

SRSG Operating Procedure No. 7

Suspension or Termination of Membership

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1. Purpose

The purpose of this Operating Procedure No. 7 is to establish a method by which a Party's membership rights can be suspended or terminated for non-compliance with obligations under the SRSG Participation Agreement.

2. Suspension or Termination of a Party

A Party may be subject to disciplinary action, over and above any penalty specified in other Operating Procedures or the Agreement, if that Party fails to meet the following criteria:

- maintain its reserve obligations for at least 98% of the hours in a month for two successive months
- maintain its reserve obligations for at least 98% of the hours of each month for 3 months within a calendar year
- supply Emergency Assistance when required
- maintain sufficient transmission to support the activation of its own Contingency Reserves and its own Emergency Assistance obligations under the Agreement
- recover from a Disturbance in accordance with WECC/NERC criteria
- submit data required by the Agreement
- meet its SRSG financial obligations
- make payment for a period of 3 months
- provide timely notification of a Disturbance

3. Disciplinary Steps

The steps below are available to the SRSG to discipline a Party that fails to meet the criteria identified in 2. above, or to respond to any actions determined to be detrimental to the SRSG. Such disciplinary action may lead to the suspension or termination of a Party. The steps listed below are not necessarily chronological and the Administrator may take steps in any order

3.1 Notice of Non-compliance

The OC Chair who by authority of the Operating Committee may issue a notice of non-compliance and request an explanation of such non-compliance which the OC shall review to determine if further action is warranted.

3.2 Denial of Access to the RSS

The Administrator is authorized by the Operating Committee to deny a party's access to the RSS and any benefits of reserve sharing within 7 days if substantial deficiency penalties accrue over a short period of time. The purpose is to maintain a 7 day protection period and to protect the membership from financial losses caused by a party's egregious deficiencies. The Administrator shall immediately notify the deficient party, the EC and OC so that additional action may be taken.

3.3 Notification of Suspension of Reserve Sharing

The Operating Committee may issue a notice of the suspension of all benefits of reserve sharing and applicable reserve sharing obligations to the non-complying Party, along with associated terms and conditions. A copy of such notice shall be provided to the Executive Committee and to the WECC. A suspension of such benefits shall not relieve a Party of any other SRSG membership obligations.

3.4 Termination of Membership

The EC upon receipt of the Operating Committee's Recommendation for Suspension of a non-complying Party's membership shall process said recommendation for termination within thirty (30) days in accordance with Section 8.2.10 of the Agreement.

4. Request for Temporary Suspension of Reserve Sharing Participation

4.1 In the event a Party experiences a catastrophic system failure, such Party shall make reasonable efforts to replace reserves lost.

4.2 Should such efforts be unsuccessful, the Party shall notify the Operating Committee of its inability to replace such reserves and may request the suspension of all benefits of reserve sharing and applicable reserve sharing obligations.

4.3 Upon receipt of such request, the Operating Committee shall invoke an automatic suspension of all benefits of reserve sharing and applicable reserve sharing obligations for not less than ninety (90) days. A notice of such suspension shall be provided to the Executive Committee and to the WECC. A suspension of such benefits shall not relieve a Party of any other SRSG membership obligations.