission be added to the Registry Criteria for TOs and/or TOPs? What factors should be considered in developing such a threshold or set of criteria? Do you have any suggestions as to ranges of thresholds that might merit evaluation? If a *de minimis* threshold were added to the Registry Criteria for TOs and/or TOPs, how could the risks to the BES (if found to be significant) associated with that registry modification be mitigated? For example, are there a limited number of standards currently applicable to TOs and/or TOPs that should be made applicable to DPs that own or operate limited BES transmission assets, as was done in the GO/TO project?
8. Should a *de minimis* threshold capacity factor (computed as, for example, average net capacity factor over the most recent three calendar years) on non-blackstart generation directly connected to the BES be added to the Registry Criteria for GOs and/or GOPs? What would an appropriate threshold be, perhaps in conjunction with other factors such as generator capacity or ability to influence the voltage of the transmission line to which the generator is connected? If a *de minimis* threshold were added to the Registry Criteria, how could the risks to the BES (if found to be significant) associated with that registry modification be mitigated? For example, are there a limited number of standards currently applicable to GOs and/or GOPs that should remain applicable to low capacity factor generators?
9. Should the current generation thresholds for GOs and GOPs (individual generating unit > 20 MVA nameplate capacity or generating plant/facility >75 MVA nameplate capacity) be increased? What factors should be considered in revising the thresholds? Do you have any

suggestions as to ranges of thresholds that might merit evaluation? What risks to the BES, if any, would result from increasing the thresholds? Are any such risks significant? If so, how could they be mitigated, short of full GO/GOP registration of small generators above the current thresholds?

10. Should decisions concerning registration of GOs and GOPs be based solely on whether generator(s) meet the definition of BES? Or are there other independent factors (in addition to those listed in question 9) that merit consideration?
11. Does entity registration as a PSE add significant protection to BES reliability beyond what is otherwise provided through tariff and other requirements? If continued PSE registration is determined to be necessary to mitigate significant risk to the BES, should the Registry Criteria include thresholds limiting PSE registration?
12. Should NERC consider non-registration solutions to this problem? For example, should more standards contain applicability thresholds or impact-based tiers of requirements? Would it be reasonable to revise the Rules of Procedure to eliminate the need for Registered Entities to repeatedly attest that particular requirements are inapplicable to them at every compliance contact, in favor of allowing an initial attestation of inapplicability to carry forward, unless circumstances materially change? Is there a class of currently-registered entities with limited potential to affect the reliability of the BES that could be removed from the Compliance Registry subject to an obligation to periodically self-certify their compliance with appropriate requirements?