



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

PUBLIC AFFAIRS

September 14, 2009

In reply refer to: DK-7

Denise Giannetti Ogletree
Greenwood Commissioners of Public Works
121 W. Court Avenue, P.O. Box 549
Greenwood, SC 29648

RE: FOIA #09-051

Dear Ms. Giannetti Ogletree:

Thank you for the request for information that you made to Bonneville Power Administration (BPA) under the Freedom of Information Act (FOIA), 5 U.S.C. 552. Your letter was received in this office on Friday, September 11, 2009, and has been assigned control number, 09-051. Please use this number in any correspondence with the Department about your request.

You have requested the following:

Compliance Program for NERC & SERC Reliability Standards Program for self-audit of Compliance Program.

Response:

BPA has provided the responsive document, the Reliability Compliance Program Manual, Version 4, for you in its entirety.

If you are dissatisfied with this determination, you may make an appeal within thirty (30) days of receipt of this letter to the Director of Office of Hearings and Appeals, Department of Energy, 1000 Independence Avenue SW, Washington, DC 20585. Both the envelope and the letter must be clearly marked "Freedom of Information Act Appeal." There is no charge for your request.

I appreciate the opportunity to assist you with this matter. If you have any questions about this letter, please contact Laura Atterbury at 503-230-7305.

Sincerely,

/s/ Christina J. Brannon

Christina J. Brannon
Freedom of Information Act/Privacy Act Officer

Enclosure: Responsive Document

RELIABILITY COMPLIANCE PROGRAM MANUAL

VERSION 4

MARCH 3, 2008

B O N N E V I L L E
POWER ADMINISTRATION



Bonneville Power Administration

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Appendices

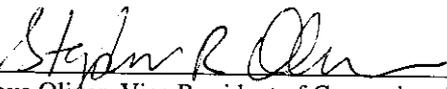
1. BPA Mission and Vision
2. Reliability Compliance Design Team Charter
3. Reliability Council Charter
4. Agency Decision Framework

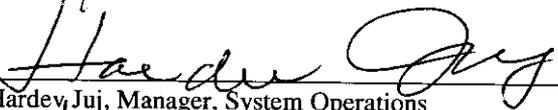
<p style="text-align: center;">BPA Reliability Program Manual</p>	<p style="text-align: center;">Chapter 100 Approvals and Reviews</p>	<p style="text-align: center;">Page: - 3 - Date: 03/03/2008</p>
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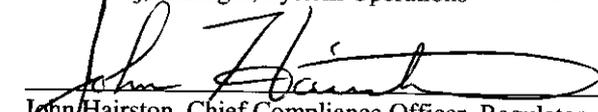
100.1 Final version approval

The Reliability Program Manual applies to several organizations across the agency and was therefore reviewed and approved by those agencies, as evidenced by the signatures of their executives and managers below.


 Date: 3/10/08
 Brian Silverstein, Vice President, Planning and Asset Management; Reliability Officer


 Date: 3-4-08
 Steve Oliver, Vice President of Generation Asset Management, Power Services


 Date: 03/04/08
 Hardev Juj, Manager, System Operations


 Date: 03/04/08
 John Hairston, Chief Compliance Officer, Regulatory Affairs


 Date: 03/04/08
 Brian Furumasa, NERC Compliance Officer, Regulatory Affairs

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200.1 Background

The reliability of the electric power system has been a national concern since the 1960s. Although a national reliability oversight entity was formed during that period, adherence to its reliability standards was voluntary. The consideration of reliability issues changed with the passage of the Energy Policy Act of 2005, which granted the Federal Energy Regulatory Commission (FERC) the authority to promulgate mandatory reliability standards. Mandatory compliance with the first set of standards approved by FERC came into effect on June 18, 2007. FERC delegated the development of reliability standards to the North American Electric Reliability Corporation (NERC). FERC retained the authority to approve reliability standards developed by NERC.

The Bonneville Power Administration (BPA) articulates in its policy that it fully supports and embraces NERC's reliability standards, as demonstrated in BPA Manual Chapter 21.7 (<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00000021.DOC>). Historically, it was the practice of BPA to comply with applicable voluntary reliability standards. Since the promulgation of the mandatory standards, BPA has instituted a robust internal regulatory compliance program to meet agency obligations with respect to system reliability and other regulatory requirements. (Refer to the Regulatory Affairs binder for background information about the creation of BPA's overall regulatory compliance program.) In addition, reliability is a key factor in the mission, strategic targets, and values adopted by BPA (Appendix 1).

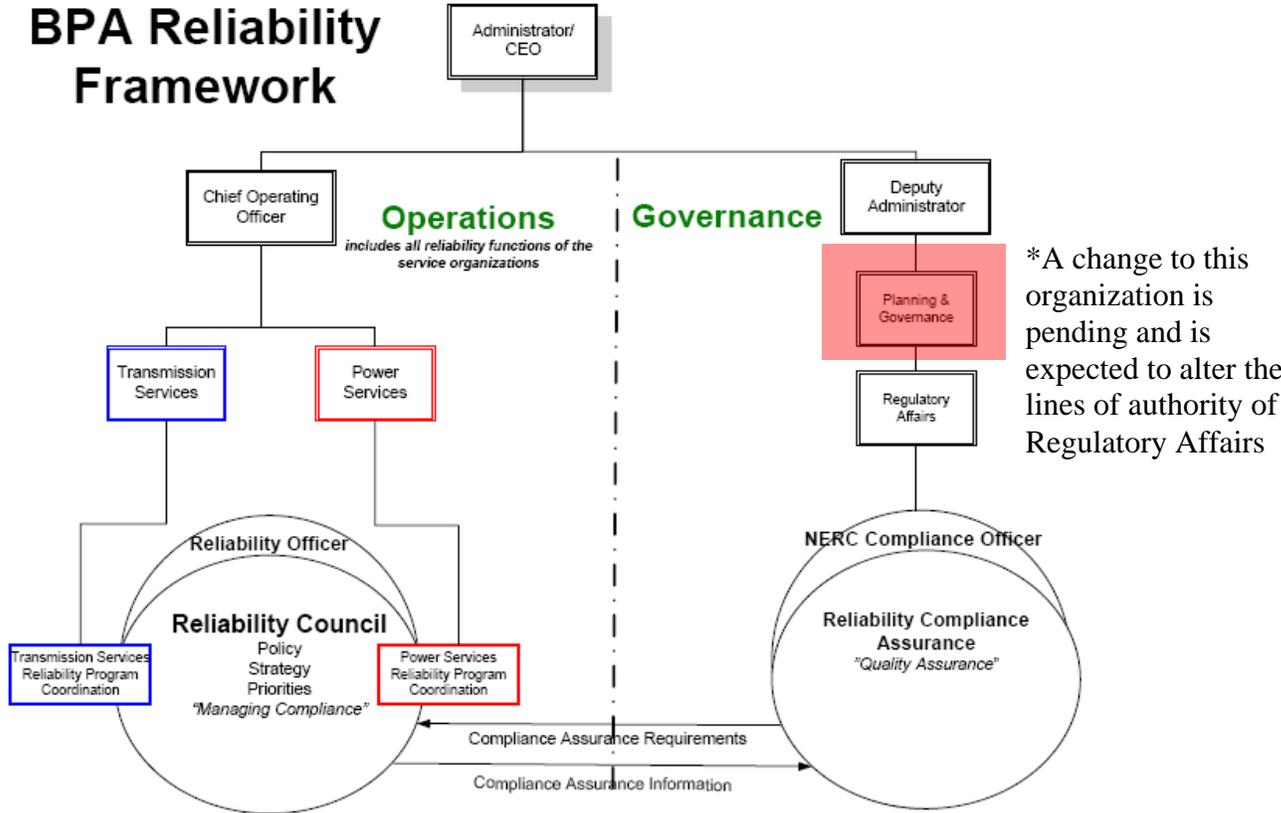
200.2 Purpose and scope

BPA's Reliability Program has two main purposes. The first is to minimize the occurrence of violations of reliability standards, with a strong emphasis on sustaining compliance and preventing future violations. The second is to strengthen and sustain a culture of compliance within the agency.

This manual documents the policies and procedures utilized to achieve the objectives of BPA's Reliability Program. It also covers the Reliability Program in its capacity as an oversight mechanism.

300.1 Reliability program framework

BPA’s Reliability Program consists of operational and governance functions which have clear and distinct roles. The framework and organizational structure for the internal Reliability Program are illustrated in the figure below. The Reliability Compliance Design Team Charter is included in Appendix 2.



300.2 Reliability roles on the operational side of the organization

The Reliability Council (RC) makes agency-level decisions on policies, priorities, and strategies involving reliability issues within BPA. The council is led by the Reliability Officer and includes executives, managers, and key staff who represent the technical,

<p style="text-align: center;">BPA Reliability Program Manual</p>	<p style="text-align: center;">Chapter 300 Roles and Responsibilities</p>	<p style="text-align: right;">Page: - 7 - Date: 03/03/2008</p>
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corporate, and reliability program staff in the Power and Transmission business lines, Corporate organizations having responsibility for reliability standards, and the NERC Reliability Compliance Officer. The Reliability Council Charter is included in Appendix 3. The Reliability Officer, whose authority is derived from the executive sponsors, has decision-making authority for the RC. In the event of circumstances where the decision can't be made in an RC meeting, the Reliability Officer makes the decision after consultation with the executive and vice president sponsors. Reliability Council decisions are consistent with the Agency Decision Framework (Appendix 4).

The Power Services and Transmission Services organizations each have Reliability Program Coordinators dedicated to managing the Reliability Program within those organizations. The Reliability Program Coordinators interface with managers, Subject Matter Experts, regulators, and Reliability Program staff on the governance side (the Reliability Compliance Office). They document each business line's compliance with mandatory reliability standards, investigate alleged incidences of non-compliance, manage mitigation plans, and work with the Reliability Compliance Office to respond to regulators during audits, spot checks, and other types of investigations.

300.3 Reliability roles on the governance side of the organization

The Reliability Compliance Office, a part the Regulatory Affairs organization within Planning and Governance, has dedicated staff that provides independent quality assurance oversight of reliability compliance activities within all organizations at BPA. The team is led by the NERC Compliance Officer. The Reliability Compliance Office is responsible for conducting Spot Check assessments and full audits of documentation pertaining to compliance with standards, assessing the effectiveness of processes used in the reliability compliance program, and performing quality checks on documentation. In addition, the Reliability Compliance Office requests and/or participates in investigations of reliability-related issues such as Root Cause Analyses and Lessons Learned analyses. The Reliability Compliance Office also monitors and tracks potential violations and compliance deliverables (such as self reports, mitigation plans, mitigation plan milestones, etc.) to ensure that BPA fulfills its obligations to regulatory bodies in a timely manner. Finally, the Reliability Compliance Office is responsible for communicating with regulatory bodies and exchanging compliance information with them.

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300.4 Staff responsibilities on the operational side of the organization

The operational Reliability Compliance staff responsibilities are as follows:

Reliability Officer:

The Reliability Officer chairs the Reliability Council and provides agency oversight of reliability to ensure that BPA proactively manages and implements strategic choices related to reliability. The Reliability Officer ensures that BPA meets or exceeds reliability standards, avoids sanctions for noncompliance, maintains a positive relationship with its stakeholders, and meets customer expectations for reliable service at reasonable rates. The Reliability Officer also presides over collaborative decision-making processes within the Reliability Council but has the authority to make decisions when the collaborative process is unable to achieve a consensus.

Reliability Program Coordinators:

The Reliability Program Coordinators within Power Services and Transmission Services implement and support the Reliability Council's guidance and mission, coordinating as appropriate with the Reliability Compliance Office. These positions have the responsibility to manage participation in standards development, carry out compliance administrative functions, and monitor developments at all reliability organizations including FERC, NERC, WECC, and the Northwest Power Pool (NWPP). The Reliability Program Coordinators implement plans for actions required or requested by reliability organizations and produce documentation and reports. They also facilitate the participation of managers and Subject Matter Experts in reliability processes, including through the use of tracking systems to assure that appropriate resources are utilized by performance managers to accomplish action items. Reliability Program Coordinators also identify deficiencies in the Reliability Council processes and recommend, facilitate, or develop improvements.

Reliability Program Support Staff:

Support staff may be assigned to the Reliability Program within Power Services and Transmission Services to perform program analysis and administrative functions.

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300.5 Staff responsibilities on the governance side of the organization

The Reliability Compliance Office responsibilities are as follows:

NERC Compliance Officer:

The NERC Compliance Officer is the team leader in the Reliability Compliance Office and has responsibility for oversight of the BPA internal Reliability Program. The NERC Compliance Officer assures that BPA’s Reliability Program is effective in meeting BPA’s reliability obligations and assures that effective processes are in place to respond to compliance related requests from FERC, NERC, and WECC. The NERC Compliance Officer periodically assesses the Reliability Program processes and tools for their effectiveness in fulfilling reliability obligations and makes recommendations for improvement as necessary. The NERC Compliance Officer also supports a “One BPA” strategic approach on reliability compliance issues when interacting with regulatory bodies on compliance standards. The NERC Compliance Officer has the responsibility and authority to monitor and recommend all necessary actions to assure or restore compliance with reliability obligations.

Support Staff:

Support staff may be assigned to the Reliability Compliance Office to support the NERC Compliance Officer by performing analysis and compliance functions related to governance of the Reliability Program.

300.6 Manager and senior executive responsibilities in operations and corporate organizations

With respect to the Reliability Compliance Program, managers and senior executives within BPA who are not specifically assigned to the Reliability Program may have responsibilities pertaining to their organization’s compliance with Mandatory Reliability Standards. These responsibilities may include providing leadership and direction regarding compliance; certifying compliance, violation reports, mitigation plans, and mitigation plan completion; setting priorities; assuring adequate resources are available; dispute resolution and participation on the Reliability Council.

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400.1 Oversight for reliability compliance

The NERC Compliance Officer has responsibility for oversight of BPA’s Reliability Compliance Program. The NERC Compliance Officer is part of the Regulatory Affairs organization within Planning and Governance. The Planning and Governance function within BPA is at the Executive Vice President level. The organization’s structure is designed to provide an independent oversight function to the Reliability Program.

The NERC Compliance Officer is responsible for monitoring compliance, performing internal audits, providing timely responses to violations, and monitoring the execution of mitigation plans.

The Reliability Officer, who presides over the Reliability Council (RC), has oversight responsibility for the operations function of BPA’s Reliability Program. The Reliability Officer is the accountable official for decisions involving policy, strategy, and priority on reliability issues in a “one BPA” approach. The structure and function of the RC is expressed in Chapter 300.2 (above).

Through lines of organizational authority, the ultimate decision-maker for reliability compliance issues is BPA’s Administrator/Chief Executive Officer.

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500.1 Purpose

BPA's internal compliance communications and training program ensures that:

- Reliability compliance training is provided to staff members who are responsible for reliability compliance activities
- Receipt of reliability compliance training is acknowledged and documented
- Employees are informed of current policies and procedures
- Employees are provided with consistent, up-to-date information
- Reliability compliance awareness is disseminated to all employees to cultivate a culture of compliance

500.2 Methods of communication

The following methods of communication are employed by BPA's Reliability Compliance staff.

Communications plans:

In order to disseminate information regarding major issues, the operational and governance sides of the internal Reliability Program consult with the Public Affairs staff to develop formal communications plans. Communications plans are employed to identify clear and concise messages, strategies, roles, target audiences, media and venues for communications, and timelines for communications milestones.

Other communications tools:

- The BPA Reliability Program Manual
- BPA's Intranet site, including the BPA Today daily newsletter for communications to all employees
- BPA "Talking Points" publications for communications to specific groups of employees and customers
- An Intranet web site maintained by the Reliability Compliance Office which has both restricted and all-employee-accessible web pages
 - <http://bpaweb/sites/relcompprog/default.aspx>
- An Intranet web site maintained by the Transmission Reliability Program Coordinator
 - <http://bpaweb/sites/nercrelprog/default.aspx>
- An Intranet web site maintained by the Reliability Council
 - <http://bpaweb/sites/ISRC/default.aspx>

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500.3 Training received by program staff

BPA's internal Reliability Program staff on the operations and governance sides maintain their knowledge of current reliability compliance issues and standards by obtaining training in the following venues:

- Training sessions, workshops, user groups, and open mic sessions sponsored by the Western Electricity Coordinating Council (WECC) and other regulatory bodies
- Third party vendor training as applicable
- Seminars sponsored by the Northwest Power Pool and other industry groups
- On-the-job training from colleagues on an as-needed basis
- Ongoing interaction with WECC/NERC staff and Utility contacts

The Reliability Program Coordinators and the NERC Compliance Officer identify the appropriate training for their respective staffs on an annual basis. The Reliability Council reviews and approves the set of training determined to be necessary to maintain compliance.

In addition, Reliability Program staff on the operations and governance sides receive training on non-reliability related technical and technological issues (e.g. computer tools used for tracking reliability compliance) from sources both internal and external to BPA on an as-needed basis.

500.4 Training provided by program staff

Reliability Program staff on the operations side are responsible for providing reliability compliance training to BPA employees, contractors, and customers/business partners, as appropriate. The Reliability Compliance Office and the Reliability Council may also provide training as appropriate.

- Reliability Program staff provide personal and group training on reliability standards, requirements, and objectives to managers, Subject Matter Experts, and Account Executives within their respective business lines. Training is conducted on:
 - An ad-hoc basis
 - A regular basis such as during regular meetings of groups of employees
- BPA's managers, Subject Matter Experts, and Account Executives are responsible for training their staff on specific practices that are required in order to meet the objectives of the reliability standards

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500.5 Documentation of training

Formal internal and external training received by Reliability Program staff is documented by BPA's Training and Development organization. Informal training documentation is maintained by the individual employee.

Training provided by Reliability Program staff in both internal and external forums is documented in the form of an attendance sheet signed by each person receiving the training. Written or electronic training materials prepared by BPA staff also serve as documentation of the training. Documentation of each training event is retained within a central file maintained within the Compliance Corner, a central storage location for all Reliability Program documentation.

500.6 Training schedule

BPA's governance and operations staff assess training needs for the reliability program annually and work with performance managers to budget and implement the training.

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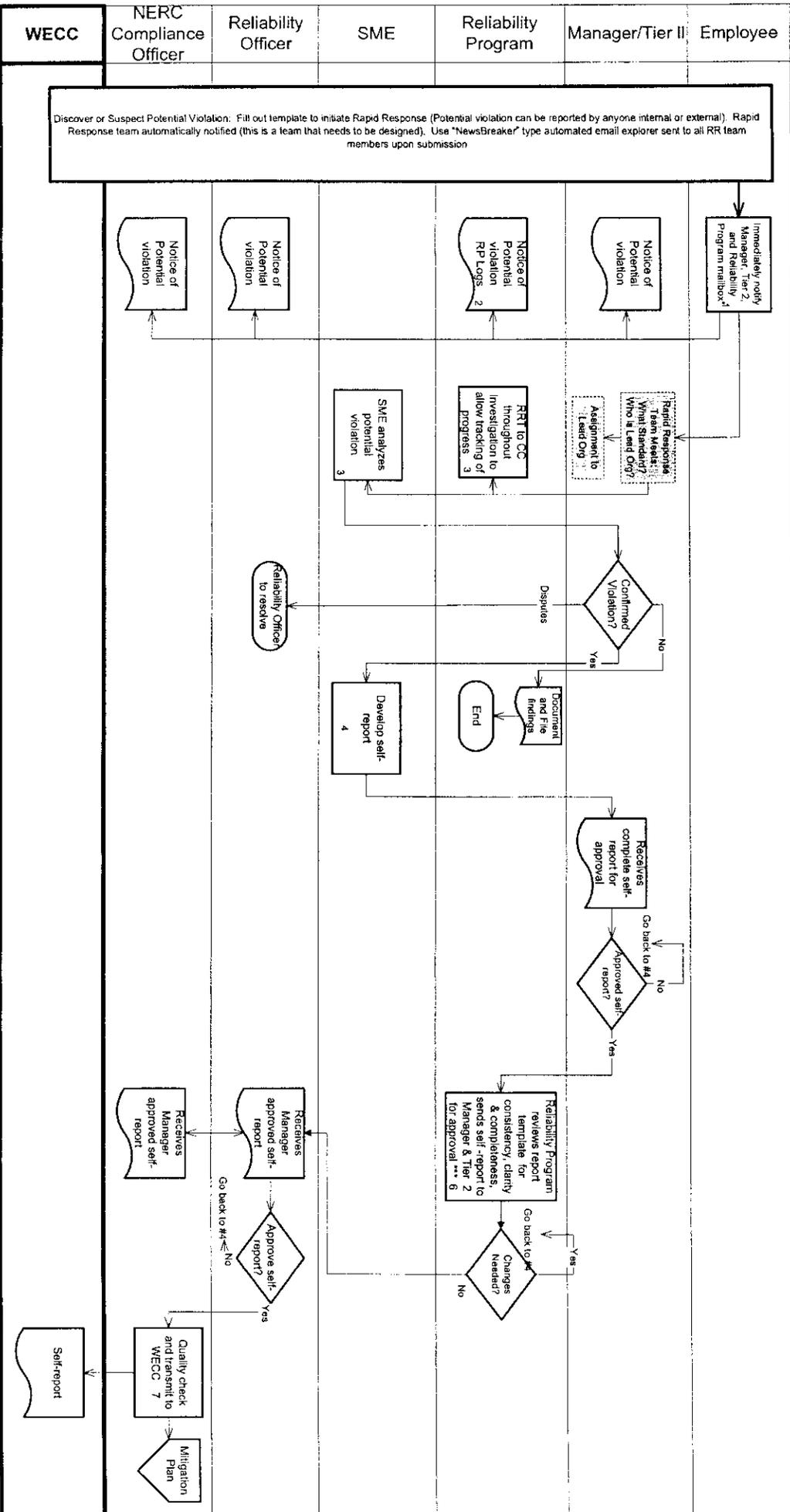
600.1 Creation and evaluation of internal processes

The Reliability Compliance Program is responsible for evaluating processes to ensure that they are effective for BPA in meeting and sustaining compliance with reliability standards and to ensure that BPA responds in an effective and timely manner to suspected incidences of non-compliance. The Reliability Officer and Reliability Program Coordinators create, publicize, and document processes that address operational activities related to reliability compliance. The Reliability Compliance Office creates processes that relate to oversight of the Reliability Program across the agency.

If the Reliability Compliance Office determines that a process is inadequate for the purposes of the agency, the staff documents the deficiency and work with the relevant organization's manager to take corrective action. Alternately, the Reliability Compliance Office makes a recommendation regarding the appropriate outcome for the process and allows the manager to determine how to achieve the specified outcome.

BPA's current process diagrams are presented on the following pages.

Violation Discovery and Self Report



1 business day

Process to be complete within 4 business days

1 business day

Reporting Mgr/Tier II immediately contacts responsible Managers assigned to the standard/requirement in question

NERC Compliance Officer is consistency only, no technical review or oversight on findings.

Check document formatting for the Keeper of the internal clock

WECC

NERC Compliance Officer

Reliability Officer

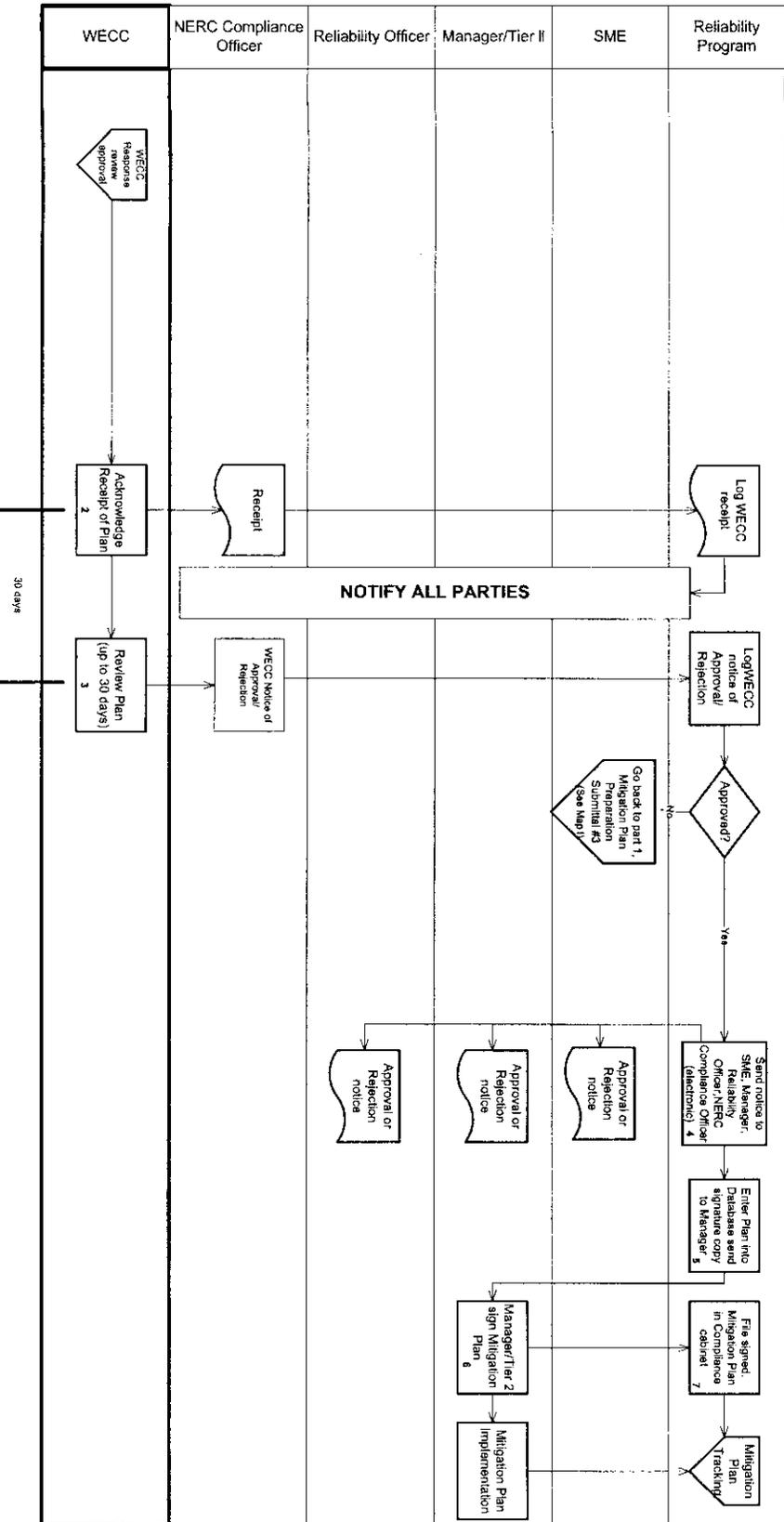
SME

Reliability Program

Manager/Tier II

Employee

Working DRAFT 11/02/07 II. WECC Review/ Response to Mitigation Plan



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700.1 Introduction

The governance function within the BPA Reliability Program is responsible for monitoring and auditing all policy, operational, technical, and contractual controls within the BPA Reliability Program for compliance, efficiency, and effectiveness on a regular basis, as specified herein. The Reliability Compliance Office is to have complete, transparent, and unescorted access to all BPA information necessary to perform internal self-audits of BPA compliance with applicable Mandatory Reliability Criteria at all times, while remaining in compliance with BPA's Standards of Conduct (SOC) policies.

700.2 Internal functional Self-Certification

BPA has specifically assigned each Reliability Standard, Requirement, and Measure to a lead organization within the agency. Each organization within BPA is then responsible for ensuring the following:

- BPA maintains its compliance with each applicable Standard, Requirement, and Measure at all times.
- All documentation necessary to demonstrate auditable compliance with each assigned Standard, Requirement, and Measure is available, organized, and prepared in a manner that readily demonstrates BPA's compliance at all times.

On an annual basis, all impacted functional managers must formally attest to the following:

- All documentation necessary to demonstrate BPA compliance with the Standards, Requirements, and Measures for which they have been assigned responsibility is current
- Their employees understand their responsibilities to fully support BPA's Reliability Program and its compliance activities
- Their employees are trained to monitor, detect, and report all reliability lapses

700.3 Documentation of BPA compliance

All documentation necessary to demonstrate how BPA is compliant with each of the Mandatory Reliability Criteria is maintained by the Reliability Program Coordinators in hard copy and/or electronic format. Documentation will be available in a centralized location when necessary. In cases where it is impractical for hard copies of all such

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documentation to be physically located in the compliance file, the file should contain representative samples of such documentation, information as to the specific location of such documentation, and directions for accessing it.

700.4 Internal compliance audits

The processes utilized by the Reliability Compliance Office for monitoring and auditing BPA's compliance with Mandatory Reliability Criteria include but are not limited to the following:

- Internal Audits. The Reliability Compliance Office is responsible for performing Internal Audits of BPA compliance with all applicable Mandatory Reliability Criteria as required to meet each of the following conditions:
 - Annually
 - Prior to each on-site WECC Compliance Audit (within 3 months)

During each Internal Audit, the Reliability Compliance Office performs a review of BPA's documentation of compliance with applicable Mandatory Reliability Criteria. In each case, the governance staff assesses whether or not the documentation provided demonstrates full and auditable BPA compliance with the relevant Standards, Requirements, Measures, and Levels of Non-Compliance in a manner that would be readily apparent to an External Auditor. Findings of suspected violations are investigated via BPA's internal suspected violation process.

- Internal Spot Checks. The Reliability Compliance Office is responsible for performing internal Spot Checks of BPA compliance with all relevant Mandatory Reliability Criteria as required to meet each of the following conditions:
 - Upon the occurrence of non-routine system events, including but not limited to:
 - Significant Loss of Load
 - Energy Emergencies
 - Under Frequency Load Shedding
 - Under Voltage Load Shedding
 - WECC Compliance Investigations
 - Following completion of mitigation plans. Audits of the underlying processes that caused the violation are conducted twice within the six month period following the completion of the mitigation plan, or after each of the first two recurrences of the violation(s) addressed by the mitigation plan.
 - Upon receipt of reports of suspected BPA non-compliance

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- Internal Requests:
 - BPA Senior Management
 - BPA organization responsible for implementing BPA compliance with Standard or Requirement in question
- At the discretion of BPA Reliability Program Office:
 - Unscheduled Flow Mitigation Program (UFMP) Curtailments
 - Loss of Generation
 - Vegetation Related Outages
 - Disturbances

During each internal Spot Check, the Reliability Compliance Office performs a complete review of BPA's documentation of compliance with the relevant Standards, Requirements, Measures, and Levels of Non-Compliance. In each case, the office assesses whether or not the documentation provided demonstrates full and auditable BPA compliance with the relevant Standards, Requirements, Measures, and Levels of Non-Compliance in a manner that would be readily apparent to an external auditor. Findings of suspected violations are submitted to the internal suspected violation process.

700.5 Resolution of issues identified by Reliability Program governance staff:

The Reliability Compliance Office is responsible for investigating, identifying, and documenting compliance related issues that are revealed through each of its compliance monitoring and auditing processes. All such issues, including all relevant analysis and documentation, are then referred to the potential violation process.

In the event that the Reliability Compliance Office encounters issues with processes, compliance information, or other concerns, the NERC Compliance Officer persists in raising and working the issue through normal channels, with subsequent escalation through BPA's Chain of Command as required to achieve a satisfactory resolution.

700.6 Monitoring of compliance activities

The Reliability Compliance Office monitors and tracks reliability compliance activities within BPA to ensure that BPA fulfills its obligations to regulatory bodies in a timely manner. The office monitors potential violation investigations and compliance deliverables such as self reports, mitigation plans, mitigation plan updates/milestones, and mitigation plan completions. The office provides oversight to ensure that BPA meets its commitments for the content, results, and due dates of compliance submissions.

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700.7 Internal audits of program and processes

The Reliability Compliance Office is responsible for conducting internal audits and reviews of reliability program information and processes. The Reliability Compliance Office conducts the following types of audits and reviews.

Regulatory Submissions:

The Reliability Compliance Office is responsible for BPA's submissions of compliance data on an ongoing basis in order to ensure that BPA is submitting the appropriate data within the required timeframes. The Reliability Compliance Office is also responsible for working with management to ensure that any and all outstanding issues are resolved in an appropriate and timely manner.

Review of Internal Reliability Program:

BPA's Reliability Program is a joint effort of many organizations throughout the agency. Involved parties meet regularly in a variety of forums to both coordinate activities and ensure the overall effectiveness and efficiency of the program. To the extent possible, issues are worked through and resolved as they are identified, and the program is modified as necessary to reflect these changes.

Personnel from each organization within the BPA Reliability Program meet quarterly to discuss and formulate the strategic direction of the program. Each of these sessions includes a review of the Reliability Program and its components and further discussion of recent issues and changes.

Lessons Learned Evaluations:

A Lessons Learned Session is held after each major effort undertaken by the Reliability Compliance Office. All involved parties are invited and encouraged to both voice their concerns and recommendations and to participate in the ensuing resolution processes. These "lessons" are then used to further increase the effectiveness and efficiency of the Reliability Program.

700.8 Tracking and reporting tools

The Reliability Program employs databases, spreadsheets, and other software tools to facilitate tracking compliance with reliability standards, reporting on reliability standards, and managing the mitigation of instances of non-compliance with the standards. The operations and governance sides of the Reliability Program and the Reliability Council also maintain calendar controls to track deadlines, timelines, and milestones, including periodic program assessments.

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800.1 Identifying incidents of non-compliance

All BPA employees are expected to be cognizant of BPA’s general responsibility to remain in compliance with all relevant Mandatory Reliability Standards at all times. In addition, those employees whose positions directly impact or reflect actions relevant to Mandatory Reliability Standards are expected to remain cognizant of all relevant aspects of those standards in the accomplishment of their duties. Any employee that suspects that BPA could potentially be in violation of a Mandatory Reliability Criterion is to notify his or her supervisor and Reliability Program Coordinator within 24 hours. To ensure that further actions are taken in a timely manner, the preferred methods for such notification are “face-to-face” and “voice-to-voice” (via live telephone conversation).

800.2 Responding to incidents of non-compliance

Any time BPA is notified of a potential violation of Mandatory Reliability Criteria, the notification triggers the activation of a Rapid Response Team. The Rapid Response Team investigates the situation and makes a determination of BPA’s compliance within four business days of initial notification. In each case where the Rapid Response Team confirms a suspected BPA violation of Mandatory Reliability Criteria, BPA develops, approves, and submits to WECC a Self Reported Potential Violation, followed by a mitigation plan that outlines both what actions BPA will take to comply with the reliability standard/requirement(s) and maintain future compliance, and the schedule that BPA will follow for completion of the stated corrective actions. The mitigation plan must be submitted to WECC within thirty business days of submission of the Self Reported Potential Violation. BPA uses the WECC form to report potential violations. Submittal forms can be found on the WECC web site (www.wecc.biz) and should be downloaded each time that a submission is necessary, to ensure that BPA always utilizes the most current versions of the forms.

800.3 Addressing disciplinary action following incidents of non-compliance

The Reliability Compliance Office reviews the Self Report and mitigation plan resulting from the investigation described in Chapter 800.2. If the Reliability Compliance Office reasonably believes that inappropriate conduct or performance on the part of any BPA employee was a factor in the violation, it forwards such investigation product and its evaluation of the seriousness of the violation (weighing such factors as the Violation

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Severity Level and the Violation Risk Factor) to the manager of the employee in question.

Under BPA policy, managers and supervisors are responsible for dealing with employee performance and conduct issues. BPA Manual Chapter 400/700A “Employee Relations Program” states the policy and delegated authorities for BPA’s Employee Relations Program (<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/400-700A.DOC>). Guidelines for supervisors’ and managers’ actions are included in Appendix B of Chapter 400/700A of the BPA Manual, and are discussed in additional detail in Personnel Letter No. 752-1, dated August 29th, 2003 (<http://iweb.bpa.gov/EBR/PersonnelServices/Letters/PL752-1.doc>). Managers and supervisors are encouraged to obtain the advice and assistance of BPA's Employee Relations and Legal organizations in considering the appropriateness of taking adverse action or other corrective measures with regard to the employee, relying on existing federal law and BPA policy in doing so. The Reliability Compliance Office does not attempt to dictate or influence the manager's decision regarding the appropriate action; rather, the role of the Reliability Compliance Office is to ensure that the employee's manager and his/her advisors have adequate and reliable information regarding the employee's role in the violation, and the seriousness of the violation, to make an appropriate decision within the context of federal law and BPA policy.

800.4 Preventing incidents of non-compliance

The following three approaches will be used to prevent incidents of non-compliance:

New Standards, Requirements, and Measures:

In an effort to ensure that BPA comes into compliance with all new or modified Mandatory Reliability Criteria in accordance with the NERC implementation plan, if provided, or prior to the effective date of the standard if no implementation plan is provided, the Reliability Compliance Office monitors and initiates Spot Checks of BPA compliance with these changed criteria early in the implementation period. In instances of projected non-compliance, BPA develops any mitigation plans necessary to bring BPA into compliance with the proposed changes in Mandatory Reliability Criteria within the transition period. In cases where a mitigation plan is necessary, the implementation schedule must allow sufficient time for BPA to come into compliance and develop the necessary documentation before the proposed revision becomes effective. BPA begins work on any and all necessary mitigation plans no later than the time at which FERC approves the modification to a standard, as required to be in compliance on the effective date of the modification.

Near Misses:

In an effort to learn from situations that arise and prevent potential future incidents of non-compliance, BPA employees are expected to be cognizant of Near Miss situations,

<p style="text-align: center;">BPA Reliability Program Manual</p>	<p style="text-align: center;">Chapter 800 Enforcement of the Control Environment</p>	<p style="text-align: center;">Page: - 21 - Date: 03/03/2008</p>
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which are situations where BPA came close to, but narrowly averted, a violation of Mandatory Reliability Criteria. BPA responds to these Near Misses using the same internal processes that are used in response to actual incidences of non-compliance. In each case, BPA assembles an appropriate team of individuals to conduct an investigation and determine the deficiencies that caused the Near Miss in question. Upon identification of deficiencies that contributed to the Near Miss, BPA develops and implements an internal mitigation plan to resolve the deficiencies, thereby maximizing reliability and minimizing BPA's risk of future non-compliance with Mandatory Reliability Criteria.

Post Mitigation Plan Implementation Audits:

Upon completion of a mitigation plan, the Reliability Compliance Office performs a Spot Check of BPA compliance with the involved Mandatory Reliability Criteria at each successive monitoring interval, as defined within the Standard, Requirement, or Measure in question, until BPA has been found to be fully compliant for three successive monitoring intervals.

800.5 Identify and respond to gaps in controls

During investigations of non-compliance and subsequent Lessons Learned sessions, BPA personnel are required to identify additional, necessary controls that serve as early indicators that BPA is headed toward non-compliance and implement them in a manner that enables BPA, to the maximum extent practicable, to identify and resolve situations of deteriorating reliability before they reach the point of actual non-compliance with Mandatory Reliability Criteria.

BPA Reliability Program Manual	Chapter 900 Security and Access Controls	Page: - 22 - Date: 03/03/2008
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900.1 Physical security and access controls

BPA's physical security policies are described in the following BPA Manual Chapters:

- Security and Emergency Management Chapter 1070
<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001070.DOC>
- Identification Badges Chapter 1072
<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001072.DOC>
- Personnel Security Program Chapter 1077
<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001077.DOC>
- Security of Classified Matter Chapter 1078
<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001078.DOC>
- Physical Security and Access Policy Chapter 1085
(to be published)

900.2 Information management and security controls

Policies that authorize BPA's Records Management Program and the BPA Records Manual are described in BPA Manual Chapter 1122. This chapter contains guidance relating to records management policies and procedures, and applies to all BPA employees and contractor personnel who create, receive, and maintain recorded information.

BPA Manual Chapter 1122

<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001122.doc>

BPA's Operational Security Program (OPSEC) BPA Manual Chapter 1080 establishes basic BPA policy for protecting Critical and Sensitive Information. This chapter defines responsibilities for individuals and organizations and outlines basic OPSEC safeguards and practices to be followed when dealing with information identified as Critical and Sensitive. BPA Chapter 1081 provides additional guidance for dissemination of Critical and Sensitive Information, including information pertaining to Critical Infrastructure.

BPA Manual Chapter 1080

<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001080.doc>

BPA Manual Chapter 1081

<http://bpaweb.bpa.gov/sites/BPMAN/BPAM/00001081.doc>

BPA Reliability Program Manual	Chapter 900 Security and Access Controls	Page: - 23 - Date: 03/03/2008
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BPA's Information Security Program future BPA Manual Chapter 1082 establishes local BPA procedures and policies consistent with Department of Energy Manual 470.4-4, Information Security.

BPA's "Program Cyber Security Plan" establishes policies and defines roles and responsibilities to ensure the confidentiality, integrity, and availability of BPA's information and information systems, as well as to meet the security requirements of a variety of federal regulations, Orders, Directives, and memoranda, including the NERC Reliability Standards.

"Program Cyber Security Plan":

<http://bpaweb.bpa.gov/orgs/orgs%20main/AgencyIT/cso/Security%20Updates/BPA%20Governance/Policies/BPA%20PCSP%20V10.pdf>

<p>BPA Reliability Program Manual</p>	<p>Appendix 1: BPA Mission and Vision</p>	<p>Date: 03/03/2008</p>
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PROUDLY SERVING THE PACIFIC NORTHWEST

M I S S I O N

The Bonneville Power Administration's mission as a public service organization is to create and deliver the best value for our customers and constituents as we act in concert with others to assure the Pacific Northwest:

- An adequate, efficient, economical and reliable power supply;
- A transmission system that is adequate to the task of integrating and transmitting power from federal and non-federal generating units, providing service to BPA's customers, providing interregional interconnections, and maintaining electrical reliability and stability; and
- Mitigation of the Federal Columbia River Power System's impacts on fish and wildlife.

BPA is committed to cost-based rates, and public and regional preference in its marketing of power. BPA will set its rates as low as possible consistent with sound business principles and the full recovery of all of its costs, including timely repayment of the federal investment in the system.

V I S I O N

BPA will be an engine of the Northwest's economic prosperity and environmental sustainability. BPA's actions advance a Northwest power system that is a national leader in providing:

- High reliability;
- Low rates consistent with sound business principles;
- Responsible environmental stewardship; and
- Accountability to the region.

We deliver on these public responsibilities^{1/} through a commercially successful business.

^{1/}Our public responsibilities are defined by the four characteristics listed above.



<p>BPA Reliability Program Manual</p>	<p>Appendix 2: Reliability Compliance Design Team Charter</p>	<p>Date: 03/03/2008</p>
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Reliability Compliance Program
Design Team Charter

V7

September 19, 2007
August 10, 2007
March 7, 2007
January 10, 2007
December 13, 2006

Purpose

To design and implement an agency reliability compliance monitoring program that assures BPA's compliance with mandatory reliability standards, including but not limited to NERC Standards and WECC RMS Standards. The reliability compliance program includes, but is not limited to the following functions.

1. Document the policy and control environment
 - Provide industry best practice templates and instructions/procedures for reliability program documentation
 - Make documentation clearly written, relevant, and communicated
 - Provide for a central repository of all documentation
 - Keep documentation up to date
 - Controls are the means to monitor compliance with policy
 - Procedures and standards support policy
 - Use an operational control and compliance platform/tool
2. Document compliance roles and responsibilities for implementation of compliance activities
 - a. Coordinate all compliance related submittals to NERC, WECC, FERC, etc.
 - b. Identify and manage compliance obligations applicable to BPA functions
 - c. Identify and manage compliance obligations that BPA assumes via delegation from customers
 - Operations
 - a. Reliability Officer
 - i. Responsible for the Reliability Council
 - ii. Assures that compliance policies and decisions are appropriate and effective
 - b. Reliability Program Managers - Transmission & Power Services
 - i. Manage processes to ensure regulatory compliance of the service units
 - ii. Facilitate the work of the Reliability Council
 - Governance (Regulatory Affairs)
 - a. NERC Compliance Officer
 - i. Defines, measures, and monitors BPA's reliability compliance
 - ii. Certifies compliance with reliability standards
 - b. Reliability Compliance Program staff
 - i. Support the NERC Compliance Officer in defining, measuring, and monitoring BPA's reliability compliance
 - ii. Perform quality assurance audits of compliance documentation
 - Reliability Council
 - a. Manages compliance
 - b. Identifies, understands, and resolves policies, strategies, and priorities
3. Assign appropriate oversight of compliance management
 - Make executives and the board accountable for compliance

- Assign responsibility for executive oversight of compliance program. (Steve Hickok - may delegate specific compliance areas to distribute oversight.)
- Assign adequate resources – staff and budget
- Ensure the Reliability Officer and the NERC Compliance Officer have access to lines of authority for enforcement
- Establish lines of communication to the business units
- Define reports and metrics for operational control and compliance

(References: Reliability Framework diagram, COG/One BPA Reorganization Package)

4. Ensure compliance through training and communication

- Integrate compliance into the corporate ethics program
- Include compliance in agency communication plans - keep managers/employees/contractors engaged in regulatory activities, informed of current policy, and provided with up-to-date information
- Require annual compliance education/training

5. Implement regular control monitoring and auditing

- Policy, operational, and technical controls
- Contractual controls
- Detective controls (e.g., review transaction logs, identify unethical behavior)
- Preventive controls (e.g., enforce separation of duties)
- Ongoing management validation of controls – tracking compliance
- Independent audit verification of controls – audit trail

- a. Tracking and reporting tools - development and maintenance
- b. Documentation - showing HOW BPA is compliant with ALL mandatory reliability standards or requirements
- c. Functional self-certification – annually require all impacted functional managers to attest that their documentation is current, their employees understand their responsibilities to fully support BPA’s reliability program and its compliance activities, and that their staff is trained to detect, monitor and report all reliability lapses.
- d. Self evaluation – internal audits of program and processes

6. Consistently enforce the control environment

- Provide open internal and external communication and reporting
- Implement a systematic approach to incident investigations
- Establish appropriate incentives
- Establish the appropriate performance plan contract language and include it in all impacted employees’ annual performance plans.
- Adhere to consistent disciplinary actions

- a. Program plan (description, audit level documentation)

- b. Employee performance plans
 - c. Self-reporting processes
 - d. How/where sanctions are budgeted/paid within BPA
7. Prevent and respond to incidents and gaps in controls (mitigation for non-compliance with standards)
- Develop a control deficiency response plan
 - Establish best industry practice response time lines
 - Maintain an incident response team and procedures
 - Implement active detection and monitoring for gaps and violations
 - Build a lessons-learned process to avoid repeat offenses
 - Work with regulatory authorities.
- a. Violation management – Develop process for handling violations and non-compliance with reliability standards
 - b. Gap analysis – Ensure identification of areas of non-compliance
 - c. Mitigation plans - Ensure completion of required mitigation plans
 - d. Risk Assessment – Ensure assessment and documentation of marginal levels of compliance or “near misses”
8. Require security and access controls
- Initial background checks and screening
 - Ongoing regular reviews
 - Screen personnel in accordance with organizational access (role/responsibility-based access)
 - Assure that there are clear, written delegations of authority in place and that these are current.
 - Use precaution in delegating authority
 - Use identity management and provisioning when giving access to IT systems
 - Revoke access upon termination
 - Publicize disciplinary standards
 - Use information security controls

(References: documentation for physical security policy, A123 policy)

The design team will also develop an implementation plan for collecting compliance data, monitoring this data for compliance, and establishing a process which will assure accurate and timely compliance reporting.

Delivery Dates

The reliability compliance program should be documented and auditable by September 26, 2007.

Background

The Energy Policy Act of 2005 authorized the creation of a self-regulatory electric reliability organization (ERO) that spans North America, with oversight by the Federal Energy Regulatory Commission (FERC). The legislation makes compliance with North American Electric Reliability Council (NERC) and regional reliability standards mandatory and enforceable. Prior to June 18, 2007, compliance with reliability standards was voluntary in the United States, with the exception of signatories to the WECC RMS agreement. On July 20, 2006 FERC issued an order certifying NERC as the ERO for the United States. These changes drive the need for a reliability compliance program internal to BPA.

Scope

BPA's Reliability Compliance Program

Western Electricity Coordinating Council (WECC) refers to utility programs as "Internal Compliance Programs." BPA's internal compliance program is intended to be a "self sustaining" program that includes the following attributes:

- Documented program
- Self-assessment and self-enforcement of internal controls to reduce or prevent recurrence of violations
- Widely disseminated in the agency
- Clearly defined roles, identification of positions of responsibilities/accountabilities for staff, managers and executives
- Independence from operations
- Access to senior levels of executive management
- Coordinated with Reliability Council, Power Services and Transmission Services reliability managers and data stewards
- Management of internal and external audits
- Fully supported and participated in by senior management
- Reviewed and modified sufficiently often
- All relevant staff given sufficient training

The team will determine the scope and design of BPA's Reliability Compliance Program and develop an implementation plan.

Sponsorship/Membership

Members:

Dave Bogdon, DN

Dennis Bowling, DN

Brian Furumasu, GN

Deanna Phillips, GN

Steve Larson, L

Anne Draper, PG

Kieran Connolly, PGS-5

John Quinata – TG

Lorissa Jones – TG
Melanie Jackson - TGP
Don Watkins, TO
Peggy Olds, TOT
Berhanu Tesema, TPP

References

Guidance documents:

- NERC Penalties and Sanctions Guidelines (October 10, 2006)
- FERC Policy Statement on Enforcement (October 20, 2006)
- Seven Habits of Highly Effective Compliance Programs (July 12, 2005, ©2005, Forrester Research, Inc.)

<p>BPA Reliability Program Manual</p>	<p>Appendix 3: Reliability Council Charter</p>	<p>Date: 03/03/2008</p>
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Reliability Council Charter, version 2.2

January 10, 2007

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Revision History

CONFIDENTIAL	Reliability Council Charter
Bonneville Power Administration	DATE: November 5, 2004

Version	Issue Date	Remarks	Prepared By	Board Approval Date	Reliability Officer Approval Date
1.0	11/05/05			November 2005 RC	
2.0	01/05/07	Major revisions to incorporate new organization structure.	Core Group		
2.1	01/06/07	RC authority derives from Executive Sponsors through the Reliability Officer. RO chairs RC.	Deputy Administrator		
2.2	1/10/07	RC group edit		January 10, 2007	February 07, 2007

1 Name

This organization shall be known as the Reliability Council (RC).

2 Mission Statement

The Reliability Council provides BPA structure, accountability, communication, and oversight of Federal Columbia River Power System (FCRPS) reliability and application of reliability standards. Through the RC BPA proactively manages its policy, priorities, strategic choices and decisions related to reliability. This includes meeting or exceeding reliability standards; coordinating to avoid non-compliance; maintaining a positive relationship with its stakeholders; and address customer expectations.. The Council creates and sustains an environment of reliability and operational excellence.

To proactively address policy development in external forums and meet or exceed compliance requirements, this mission is intended to:

- Increase the effectiveness and efficiency of BPA representation in external forums
- Proactively and strategically shape electric reliability, compliance and business standards that affect BPA reliability.
- Promote at the highest levels reliability and excellence in the operation, planning and construction of the Federal Columbia River Power System (FCRPS) -- the integrated power and transmission grid operated by BPA.
- Collaborate on reliability policy, priorities and strategy.
- Advise the Reliability Officer.

3 Scope

The Reliability Council promotes coordination, communication, efficiency, and effectiveness in BPA and in its representation in external forums (such as NERC, NAESB, WECC, and NWPP) to assure BPA compliance with industry reliability standards and associate business practices. It does not manage operations in any way.

BPA's Reliability Council has three primary functions:

- ◆ Continuous self-assessment and correction to assure compliance with electric utility industry policy, practices, standards and requirements to the extent they are consistent with BPA mission, goals and authorities.
- ◆ Standards development, strategy and implementation
- ◆ Coordination and communication

Continuous self-assessment and correction

The Reliability Council will provide guidance to support the continuous review and improvement of BPA's performance relative to reliability and critical infrastructure protection standards and compliance so that BPA can identify and address reliability risks before they become a problem. An example of continuous review would include rigorous analysis of system outages and near miss events, as well as non-compliance events.

Standards development, strategy, and implementation

Standards Development and Implementation: coordinate participation in the development of external standards for reliability and critical infrastructure protection.

Develop a process for identifying and reconciling the reliability related issues, goals, strategies and impacts across BPA operations and commercial activities so there is a One BPA position presented in public forums.

- ◆ Identify where appropriate, the impact of new standards and standards compliance on FTE, capital and expense programs. Provide adequate resources to meet compliance expectations as outlined in the Standards Compliance Plan (SCP).
- ◆ Coordinate issues across business lines and with the USBR and USCE and with stakeholders.
- ◆ Establish RC related performance goals and measurements for manager's contracts.
- ◆ Document decisions made by the Reliability Council.

Standards Compliance Plan (SCP) : Approve and maintain, in coordination with Regulatory Affairs a comprehensive SCP at BPA. The SCP would clearly identify the following:

- ◆ All reliability standards where BPA is expected to comply and what standards BPA does not comply with.
- ◆ Reliability indices and measurements that will be used to measure compliance levels and alert the Reliability Council of reliability or compliance problems.
- ◆ Internal and external reporting requirements and responsibility.
- ◆ Expectations for pro-active review, reporting and mitigation of problem or high-risk areas before having to report non-compliance.

Standards Compliance Plan Tool: Reliability Council will ensure the development of requirements and tools to identify the applicable standards, timely reporting, organizational coordination, communications, and applicable metrics to measure success. Metrics will be developed that effectively show status of compliance and trends.

Coordination and communication:

The RC will communicate and coordinate its goals, functions, and actions with BPA employees, external agencies, and customer groups.

Coordination and Communication Tool: Reliability Council will maintain a SharePoint webpage to access all authoritative RC information including who serves on various external forums and the scope of matters which they review for the Reliability Council. This tool also posts Representative's Reports from external meetings, and provides other functions needed to carry out the Council's functions.

4 Program, Work Process and Organization

The RC is organized to assure that appropriate and effective processes, policies, and practices related to reliability of the Transmission and Power Systems under BPA's control are established and carried out effectively. It is structured to keep the execution of work as close to the primary implementers and experts as possible. The relationship of the Reliability Council's components are as follows (see diagram "Reliability Program Components"):

The **Reliability Council's membership** includes designated managers responsible for reliability or reliability-related functions. The Council collaborates in identifying, understanding and resolving issues regarding BPA's system reliability policies, strategies and priorities.

The **BPA Reliability Officer** has responsibility for the products of the Reliability Council; assuring BPA's policies and decisions regarding reliability are appropriate and effective. The Reliability officer will have Executive Point of Contacts in Power Services, Industry Restructuring (IR), and Office of General Counsel (OGC) for issues consultation.

The **Reliability Program managers** in Transmission Services (T) and Power Services (P) will facilitate the Council's work in P and T. They have responsibility to manage the processes related to the Reliability Program in consultation with Council members.

Regulatory Affairs is responsible for assuring that all regulatory obligations are identified, and risks are assessed. They monitor to assure the Reliability Program has processes and tools in place to effectively fulfill reliability obligations, supporting a One-BPA strategic approach on reliability issues when interacting with regulatory bodies and compliance standards. Regulatory Affairs has the responsibility and authority to monitor and recommend all necessary actions to assure or restore compliance with reliability obligations.

Performance managers and Subject Matter Experts (SME) are responsible for managing and generating the critical information to meet these obligations.

The Reliability Council web site will be used to administer the Reliability Program by providing full visibility of and participation in RC activities. The Council charter, processes, documents, procedures and other all materials will be posted.

5 Authoritative Source for RC Information

<http://bpaweb/sites/ISRC/default.aspx>

6 Decision Making

It is intended that reliability decisions related to policy, priorities, and strategic direction will be made by consensus in the Reliability Council. The Reliability Officer who's authority is derived from the executive sponsors has decision making authority for the RC. In the event of circumstances where the decision can't be made in a RC meeting, the Reliability Officer will make the decision after consultation with the executive sponsors. Reliability Council decisions will be consistent with the agency decision framework (appendix C). The Reliability Program Managers will assure appropriate documentation is done at the direction of the Council.

7 Sponsorship/Membership

A. Reliability Council Executive Sponsors:

- Deputy Administrator
- Senior Vice President, Transmission Services

B. Reliability Officer

The Reliability Officer shall be appointed from the Transmission Services by the executive sponsors of the Reliability Council.

C. Executive Points of Contact

- ◆ General Counsel
- ◆ VP Generation Asset Management
- ◆ Industry Restructuring Manager

D. Reliability Program Manager(s)

- ◆ Transmission Services Reliability Program Manager
- ◆ Power Services Reliability Program Manager

E. Reliability Council Core Group;

- ◆ Executive Secretary, Reliability Program Managers (2), Regulatory Affairs Rep, Transmission Services Rep, Power Services Rep, Industry Restructuring Rep, Reliability Council Coordinator

F. Reliability Council Membership;

- ◆ Vice President of Planning and Asset Management
- ◆ Manager of System Operations
- ◆ Vice President Field Services
- ◆ Vice President Generation Asset Management
- ◆ Vice President of Bulk Power Marketing
- ◆ Dispatch Manager
- ◆ Manager Transmission Supply
- ◆ Manager Generation Scheduling

- ◆ Manager Schedule Coordination
- ◆ Manager Federal Hydro Projects
- ◆ Manager of Technical Operations
- ◆ Manager, Real Time Control Systems
- ◆ Security Manager
- ◆ Manager, Network Planning
- ◆ Reliability Compliance Officer
- ◆ Representative, Office of General Counsel
- ◆ Manager, Asset Performance Management
- ◆ Manager, Network Planning
- ◆ Executive Secretary

Appendix A - List of Reliability Council Members

8 Meetings/Activities

The Reliability Council will meet at least quarterly, or as required based on events and conditions that may dictate more frequent meetings.

Reliability Council core members will meet at least monthly.

9 Chairmanship

The Reliability Officer shall serve as the Chairperson. The Reliability Officer may designate another Council member to convene and conduct a meeting of the Council in his/her absence; but if the Council cannot reach a decision, that member may not exercise the Reliability Officer's decision making authority.

10 Principles

The Reliability Council will:

- ◆ Champion or advocate excellence in all phases of FCRPS operations.
- ◆ Promote the highest levels of professionalism among all personnel, including a strong emphasis on consensus building and regionally responsive decision-making.
- ◆ Facilitate communication and exchange of information and coordinate between BPA's various internal business units on issues that impact electric industry reliability and critical infrastructure protection policy and standards.
- ◆ Proactively shape the development of national and regional reliability policy and standards.
- ◆ Analyze events that occur on the FCRPS to identify possible precursors of more serious events, and disseminate the lessons learned. Facilitate understanding and application of the lessons learned to prevent recurrence.
- ◆ Assist line organizations and managers identify human or equipment resources issues associated with compliance to new or modified standards and collaboratively work toward promptly addressing those concerns to assure BPA compliance.
- ◆ Promote the exchange of information through development of good practices and effective work processes that assist in achieving safe, reliable and efficient

- ♦ operation of the FCRPS. Recognize the importance of improving or revising existing practices when necessary, rather than supplanting them.
- ♦ Utilize agency decision making framework when making major decisions.

12 Duties/Responsibilities

A. Reliability Officer

- a. Provides agency oversight of reliability and application of industry standards so that BPA proactively manages and implements strategic choices related to reliability and associated standards;
- b. Ensure BPA meets or exceeds reliability standards; avoids sanctions for non-compliance; maintains a positive relationship with its stakeholders; and meets customer expectations for reliable service at reasonable rates.
- c. Chairs the Reliability Council and Acts with the delegated authority of the Executive Sponsors.
- d. Decisions:
 - i. Presides over collaborative decision making in the RC with ultimate responsibility for RC decisions.
 - ii. Where an issue that can't be resolved at the staff level must be completed before a meeting of the Reliability Council can be held, the Reliability Officer shall work with the Executive Points of Contact to seek resolution.
 - iii. When necessary, the Reliability Officer has the authority to make the decision and shall report back to the Reliability Council on decisions made or actions taken on behalf of the Executive Sponsors.

B. Executive Points of Contact

Will be designated by their organization

- a. Is the executive responsible for their organization's representation for the Reliability Council,
- b. Coordinates issues between the RC meetings with the Reliability Officer, collaborates on reliability issues and implements decisions of the Reliability Council. This includes developing and overseeing the application of Reliability Council initiatives from their organization's point of view so that BPA presents a "One BPA" view,
- c. Proactively manages and implements strategic choices related to reliability and associated standards;
 - i. meets or exceeds reliability Standards
 - ii. avoids sanctions for non-compliance;
 - iii. maintains a positive relationship with its stakeholders; and
 - iv. meets customer expectations for reliable service at reasonable rates

C. Council Member Responsibilities ;

- a. **Attend all scheduled meetings.** If unable to attend, ensure that an alternate attends.
- b. Provide the necessary resources and funding required to support Reliability Council goals and objectives and assure follow-up assignments are carried out.
- c. Carry out liaison and other follow-up assignments.
- d. Consider recommendations brought forward and take action on such recommendations within 60 days.
- e. Identify to managers issues requiring analysis.

- f. Provide for unhindered (including anonymous) input from any person regarding reliability issues or deficiencies.
 - g. Establish and maintain a procedure to provide guidance in the event a manager is not responsive to the Program or is unwilling to take action to resolve a significant reliability issue.
 - h. If managers are unable to resolve complex issues, the Council will consider alternatives and will provide guidance.
 - i. Responsible to understand the basic components of reliability and how the independent pillars support one another.
 - j. Work to assure processes and programs facilitate pursuit of excellence and that the Council leads this cultural shift.
- D. Responsibilities of Managers ;**
- a. Establish clear lines of responsibility and accountability for operation, maintenance, training, support, and other activities for reliable operation of the FCRPS.
 - b. Managers are accountable for the performance of their staff.
 - c. Responsive to identified areas for improvement made in conjunction with Reliability Analysis.
 - d. Assess, prioritize, and assign SME workload for all RC action items within resource constraints and agency priorities.
 - e. Assure evaluation of staff recommendations to enhance reliability, perform a resource assessment for the proposed solutions, and pursue recommendations that have merit.
 - f. Assure assessment of the impacts of their decisions on other organizations, and resolve disputes at the lowest possible level.
 - g. Bring complex issues with multiple impacts to the Council in a timely manner regardless of whether those issues have been resolved.
 - h. Collaboratively prioritize the areas of focus for reliability and associated standards and to recommend those priorities to the Council.
 - i. Follow up with employees to assure that they are timely completing Representative's Report for external meetings.
 - j. Support processes and programs facilitate pursuit of excellence and the commensurate tools that facilitate this cultural shift.
- E. Duties of the Core Group ;**
- a. Identify need to bring matters to the attention of the Council.
 - b. Coordinate with the Compliance Program Managers to track and report compliance status to the Council schedule compliance status updates to the council.
 - c. Employ coordinating committees at mid-management levels to assure effective planning, communication, and implementation of the Reliability Council Program.
 - d. Arrange logistical support for Reliability Council actions and meetings, including preparation and dissemination of materials, use of facilities, and use of other supporting resources.
 - e. Arrange, at a minimum, four meetings (quarterly) per year.
 - f. Prepare the meeting agenda with input from members.
 - g. Prepare and distribute meeting minutes
- F. Transmission Services / Power Services Reliability Program Manager Responsibilities**
The Reliability Program Manager is the person assigned in Power Services and Transmission Services to implement and support the Reliability Council's guidance and mission and coordinating as appropriate with staff from Regulatory Affairs. This position has the responsibility to:
- a. Manage participation in standards development
 - b. Carry out compliance administrative functions within their organization.
 - c. Monitor for action from all reliability organizations including FERC, NERC, WECC, NWPP.

- d. Facilitate and execute procedures for all action items. Identify required products and facilitate and administrate the products.
- e. Provide the logistical, administrative support to enable effective participation by various BPA subject matter experts.
- f. Facilitate and use action tracking systems to assure appropriate resources are addressed by performance managers to accomplish action items.
- g. Identify deficiencies in the RC processes and recommend, facilitate, or develop improvements,
- h. Provide the logistics and administrative oversight to assure that work specified in the RC is accomplished

G. Role of Regulatory Affairs;

FERC Reliability Compliance Officer is responsible for assuring that the Agency's reliability compliance program is in place and effective in meeting BPA's reliability obligations. The reliability compliance program monitors compliance performance data, including effectiveness of compliance to reliability standards, recommends appropriate actions or mitigation procedures, and is responsible to assure effective compliance audits. The Reliability Compliance Officer is responsible for assuring effective processes are in place for compliance related requests from FERC, NERC, and the WECC that are accurate and on-time.

The FERC Reliability Compliance Officer utilizes a One-BPA strategic approach to reliability in dealing with regulatory bodies and standards for operations.

H. Responsibilities of Representatives to External Groups;

- ◆ A representative is the official Bonneville participant in external committees, sub-committees, and workgroups.
- ◆ Representatives are expected to meet performance objectives and expectations and support the Reliability Council principles.
- ◆ Representatives are expected to attend meetings of their assigned external group(s) either in person or by phone or to designate an alternate BPA representative, normally a Point of Contact. (Representatives and Points of Contact may decide not to have BPA representation at a particular meeting for reasons such as meeting location or lack of agenda topics relevant to BPA.)
- ◆ Representatives are expected to represent BPA agency positions in their assigned external groups. They are responsible for working with Points of Contact and other technical and functional experts as appropriate on a 'One BPA' approach to issues, coordinating comments and carrying forward BPA interests.
- ◆ To develop agency positions, prior to each meeting representatives are expected to convene a pre-meeting or otherwise engage participation of the business line Point(s) of Contact and any other technical or functional representatives required to understand and represent the agency effectively.
- ◆ Representatives are expected to fully share information, practices, and experiences, unless prohibited by Standards of Conduct.
- ◆ Representatives need to think outside the box to encourage reliability, identify the vulnerabilities, raising them even if it seems inconsistent with our "rules" to do so
- ◆ Representatives are expected to effectively communicate information from meetings that are of interest and have impact to BPA. The preferred method is

to complete the Representative's Report e-Form in a timely manner (normally 10 working days). Other methods could include timely meetings with appropriate stakeholders.

- ◆ Representatives are responsible for assuring completion of any action items or follow-up required from meetings or assignments of the external group. This includes ensuring that the Point(s) of Contact are informed and involved in preparing BPA responses, analyses, etc.
- ◆ Representatives live the culture of pursuit of excellence because it will result in increased reliability and provide customers power and transmission services at reasonable rates.

I. Responsibilities of Designated Points of Contact

- ◆ A point of contact is someone other than the representative who is the alternate representative and has responsibilities including:
- ◆ Points of Contact are responsible for working with Representatives on a One BPA approach to issues, coordinating comments from their business unit and providing input to Representatives. Points of Contact will forward to stakeholders and those who provided comment(s) the BPA comments sent to the external party by the Representative.
- ◆ Points of Contact serve as alternate representatives to the assigned external group(s) unless another alternate is designated by the Representative for BPA. If any proxy is required for voting purposes, the Representative is responsible for making sure the Point of Contact is authorized to vote on his/her behalf.
- ◆ Points of Contact may request, in conjunction with the Representative and subject to their performance management approval and the identified representative's performance manager, to attend external meetings with the Representative. The attendance decision is to be made on a case-by-case basis with Performance Managers and the assigned Representative, based on the meeting agenda and the need for technical expertise or functional knowledge at that meeting.
- ◆ Points of Contact are expected to follow all other guidance for Representatives in external forums.
- ◆ Points of Contact are responsible for keeping stakeholders and affected workgroups and managers within their own business unit informed about activities of the external committee(s) they follow.
- ◆ Points of Contact live the culture of pursuit of excellence because it will result in increase reliability and provide customers power and transmission services at reasonable rates.

J. Subject Matter Experts/Stakeholders;

- ◆ A subject matter expert is the person(s) who is not any of the above and provides critical guidance to points of contact and representatives. They may have direct reliability compliance responsibilities.
- ◆ Subject Matter Experts are responsible for working with Representatives on a One BPA approach to issues, coordinating comments from their business unit and providing input to Representatives. Subject Matter Experts will forward to stakeholders, representatives and those who provided comment(s) for BPA

- Subject Matter Experts are responsible for keeping stakeholders and affected workgroups and managers within their own business unit informed about activities of the external committee(s) they follow

13 BPA Strategic Objectives and Agency Targets related to the RC

- S1 Our policies encourage regional actions that ensure adequate, efficient, and reliable transmission and power service.
- S2 The FCRPS performance and expansion meet availability, adequacy, reliability and cost-effectiveness standards.
- S9 The FCRPS assets are managed to protect ratepayer and taxpayer interests for the long-term
- F1 Sustainable capital access.
- F2 Consistent cost recovery over time.
- F3 Cash flow for liquidity.
- I1 Best practices (with emphasis on cost, performance and simplicity) are obtained in key systems and processes.
- I2 Single enterprise optimization (not in conflict with standards of conduct).
- I3 Risks are managed within acceptable bounds.
- I4 Leader in the application of technologies that increase the value of mission deliverables.
- I5 Collaborative customer/constituent/tribal relationships supported by our managing to clear, long-term objectives with reliable results.
- I6 Increased transparency in our processes, decisions and performance.
- I7 Decision-making reflects consistent application of specified criteria.
- P1 Leaders set clear direction and are accountable for results.
- P3 Effective feedback motivates and aligns employees around meaningful work.

1. Value Proposition

Business Case/ Estimated Benefits

Beneficiaries: BPA, TF, TO, TM, PG, PT, Customers, PNW Reliability Coordinator

Quantitative Benefits: Increased levels of transmission reliability and availability; improved financial performance (including no increased cost due to financial sanctions); improved transparency to staff and customers; regulatory compliance

Qualitative Benefits: Increased customer satisfaction and trust; increased efficiency in operations and planning; improve deployment of scarce human and financial resources; improved reputation in the industry, and improved DOE, NERC, and FERC coordination. Implementation of high performing organization (HPO) objectives.

Appendices

- A. List of RC Members
- B. Principles BPA representation to External Committees
- C. Agency Decision making framework
- D. Responsibilities of Voting Representatives
 - i. NERC
 - ii. WECC
 - iii. NAESB
- E. Processes
 - i. Reliability Data Process map.
 - ii. Voting process

Appendix A: Reliability Council Membership

- A. **Reliability Council Executive Sponsors:**
 - Deputy Administrator , Steve Hickok, D
 - Senior Vice President, Transmission Services, Vickie VanZandt, T
- B. **Reliability Officer, Brian Silverstein, T**
- C. **Executive Points of Contact**
 - ◆ General Counsel, Chuck Combs, LT
 - ◆ VP Generation Asset Management, Steve Oliver, PG
 - ◆ Industry Restructuring Manager, Syd Berwager, GR
- D. **Reliability Program Manager(s)**
 - ◆ Transmission Services Reliability Program Manager
 - ◆ Power Services Reliability Program Manager, Anne Draper, PG
- E. **Reliability Council Core Group;**
 - ◆ Executive Secretary, Reliability Program Managers (2), Regulatory Affairs Rep, Transmission Services Rep, Power Services Rep, Industry Restructuring Rep, Reliability Council Coordinator
- F. **Reliability Council Membership;**
 - ◆ Vice President of Planning and Asset Management, Brian Silverstein, TP
 - ◆ Manager of System Operations, Randi Thomas, TO
 - ◆ Vice President Field Services, Robin Furrer, TF
 - ◆ Vice President Generation Asset Management, Steve Oliver, PG
 - ◆ Vice President of Bulk Power Marketing, Allen Burns, PT
 - ◆ Dispatch Manager, Rich Ellison, TOD
 - ◆ Manager Transmission Supply, Scott Simmons, TSS
 - ◆ Manager Generation Scheduling, Fran Halpin- Detail, PGS
 - ◆ Manager Schedule Coordination, Scott Coe, PGK
 - ◆ Manager Federal Hydro Projects, Mark Jones, PGF
 - ◆ Manager of Technical Operations, Peggy Olds, TOT
 - ◆ Manager, Real Time Control Systems
 - ◆ Security Manager, Bob Windus, GT
 - ◆ Manger, Network Planning, Melvin Rodrigues, TPP
 - ◆ Reliability Compliance Officer, Brian Furumasu, GN
 - ◆ Representative, Office of General Counsel, Chuck Combs, LT
 - ◆ Manager, Asset Performance Management, Jim Hallar, TG
 - ◆ Executive Secretary, Don Watkins

Appendix B: Principles Of BPA Representation In External Industry Forums

1. BPA will establish a strategy for staffing and participating in external forums that will be driven by issues and/or activities that directly or indirectly affect BPA programs and policies.
2. To increase the efficiency, effectiveness, and accountability of representation, BPA will minimize duplication of its representation to external industry forums (NWPP, WECC, NERC, NAESB) Staffing for these activities will be based on BPA's strategic needs and the potential impact on BPA of issues being addressed. The BPA management team will authorize one BPA employee who will represent BPA at standing committees and subcommittees unless a critical need exists for more than one person to attend any such meeting. The Reliability Council will prioritize its efforts according BPA objectives and resource needs.
3. BPA management will determine how to best staff other committees in which BPA elects to participate for business reasons this includes task forces, work groups, or ad hoc groups.
4. BPA representatives to external forums will have clearly defined roles and responsibilities, including the responsibility for internal coordination and communication. Representatives meet management's expectations regarding their participation.
5. BPA management will set clear direction and hold staff accountable. Management is responsible to assure alignment of BPA policies internally and externally, clarify expectations of staff, and assure that BPA is appropriately represented at external forums.
6. BPA's participation in external industry forums is an essential part of improving BPA so that it can benefit its stakeholders and customers. Further, BPA is a recognized leader in the electric power industry and will strive to improve the reliability, through its active participation in external forums.

BPA Reliability Program Manual	Appendix 4: Agency Decision Framework	Date: 03/03/2008
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AGENCY DECISION FRAMEWORK

Strategic Objective 17: Decision making is integrated, risk-informed and managed through consistent application of specified criteria.

(Approved: October 16, 2007)

1. **Define Objective:** Describe what is to be accomplished or achieved.
2. **Connect the objective to the agency strategic direction:**
 - ◆ Identify relationship to agency level and other strategic objectives.
 - ◆ Identify specific business objective(s) the decision should support.
 - ◆ Identify relationship to any Top 10 agency risks.
3. **Decision Maker:** Identify the required decision maker and any advisory bodies, consistent with published charters and delegations of authority. Determine the procedural requirements and decision support analysis and documentation standards associated with each advisory and decision-making body. Identify any other parties that should be involved.
4. **Establish the Context:**
 - ◆ Determine the time frame for making the decision.
 - ◆ Collect relevant background information.
 - Describe the external environment and the objectives of external stakeholders.
 - Describe the internal structure, culture, and capabilities of the organization and the goals and objectives of internal stakeholders.
 - ◆ Identify any specific guidance from decision makers.
5. **Decision Evaluation Criteria:**

Define the key factors that will be used to determine whether and which proposed alternatives (Step 7) best meet the stated objective and support agency objectives. As a minimum, develop decision evaluation criteria in each of the following categories:

 - ◆ Business/Finance
 - ◆ Legal
 - ◆ Environment
 - ◆ Public Interests
 - ◆ BPA's People and Processes
 - ◆ Project-specific categories, as appropriate
6. **Identify, Analyze & Evaluate Risks:**
 - ◆ Identify risks to achievement of the objective.
 - ◆ Assess the likelihood and consequences of each risk.
 - ◆ Evaluate the risks to determine whether they are acceptable.
7. **Decision Alternatives & Evaluation:**
 - ◆ Use the decision evaluation criteria to identify alternative actions that could accomplish the objective.
 - ◆ Evaluate whether the alternatives introduce new risks to meeting the objective.
 - ◆ Evaluate how well the alternative actions mitigate unacceptable risks.
 - ◆ Apply the decision evaluation criteria to compare alternative actions.
8. **Recommendation:** Recommend and justify the alternative that best supports the ability to achieve the objective and mitigate unacceptable risks, consistent with the decision evaluation criteria. Include any minority opinions. Present required documentation to each advisory and decision making body.
9. **Document & Communicate the Final Decision:**

Document and communicate the final decision and the reasons for that decision.
10. **Implement Approved Action:**

After implementation, report back to the decision making body on whether the action met the objectives and appropriately mitigated risk.