Department of Energy

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

TRANSMISSION SERVICES

In reply refer to: TPC-TPP-4

Mr. John Doe
Chief Engineer
Customer XYZ
1234 Main Street
Vancouver, Washington 98666

Subject: 2015 Customer Annual System Review Letter – NERC Reliability Standards

Dear Mr. Doe:

This letter is intended to address coordination between Bonneville Power Administration (BPA) and Customer XYZ for compliance with certain North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) mandatory reliability standards.

As registered entities, Customer XYZ and BPA are each required to self-certify annually their compliance with all applicable mandatory reliability standards. Below is a subset of standards that are applicable to Transmission Owners, Distribution Providers and Load Serving Entities. NERC approved deactivating the Load Serving Entity function from the NERC Compliance Regist5ry effective October 15, 2015 and Customer XYZ is no longer registered for this function. BPA exchanges information with its customers annually to aid BPA Customers' self-certification and compliance efforts. In addition, BPA will solicit information from Customers that is essential to BPA's compliance filings. Unless otherwise stated, the below concurrences are valid from January 1, 2015 – December 31, 2015.

Please review the assertions in the table(s) with your BPA Customer Service Engineer (CSE) and initial next to each, indicating that you either concur or do not concur.

For the event driven standards, BPA Subject Matter Experts have provided validations through August 31, 2015. Lorissa Jones, the Customer Service Reliability Program Manager, will initial the second box that bridges the date gap through the end of the calendar year once the calendar year has ended and the standards have been revalidated.

Concur	Do Not Concur	Standard(s)
		Customer XYZ is currently registered with WECC as a Transmission Owner and Distribution Provider.

Concur	Do Not Concur	Standard(s)
		Metered Boundaries **BAL-005-0.2b - R1, R1.3** All of Customer XYZ's load is within the BPA's Balancing Authority Area metered boundaries with the exception of xxx, yyy, zzz which are within XXX Other BA's metered boundaries to the best of BPA's knowledge. **Applicability:** **R1 – GOP, LSE, TOP** **R1.3 – LSE**

Concur	Do Not Concur	Standard(s)
		Cyber Security — Critical Cyber Asset Identification **CIP-002-3 - All Requirements** BPA as the Planning Coordinator for Customer XYZ has not identified any Customer XYZ assets as critical to the derivation of Interconnection Reliability Operating Limits (IROLs) and their associated contingencies. **Applicability: LSE, GOP, GO, TOP, TO, BA**

Concur	Do Not Concur	Standard(s)
		Physical Security **Enforceable:** **10/01/15** **CIP-014-2 - All Requirements** BPA as the Balancing Authority for Customer XYZ has not identified any CIP-014-2 impacts applicable to Customer XYZ. **Applicability: TO, TOP (include only for TO customers)**

Concur	Do Not Concur	Standard(s)
		Communications **Enforceable: 10/01/15** **COM-001-2/2.1 R7, R11** R7: Each entity is responsible for ensuring they have Interpersonal Communication capability with their BA and TOP and for maintaining evidence of compliance. R11: In the event of an Interpersonal Communication capability failure within the BPA Balancing Authority, BPA requests that Customer XYZ contact the dispatch center they normally work with at one of the numbers below to arrange a mutually agreeable communication alternative: Dittmer Dispatch Center: 360-418-2281 Munro Dispatch Center: 509-465-1820 Applicability: R7 - DP, R11 – DP, GOP

Concur	Do Not Concur	Standard(s)
01/01/15 - 08/31/15 (Event Driven)		**Capacity and Energy Emergencies EOP-002-3.1 R9, R9.1** BPA and Customer XYZ concur that BPA did not raise the service priority of an Interchange Transaction from Priority 6 to Priority 7 and Customer XYZ did not request an Energy Emergency Alert during the reporting period. Applicability: LSE
09/01/15 - 12/31/15 (Event Driven)		

Concur	Do Not Concur	Standard(s)
01/01/15 - 8/31/15 **(Event Driven)**		**Event Reporting** **EOP-004-2 – R2** BPA concurs that there were no event reports required for the BPA system applicable to Customer XYZ.
09/01/15 - 12/31/15 **(Event Driven)**		
		Applicability: BA, DP, GO, GOP, RC, TO, TOP

Concur	Do Not Concur	Standard(s)
01/01/15 – 08/31/15 **(Event Driven)**		**Facility Connection Requirements** **FAC-001-1 – R1, R3, R4** BPA concurs that Customer XYZ has not interconnected any new facilities to the BPA system during the reporting period.
09/01/15 - 12/31/15 **(Event Driven)**		
		Applicability: **R1, R4 - TO** **R3 – GO, TO**

Concur	Do Not Concur	Standard(s)
		Transmission Maintenance **FAC-501-WECC-1 – All Requirements** Customer XYZ does not have any facilities necessary for System Operating Limits associated with each of the transmission paths identified in the table titled "Major WECC Transfer Paths in the Bulk Electric System." **Applicability: TO**

Concur	Do Not Concur	Standard(s)
01/01/15 - 08/31/15 (Event Driven)		**Reliability Coordination — Responsibilities and Authorities** **IRO-001-1.1 R8** BPA did not convey any reliability directives from the RC to Customer XYZ in 2015.
09/01/15 - 12/31/15 (Event Driven)		
		Applicability: PSE, LSE, GOP, BA, TOP

Concur	Do Not Concur	Standard(s)
01/01/15 - 08/31/15 (Event Driven)		**Reliability Coordination – Current Day Operations** **IRO-005-3.1a - R10** For Customer XYZ's facilities, BPA has operated the BES to the most limiting parameter.
09/01/15 - 12/31/15 (Event Driven)		
		Applicability: BA, GOP, LSE, PSE, TOP, TSP

Concur	Do Not Concur	Standard(s)
		Capacity Benefit Margin **MOD-004-1 - All Requirements** As a Transmission Service Provider, BPA does not maintain Capacity Benefit Margin; therefore, the requirements of NERC Standard MOD-004-1 are not pertinent. BPA does not set aside firm transfer capability as CBM on any of its paths or flowgates in its service territory for any LSE or Resource Planner in its service territory, thus, this standard does not apply to LSE's within BPA's service territory.
		Applicability: LSE, BA

Concur	Do Not Concur	Standard(s)
		Steady-State Data for Modeling and Simulation of the Interconnected Transmission System **MOD-010-0 – All Requirements** **Dynamics Data for Modeling and Simulation of the Interconnected Transmission System** **MOD-012-0 – All Requirements** BPA concurs that Customer XYZ has provided information as required by these standards. If any additional data validation is needed, BPA will contact Customer XYZ. **Applicability: TO, GO**

Concur	Do Not Concur	Standard(s)
		Aggregated Actual and Forecast Demands and Net Energy for Load **MOD-017-0.1 – All Requirements** **Treatment of Nonmember Demand Data and How Uncertainties are Addressed in the Forecasts of Demand and Net Energy for Load** **MOD-018-0 – All Requirements** Customer XYZ has actively participated in BPA's Load Forecasting process by either working with the Load Forecasting Analyst when requested, or by responding to the appropriate WECC document as described in the attached document. Customer XYZ has met the obligations required in these standards. **Applicability: LSE**

Concur	Do Not Concur	Standard(s)
		Reporting of Interruptible Demands and Direct Control Load Management MOD-019-0.1 – All Requirements **Providing Interruptible Demands and Direct Control Load Management Data to System Operators and Reliability Coordinators MOD-020-0 – All Requirements** **Documentation of the Accounting Methodology for the Effects of Demand-Side Management in Demand and Energy Forecasts MOD-021-1 – All Requirements** BPA collects general information on customer (Load-Serving Entity (LSE)) Direct Control Load Management (DCLM), Demand-Side Management (DSM), Interruptible Demands, and rate making activities and practices consistent with NERC Standard MOD-016-1.1 and the WECC Data Collection Manual. BPA does not collect program-specific details. BPA sometimes implements with the applicable LSE, DCLM and controllable DSM field tests, pilot projects, research, and demonstration projects. BPA does not implement any such projects for commercial, reliability, or operating purposes. Therefore, no adjustment for BPA DCLM programs, controllable DSM measures, or Interruptible Demands occurs in the forecasts of BPA Peak Demand, under NERC Standards MOD-019-0.1, MOD-020-0, or MOD-021-1. NERC Standard MOD-021-1 also requests information about our Energy forecasts. BPA does adjust its near-term and longer-term Energy forecasts to account for the energy effects of BPA and LSE (BPA Power customer) conservation and energy efficiency-related DSM programs. **Applicability: LSE**

Concur	Do Not Concur	Standard(s)
		Underfrequency Load Shedding (UFLS)
		Automatic Underfrequency Load Shedding
		Enforceable:
		PRC-006-1 **10/01/13 – 09/30/15**
		R8, R9, R10
		Enforceable:
		PRC-006-2 **10/01/15**
		R8, R9, R10
		Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program **PRC-008-0 - All Requirements**
		Customer XYZ is an inactive participant and does not have any UFLS equipment that is included in BPA's UFLS program. BPA is the UFLS program owner for the BPA Balancing Authority Area. BPA has armed load as needed to meet WECC/NWPP UFLS program requirements. BPA concurs that these standards are not implemented at Customer XYZ.
		Applicability: **PRC-006-1/2 – PC, TO, DP** **PRC-008-0 – DP, TO**

Concur	Do Not Concur	Standard(s)
		Undervoltage Load Shedding (UVLS) Technical Assessment of the Design and Effectiveness of Undervoltage Load Shedding Program **PRC-010-0 – All Requirements** Undervoltage Load Shedding System Maintenance and Testing **PRC-011-0 – All Requirements** Under-Voltage Load Shedding Program Data **PRC-021-1 – All Requirements** Under-Voltage Load Shedding Program Performance **PRC-022-1 – All Requirements** Customer XYZ is an inactive participant and does not have any UVLS equipment that is included in any UVLS schemes in BPA's Balancing Authority Area. BPA arms load as needed to mitigate any UVLS issues. BPA concurs that these standards are not implemented at Customer XYZ.
		Applicability: **PRC-010-0 – DP, LSE,TOP,TO** **PRC-011-0 – DP, TO** **PRC-021-1 – DP, TO** **PRC-022-1 – DP, LSE, TOP**

Concur	Do Not Concur	Standard(s)
		Protection System and Remedial Action Scheme Misoperation **PRC-004-WECC-1 - All Requirements** **Special Protection System Data and Documentation** **PRC-015-0 - All Requirements** **Special Protection System Misoperations** **PRC-016-0.1 – All Requirements** **Special Protection System Maintenance and Testing** **PRC-017-0 – All Requirements** BPA concurs that Customer XYZ does not have any qualified WECC RAS Schemes nor are they on a WECC qualified path.
		Applicability: **PRC-004-WECC-1 - GO, TO** **PRC-015-0 /PRC-016-0.1/PRC-017-0 – DP, GO, TO**

Concur	Do Not Concur	Standard(s)
		Transmission Relay Loadability **PRC-023-2 R1** **PRC-023-3** **(All Requirements)** BPA has determined per R6 of PRC-023-3 that Customer XYZ does not have qualified assets applicable to relay loadability.
		Applicability: PRC-023-2 R1 – DP, GO, TO; **PRC-023-3 - DP, GO, TO, PC**

Concur	Do Not Concur	Standard(s)
01/01/15 - 08/31/15 (Event Driven)		**Reliability Responsibilities and Authorities TOP-001-1a R4** BPA did not issue any reliability directives to Customer XYZ in 2015.
09/01/15 - 12/31/15 (Event Driven)		
		Applicability: **R4 – DP, LSE**

Concur	Do Not Concur	Standard(s)
		Normal Operations Planning TOP-002-2.1b R3 **Directly Connected:** **For all points other than xxx, yyy, zzz,** Customer XYZ coordinates current day, next day and seasonal activities with BPA by annually actively participating in the MOD-017 and MOD-018 data submission and OATT filing processes by reviewing and submitting data for loads and resources. **Transfer Points:** **Xxx, yyy, zzz,** Customer XYZ coordinates current day, next day and seasonal operations with BPA by participating in the MOD-017 and MOD-018 data submission by reviewing and submitting data for loads and resources, and by submitting required information to the Customer Data Entry (CDE) portal. BPA communicates a plan including Customer XYZ s load to Other Entity BA consistent with e-tagging requirements in transmission contracts and the WECC preschedule calendar, and sends Other Entity BA an annual forecast of Customer XYZ's load. **Applicability: LSE**

Once Customer XYZ has completed the review and initialed either concurrence or non-concurrence with the items identified in the tables above, please have the Customer XYZ authorizing official sign the original where indicated below. The fully executed original should then be sent to BPA at one of the following addresses:

<table>
<tr><td><u>Return signed original to</u>:</td><td><u>Or, if by overnight mail:</u></td></tr>
<tr><td>U.S. Department of Energy</td><td>U.S. Department of Energy</td></tr>
<tr><td>Bonneville Power Administration</td><td>Bonneville Power Administration</td></tr>
<tr><td>ATTN: Kelly Johnson, TPC/TPP-4</td><td>ATTN: Kelly Johnson, TPC/TPP-4</td></tr>
<tr><td>P.O. Box 61409</td><td>905 NE 11th Avenue</td></tr>
<tr><td>Vancouver, WA 98666-1409</td><td>Portland, OR 97232</td></tr>
<tr><td></td><td>Phone: (360) 619-6723</td></tr>
</table>

If you have any additional questions, please coordinate with your BPA Customer Service Engineer at 360-418-8777. A copy of the fully executed letter will be sent back to Customer XYZ. Additionally, an updated signed copy of this letter will be provided to Customer XYZ by January 31, 2016, to address any of the "Event Driven" standards and requirements if applicable.

U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION

Approved
By: _____

Name/Title: Kelly G. Johnson – Manager, Customer Service Engineering

Date: _____

CUSTOMER XYZ

Approved
By: _____

Name/Title: _____

Date: _____

U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION

Approval for Date Gap of Event Driven Standards for Customer
XYZ's 2015 Annual System Review Letter

Approved
By: _____

Name/Title: Lorissa J. Jones – Manager, Customer Service Reliability
              Program
              _____

Date: _____