

March 31, 2025

**VIA ELECTRONIC FILING**

Ms. Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

Re: **NERC Full Notice of Penalty regarding Hamilton Liberty, LLC and Essential Power Rock Springs, LLC,  
FERC Docket No. NP25-\_-000**

Dear Ms. Reese:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Hamilton Liberty, LLC (Liberty) and Essential Power Rock Springs, LLC (EPRS), and referred to herein as the Entity or the Entities, NERC Registry ID# NCR11611<sup>2</sup> and NCR00251,<sup>3</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations, and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>4</sup>

NERC is filing this Notice of Penalty, with information and details regarding the nature and resolution of the violations,<sup>5</sup> with the Commission because ReliabilityFirst Corporation (ReliabilityFirst) and the Entities have entered into a Settlement Agreement to resolve all outstanding issues arising from

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<sup>1</sup> Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards, Order No. 672, 114 FERC ¶ 61,104, order on reh'g, Order No. 672-A, 114 FERC ¶ 61,328 (2006); Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the N. Am. Elec. Reliability Corp., Docket No. RM05-30-000 (February 7, 2008); Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, 118 FERC ¶ 61,218, order on reh'g, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

<sup>2</sup> The Entity was included on the NERC Compliance Registry as a Generator Owner (GO) and Generator Operator (GOP) on January 6, 2016.

<sup>3</sup> The Entity was included on the NERC Compliance Registry as a Generator Owner (GO), Generator Operator (GOP), and Transmission Owner on July 16, 2018.

<sup>4</sup> See 18 C.F.R § 39.7(c)(2) and 18 C.F.R § 39.7(d).

<sup>5</sup> For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged, or confirmed violation.

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ReliabilityFirst’s determination and findings of the violations of the O&P Reliability Standards listed below.

According to the Settlement Agreement, the Entities neither admit nor deny the violations, but Liberty has agreed to the assessed penalty of eighty-five thousand dollars (\$85,000) for IRO-001-4 R2, and EPRS has agreed to the assessed penalty of twenty-five thousand dollars (\$25,000) for TOP-001-5 R5, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement.<sup>6</sup>

**Statement of Findings Underlying the Violations**

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement, by and between ReliabilityFirst and the Entity. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein.

In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7 (2024), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement. Further information on the subject violations is set forth in the Settlement Agreement and herein.

<b>Violation(s) Determined and Discovery Method</b>								
<small>*SR = Self-Report / SC = Self-Certification / CA = Compliance Audit / SPC = Spot Check / CI = Compliance Investigation</small>								
NERC Violation ID	Standard	Req.	VRF/VSL	Applicable Function(s)	Discovery Method* & Date	Violation Start-End Date	Risk	Penalty Amount
2021-00974	IRO-001-4	R2	High/ Severe	GOP	SR; 11/15/21	9/16/21 to 9/16/21	Serious	\$85k
2021-00975	TOP-001-5	R5	High/ Severe	GOP	SR; 11/15/21	9/16/21 to 9/16/21	Minimal	\$25k

Information About the Entity

Liberty is an 870 MW natural gas generating facility located in Towanda, Pennsylvania. The facility began operations in 2016. EPRS is a 773 MW natural gas generating facility located in Rising Sun, Maryland. The Entities have separate registrations but are both managed by Cogentrix Energy Power Management, LLC (“Cogentrix”) and supported by the same Cogentrix Energy Management Group. Cogentrix and its predecessors have been directly involved in the development, ownership, operations, and management

<sup>6</sup> Due to the Entities’ corporate structures, the respective penalties are attributable solely to each entity and are not joint and several.

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of coal-fired, natural gas-fired, and solar powered assets delivering a combined generating capacity in excess of 10 GW. Through the ownership and operation of these plants, Cogentrix has participated in most of the major power regions in the U.S. Cogentrix was recently acquired and is ultimately owned by Q-Generation Partners, LLC. Liberty and EPRS are indirect, wholly-owned subsidiaries of Q-Generation Partners, LLC, which is owned by affiliates of Quantum Capital Group, Trafigura US Holdings Inc., and CEC Generation Partners, LLC. Cogentrix operated and managed Liberty and EPRS during the violations, and continues to do so after the recent acquisition.

Executive Summary

The Entities violated one Interconnection Reliability Operations and Coordination (IRO) Standard Requirement, and one Transmission Operations (TOP) Standard Requirement, specifically: the settlement agreement resolved two violations across two affiliate registrations that failed to follow Operating Instructions due to the same manager's miscommunication the same day both Entities were experiencing a phone outage.

1. IRO-001-4 R2 (2021-00974)

ReliabilityFirst determined that the Entity failed to properly execute three-part communication regarding lack of approval from the Reliability Coordinator to conduct the maximum leading portion of its MOD-025 reactive test on a 453.5 MW unit. Specifically, the Entity's manager received instruction from the Reliability Coordinator that stability issues could occur while performing the test due to an ongoing transmission outage, but the manager failed to communicate this to the control room operator who then conducted the test prior to receiving approval from the Reliability Coordinator. Attachment A includes additional facts regarding the violation.

The root cause of this violation was an internal communication and coordination failure regarding proper three-part communication. Contributing causes included poorly managed communication channel redundancies and a human performance failure during an ongoing phone outage.

ReliabilityFirst determined that this violation posed a serious risk to the reliability of the bulk power system (BPS). Attachment A includes the facts regarding the violation that ReliabilityFirst considered in its risk assessment.

The Entity submitted its mitigation activities to address the referenced violation. Attachment A includes a description of the mitigation activities the Entity took to address this violation.

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The Entity certified that it had completed all mitigation activities. ReliabilityFirst verified that the Entity had completed all mitigation activities. Attachment A provides specific information on ReliabilityFirst's verification of the Entity's completion of the activities.

2. TOP-001-5 R5 (2021-00975)

ReliabilityFirst determined that the Entity failed to properly execute three-part communication regarding running two units for economics. Specifically, the lead plant operator misheard the request as asking to start only one unit for economics and incorrectly repeated the Operating Instruction to its manager, who did not identify nor correct the incorrect repeat back resulting in the failure to start both units as requested. Attachment A includes additional facts regarding the violation.

The root cause of this violation was failure to use three-part communication and ineffective coordination in communicating an Operating Instruction. Contributing causes included human performance failures during an ongoing phone outage.

ReliabilityFirst determined that this violation posed a minimal and did not pose a serious or substantial risk to the reliability of the BPS. Attachment A includes the facts regarding the violation that ReliabilityFirst considered in its risk assessment.

The Entity submitted its mitigation activities to address the referenced violation. Attachment A includes a description of the mitigation activities the Entity took to address this violation.

The Entity certified that it had completed all mitigation activities. ReliabilityFirst verified that the Entity had completed all mitigation activities. Attachment A provides specific information on ReliabilityFirst's verification of the Entity's completion of the activities.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, ReliabilityFirst has assessed a penalty against Liberty of eighty-five thousand dollars (\$85,000) for IRO-001-4 R2, and assessed a penalty against EPRS of twenty-five thousand dollars (\$25,000) for TOP-001-5 R5. In reaching this determination, ReliabilityFirst considered the following factors, as discussed in more detail in Attachment A:

1. The violation of IRO-001-4 R2 posed a serious and substantial risk to the reliability of the BPS;

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2. ReliabilityFirst considered the Entity's compliance history with TOP-001-4 R3 as an aggravating factor in the penalty determination;<sup>7</sup>
3. The Entities self-reported the violations, which ReliabilityFirst considered a mitigating factor;
4. The Entities were cooperative throughout the compliance enforcement process, which ReliabilityFirst considered a mitigating factor;
5. There were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty/disposition method.

After consideration of the above factors, ReliabilityFirst determined that, in this instance, the penalty amount of eighty-five thousand dollars (\$85,000) assessed against Liberty for IRO-001-4 R2 and the penalty amount of twenty-five thousand dollars (\$25,000) assessed against EPRS for TOP-001-5 R5 is appropriate and bears a reasonable relation to the seriousness and duration of the violations.

**Statement Describing the Assessed Penalty, Sanction, or Enforcement Action Imposed<sup>8</sup>**

**Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>9</sup> NERC Enforcement staff reviewed the applicable requirements of the violations at issue, and considered the factors listed above.

For the foregoing reasons, NERC Enforcement staff approved the resolution between ReliabilityFirst and the Entities and believes that the assessed penalty against Liberty of eighty-five thousand dollars (\$85,000) for IRO-001-4 R2, and the assessed penalty against EPRS of twenty-five thousand dollars (\$25,000) for TOP-001-5 R5 is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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<sup>7</sup> The Entity's relevant prior noncompliance with TOP-001-4 R3 include(s): NERC Violation ID RFC2020023318.

<sup>8</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>9</sup> N. Am. Elec. Reliability Corp., "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); N. Am. Elec. Reliability Corp., "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); N. Am. Elec. Reliability Corp., "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

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Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30-day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

**Attachments to be Included as Part of this Notice of Penalty**

The attachments to be included as part of this Notice of Penalty are the following documents:

1. Settlement Agreement by and between ReliabilityFirst and the Entities executed February 7, 2025, included as Attachment A;
2. The Entity's Self Report for IRO-001-4 R2 submitted November 15, 2021, included as Attachment B;
3. The Entity's Self Report for TOP-001-5 R5 submitted November 15, 2021, included as Attachment C;
4. ReliabilityFirst's Verification of Mitigation Activity Completion for IRO-001-4 R2 dated August 3, 2022, included as Attachment 1 to the Settlement Agreement.
5. ReliabilityFirst's Verification of Mitigation Activity Completion for TOP-001-5 R5 dated August 25, 2022, included as Attachment 2 to the Settlement Agreement.

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**Notices and Communications:** Notices and communications with respect to this filing may be addressed to the following:

<p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Teresina Stasko*          Assistant General Counsel and Director of Enforcement          North American Electric Reliability Corporation          1401 H Street NW, Suite 410          Washington, DC 20005          (202) 400-3000          (202) 644-8099 – facsimile          teresina.stasko@nerc.net</p>
<p>Cogentrix Energy Power Management, LLC          13860 Ballantyne Corporate Place, Suite 300          Charlotte, NC 28277</p>	<p>James McGrane*          Senior Counsel          North American Electric Reliability Corporation          1401 H Street NW, Suite 410          Washington, DC 20005          (202) 400-3000          (202) 644-8099 – facsimile          james.mcgrane@nerc.net</p>
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### **Conclusion**

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations, and orders.

Respectfully submitted,

/s/ Caelyn Palmer

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Caelyn Palmer  
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ReliabilityFirst Corporation

Attachments

**ATTACHMENT A**  
Settlement Agreement by and between  
ReliabilityFirst and the Entities  
executed February 7, 2024



**RELIABILITY FIRST**

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<b><i>In re:</i></b> HAMILTON LIBERTY, LLC	)	<b>Unique ID Nos.:</b>
	)	
<b>ESSENTIAL POWER ROCK</b>	)	2021-00974 (IRO-001-4 R2)
<b>SPRINGS, LLC</b>	)	2021-00975 (TOP-001-5 R5)
	)	
NERC Registry ID Nos.	)	
NCR11611	)	
NCR00251	)	

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**SETTLEMENT AGREEMENT BETWEEN  
RELIABILITYFIRST CORPORATION,  
HAMILTON LIBERTY, LLC,  
AND  
ESSENTIAL POWER ROCK SPRINGS, LLC**

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**I. EXECUTIVE SUMMARY**

1. ReliabilityFirst Corporation (“ReliabilityFirst”), Hamilton Liberty, LLC (“Liberty”) and Essential Power Rock Springs, LLC (“EPRS”) (collectively, the “Parties”) enter into this Settlement Agreement (“Agreement”) to resolve violations by Liberty and EPRS of the above-captioned Reliability Standard Requirements.<sup>1</sup>
2. The Parties stipulate to the facts in this Agreement for the sole purpose of resolving the violations. Liberty and EPRS neither admit nor deny that these facts constitute violations of the above-captioned Reliability Standard Requirements.
3. The Standards and Requirements involved in this Agreement mandate Generator Operators (“GOP”) to comply with their Reliability Coordinator’s (IRO-001-4 R2) and Balancing Authority’s (TOP-001-5 R5) Operating Instructions unless compliance with the Operating Instructions cannot be physically implemented or unless such actions would violate safety, equipment, regulatory, or statutory requirements. Use of effective communication to understand and transmit Operating Instructions is fundamental in ensuring the reliable operation of the Bulk

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<sup>1</sup> This Agreement references the version of the Reliability Standard in effect at the time each violation began.

Electric System (“BES”). This Agreement resolves two violations across two affiliate registrations that failed to follow Operating Instructions due to the same manager’s miscommunication the same day both entities were experiencing a phone outage. Ineffective communication was a key factor in causing the violations in this Agreement, and historically has played a key role in the significant events on the BES that led to instability and cascading outages, including the 2003 Northeast Blackout and the Florida Blackout of 2008.<sup>2</sup>

4. ReliabilityFirst determined the IRO-001-4 R2 violation posed a serious risk and the TOP-001-5 R5 violation posed a minimal risk to the BES. These violations are being resolved together in this Agreement to highlight the critical importance of always using effective communication when receiving and transmitting Operating Instructions to ensure those instructions are properly understood, communicated, and executed as intended. Both violations involved affiliate entities with the same Cogentrix Energy Management Group and the same manager’s failure to use proper communication in communicating PJM Operating Instructions on the same day.
5. As discussed in more detail below, ReliabilityFirst is imposing a monetary penalty of **\$85,000** to Liberty for the IRO-001-4 R2 violation (2021-00974), and a monetary penalty of **\$25,000** to EPRS for the TOP-001-5 R5 violation (2021-00975). The respective penalties are attributable solely to each entity and are not joint and several.

## II. OVERVIEW OF LIBERTY AND EPRS

6. Since its founding in 1983, Cogentrix Energy Power Management, LLC (“Cogentrix”) and its predecessors have been directly involved in the development, ownership, operations, and management of coal-fired, natural gas-fired, and solar powered assets delivering a combined generating capacity in excess of 10 GW. Through the ownership and operation of these plants, Cogentrix has participated in most of the major power regions in the U.S. Based in Charlotte, North Carolina, Cogentrix<sup>3</sup> was recently acquired by Q-Generation, LLC, which is owned by Q-Generation Holdings, LLC, which in turn is owned by Q-Generation Partners, LLC. Liberty and EPRS are indirect, wholly-owned subsidiaries of Q-Generation Partners, LLC, which is owned by affiliates of Quantum Capital Group, Trafigura US Holdings Inc., and CEC Generation Partners, LLC. Cogentrix operated and managed Liberty and EPRS during the violations, and continues to do so after the recent acquisition.
7. Liberty is a 870 MW (nameplate rating) natural gas generating facility located in Towanda, Pennsylvania. The facility began operations in 2016. Liberty is registered on the NERC Compliance Registry as a Generator Owner and GOP in the ReliabilityFirst region. Liberty, in its capacity as a GOP, is subject to

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<sup>2</sup> NERC COM-003-1 Operating Communications Protocols [White Paper](#) – May 2012.

<sup>3</sup> At the time of the violations, Cogentrix was owned by funds managed by The Carlyle Group, one of the largest alternative asset management firms.

compliance with IRO-001-4 R2.

8. EPRS is a 773 MW (nameplate rating) natural gas generating facility located in Rising Sun, Maryland. EPRS is registered on the NERC Compliance Registry as a Generator Owner, GOP, and Transmission Owner in the ReliabilityFirst region. EPRS, in its capacity as a GOP, is subject to compliance with TOP-001-5 R5.
9. These violations involve separate entity registrations, both managed by Cogentrix and supported by the same Cogentrix Energy Management Group, concerning the same manager who failed to follow two different Operating Instructions the same day both entities were experiencing a phone outage.

### III. VIOLATIONS

#### A. IRO-001-4 R2 (2021-00974)

10. IRO-001 establishes the responsibility of Reliability Coordinators to act or direct other entities to act.
11. Reliability Coordinators play a critical role in maintaining the reliable operation of the BES by maintaining a wide-area view of the electric system and coordinating with other entities to manage system constraints. A violation of IRO-001 R2 has the potential to affect the reliable operation of the BES because failures to adhere to an Operating Instruction from the Reliability Coordinator can lead to system disturbances that would have otherwise been prevented or can further exacerbate existing issues.
12. IRO-001-4 R2 states:
 

**R2.** Each Transmission Operator, Balancing Authority, Generator Operator, and Distribution Provider shall comply with its Reliability Coordinator's Operating Instructions unless compliance with the Operating Instructions cannot be physically implemented or unless such actions would violate safety, equipment, regulatory, or statutory requirements.

#### *Description of Violation and Risk Assessment*

13. On November 15, 2021, Liberty submitted a Self-Report to ReliabilityFirst stating that, as a GOP, it was in violation of IRO-001-4 R2.
14. Liberty submitted a PJM ticket to perform MOD-025 reactive testing for a 453.5 MW unit. On September 16, 2021, PJM, as the Reliability Coordinator, approved all but one portion of the MOD-025 testing; specifically, PJM informed Cogentrix's Energy Management Group's manager that the unit could have stability issues while performing the leading reactive test at the maximum MW output due to an ongoing transmission outage, and that a lengthier stability study was required prior to approving that specific portion of the test. Despite PJM's instruction, Cogentrix's Energy Management Group told the Liberty control room operator to start the

reactive testing without specifying that one portion was not yet approved by PJM, and the facility conducted the maximum leading portion of the reactive test prior to receiving approval from the Reliability Coordinator in violation of IRO-001-4 R2. ReliabilityFirst notes that Liberty adhered to the minimum MVAR export instructions from PJM while performing the approved portions of the MOD-025 test.

15. The root cause of this noncompliance was the entity's improper internal communication and coordination in receiving and communicating Operating Instructions.<sup>4</sup> Contributing causes were an ongoing phone outage that added confusion for Cogentrix's Energy Management Group receiving the Operating Instructions and communicating them to plant personnel, the entity's poorly managed communication channel redundancies with PJM, and a human performance failure on the part of the Cogentrix's Energy Management Group manager. Specifically, this noncompliance occurred during the COVID-19 pandemic when Cogentrix personnel were working remotely with the primary means of communication to generation stations and independent system operators being a network-reliant Voice over Internet Protocol ("VoIP"). At that time, the VoIP was experiencing an unexpected outage that caused Cogentrix employees on the 24/7 real-time desk to revert to using cell phones as the primary mode of communication. Typically for a reactive test, Cogentrix's Energy Management Group would assign a separate phone number with PJM strictly for testing purposes and use its regular phone line for routine dispatch communications; however, with the VoIP outage, Cogentrix's Energy Management Group had to assign multiple cell phone numbers as backup mechanisms to communicate with PJM and the plant (one for regular dispatch and another for the MOD-025 testing). During the event, these multiple backup numbers were not utilized as intended, and the multiple channels of open communication regarding the testing led to confusion on Cogentrix's Energy Management Group manager's end who did not clearly communicate that a specific part of the reactive testing was not approved by PJM.
16. The violation began on September 16, 2021, when the entity failed to comply with an Operating Instruction from PJM, and ended the same day on September 16, 2021, when the testing concluded.
17. This violation posed a serious risk to the reliability of the bulk power system ("BPS").<sup>5</sup> The risk posed by failing to follow a PJM Operating Instruction to not perform reactive testing during a transmission outage pending PJM's stability study was stability issues with the unit that could lead to a unit tripping, damage to station equipment, and additional BPS reliability issues. Here, the risk is not minimal because of the scope of the violation involving a 453.5 MW unit (out of a plant total of 907 MW) with noted reliability concerns from PJM regarding a proposed

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<sup>4</sup> As shown in the mitigation paragraphs for both violations, the entity failed to execute proper three-part communication, and addressed it in mitigation; however, there were no instances of failure to use it during a declared emergency, and thus no corresponding COM-002 noncompliances.

<sup>5</sup> IRO-001-4 R2 has a VRF of "High" pursuant to the VRF Matrix. According to the VSL Matrix, this issue warranted a "Severe" VSL.

stability test to be performed due to a transmission outage at the plant, increasing the potential magnitude of harm. ReliabilityFirst notes that the entity also has no identified responsibilities during a System Restoration, nor does it own any Blackstart resources. No harm is known to have occurred.

18. ReliabilityFirst also notes that this serious risk violation is being disposed of with the minimal risk violation of TOP-001-5 R5 below, which involved an affiliate entity with the same Cogentrix Energy Management Group and the same manager's failure to use proper communication in communicating another PJM Operating Instruction the same day.

#### *Mitigating Actions*

19. On November 15, 2021, the entity submitted Mitigating Activities to ReliabilityFirst to address the noncompliance with IRO-001-4 R2. For its mitigation, the entity committed to take the following actions by April 30, 2022: First, the entity performed an extent of condition review of three-part communications between Cogentrix's Energy Management Group and staff at the Liberty facility from October 2021 until January 2022 and determined that all Operating Instructions reviewed were followed during that timeframe. Second, the entity conducted training for the Cogentrix Energy Management Group on proper three-part communication protocols and the importance of properly communicating Operating Instructions issued by the Reliability Coordinator. Third, the entity developed a documented plan to manage communications with PJM and the plants during VoIP outages in Cogentrix's Energy Management Group. Fourth, the entity conducted training for entity operating staff on proper three-part communication and the importance of following Operating Instructions issued by Reliability Coordinators.
20. On May 26, 2022, the entity certified to ReliabilityFirst that it completed these Mitigating Activities as of April 20, 2022. On August 3, 2022, ReliabilityFirst verified that the entity completed these Mitigating Activities on April 20, 2022. See Mitigating Activities Verification for 2021-00974, **Attachment 1**.

#### **B. TOP-001-5 R5 (2021-00975)**

21. TOP-001 prevents instability, uncontrolled separation, or Cascading outages that adversely impact the reliability of the Interconnection by ensuring prompt action to prevent or mitigate such occurrences.
22. A violation of TOP-001 could increase the likelihood of adverse impacts on the BES when the Balancing Authority expects a certain generation commitment, and that commitment was not met.
23. TOP-001-5 R5 states:
  - R5.** Each Transmission Operator, Generator Operator, and Distribution Provider shall comply with each Operating Instruction issued by its



Balancing Authority, unless such action cannot be physically implemented or it would violate safety, equipment, regulatory, or statutory requirements.

*Description of Violation and Risk Assessment*

24. On November 15, 2021, the entity submitted a Self-Report to ReliabilityFirst stating that, as a GOP, it was in violation of TOP-001-5 R5.
25. On September 16, 2021, PJM, as the Balancing Authority, requested through Cogentrix's Energy Management Group that EPRS run Unit 3 and 4 for economics. Cogentrix's Energy Management Group manager relayed the Operating Instruction to the EPRS lead plant operator ("Operator"), who did not clearly hear the request and repeated it back to Cogentrix's Energy Management Group manager as "PJM requesting Unit 4 on for economics." Cogentrix's Energy Management Group manager did not identify nor correct the incorrect repeat back, which led to EPRS not starting Unit 3 as directed by PJM. Cogentrix's Energy Management Group real-time desk operator subsequently called EPRS's Operator and asked why he had not started Unit 3 as requested. The Operator then listened to the earlier recordings during which time he realized that the request for Unit 3 was missed. ReliabilityFirst notes that Unit 3 is a simple cycle gas-fired combustion turbine with nameplate generating capacity of approximately 234 MVA.
26. The root cause of this noncompliance was the entity's failure to use three-part communication and its ineffective coordination in communicating an Operating Instruction. Contributing causes were human performance failures on the part of Cogentrix's Energy Management Group manager and plant Operator who failed to use proper three-part communication, especially during a time when cell phone service quality was suboptimal and staff experienced difficulties in clearly communicating. EPRS was impacted by the same VoIP phone outage as Liberty in the above-described violation for 2021-00974.
27. The violation began on September 16, 2021, when the entity failed to comply with an Operating Instruction received from PJM at 3:01 pm, and ended later the same day on September 16, 2021, when the entity contacted PJM upon realization that it missed bringing Unit 3 online, and PJM cancelled the request for Unit 3 at 4:13 pm (72 minutes).
28. This violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the BPS.<sup>6</sup> EPRS's failure to fully comply with an Operating Instruction could have caused issues for PJM as the Balancing Authority when it expected a certain generation commitment from EPRS, and that commitment was not met. Here, the risk of this individual noncompliance is minimal because of the scope of the 72-minute violation involving a 234 MVA unit, reducing the potential magnitude of harm. This issue was isolated to only one manager and is not indicative of programmatic or systemic issues. Further minimizing the risk, if one

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<sup>6</sup> TOP-001-5 R5 has a VRF of "High" pursuant to the VRF Matrix. According to the VSL Matrix, this issue warranted a "Severe" VSL.

unit fails to start in the needed timeframe, PJM's generation plan moves on the next available economic unit (i.e., the plant was not instructed to run to address a reliability constraint). ReliabilityFirst notes that the entity also has no identified responsibilities during a System Restoration, nor does it own any Blackstart resources. No harm is known to have occurred.

29. ReliabilityFirst also notes that this minimal risk noncompliance is being disposed of in this Settlement Agreement with the serious risk IRO-001-4 R2 above because an affiliate entity with the same Cogentrix Energy Management Group and the same manager's failure to use proper communication while communicating another PJM Operating Instruction the same day.

#### *Mitigating Actions*

30. On November 15, 2021, the entity submitted Mitigating Activities to ReliabilityFirst to address the noncompliance with TOP-001-5 R5. For its mitigation, the entity committed to take the following actions by April 30, 2022: First, the entity performed an extent of condition review of three-part communications between Cogentrix's Energy Management Group and personnel at the EPRS facility from October 2021 until January 2022 and determined that all Operating Instructions reviewed were followed during that timeframe. Second, the entity conducted training for Cogentrix's Energy Management Group on proper three-part communication protocols and the importance of properly communicating Operating Instructions issued by the Balancing Authority. Third, the entity developed a documented plan to manage communications with PJM and the plants during VoIP outages in Cogentrix's Energy Management Group. Fourth, the entity conducted training for entity operating staff on proper three-part communication and the importance of following Operating Instructions issued by the Balancing Authority for EPRS.
31. On May 26, 2022, the entity certified to ReliabilityFirst that it completed these Mitigating Activities as of March 23, 2022. On August 25, 2022, ReliabilityFirst verified that the entity completed these Mitigating Activities on March 23, 2022. See Mitigating Activities Verification for 2021-00975, **Attachment 2**.

#### **IV. ADJUSTMENT FACTORS**

32. In addition to the facts and circumstances stated above, ReliabilityFirst considered the following factors in its penalty determination.

#### *Self-Report*

33. Effective oversight of the reliability of the BES depends on robust and timely self-reporting by Registered Entities. Liberty and EPRS identified and reported the violations at issue in this Agreement. As a result, ReliabilityFirst seeks to encourage this type of self-reporting, characterized by timely detection and correction unconnected to a pending regional compliance monitoring action, by

reducing the monetary penalty for these violations.

#### *Cooperation*

34. Liberty and EPRS have been cooperative throughout the entire enforcement process. Throughout the enforcement process, Liberty and EPRS voluntarily provided ReliabilityFirst with relevant information regarding the violations in a manner that was detailed, well organized, and timely. Liberty and EPRS have been transparent with ReliabilityFirst regarding the violations, and this insight has allowed ReliabilityFirst to better analyze the violations and assist Liberty and EPRS with resolving the same. Liberty's and EPRS's level of cooperation throughout the enforcement process has been good, and ReliabilityFirst awarded mitigating credit for this level of cooperation to encourage this sort of response by other Registered Entities in the future.

#### *Compliance History*

35. When assessing the penalty for the violations at issue in this Agreement, ReliabilityFirst considered whether the facts of these violations constitute repetitive infractions. ReliabilityFirst considered the entities' compliance history and determined there were no relevant instances of noncompliance as it relates to Liberty and EPRS; however, a Cogentrix affiliate entity, Essential Power OPP, LLC, has relevant compliance history with TOP-001-4 R3 in RFC2020023318, disposed of as a Find, Fix and Track report. Per NERC Sanction Guideline 3.3.1<sup>7</sup>, ReliabilityFirst considered the prior noncompliance to be an aggravating factor that warranted assessing a further penalty here as it involved the same Cogentrix Energy Management Group involved in these violations, and the entity's failure to follow a PJM Operating Instruction.

## **V. PENALTY**

36. Based upon the foregoing, Liberty shall pay a monetary penalty of **\$85,000** to ReliabilityFirst for the IRO-001-4 R2 violation (2021-00974), and EPRS shall pay a monetary penalty of **\$25,000** to ReliabilityFirst for the TOP-001-5 R5 violation (2021-00975). The respective penalties are attributable solely to each entity and are not joint and several.
37. ReliabilityFirst shall present invoices to Liberty and EPRS within 20 days after the Agreement is approved by the Commission or affirmed by operation of law. Upon receipt, Liberty and EPRS shall have 30 days to remit payment. Liberty and EPRS shall remit payment to ReliabilityFirst by wire transfer or Automated Clearing House. ReliabilityFirst will notify NERC if it does not timely receive the payment

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<sup>7</sup> "In evaluating the violator's compliance history, NERC or the Regional Entity will take into account previous violations by affiliates of the violator, particularly violations of the same or similar Reliability Standard Requirements, and will evaluate whether any such prior violations reflect recurring conduct by affiliates that are operated by the same corporate entity or whose compliance activities are conducted by the same corporate entity."

from Liberty and EPRS.

38. If Liberty and EPRS fail to timely remit their respective monetary penalty payments to ReliabilityFirst, interest will commence to accrue on the outstanding balance, pursuant to 18 C.F.R. § 35.19a (a)(2)(iii), on the earlier of (a) the 31<sup>st</sup> day after the date on the invoice issued by ReliabilityFirst to Liberty and EPRS for the monetary penalty payment or (b) the 51<sup>st</sup> day after the Agreement is approved by the Commission or operation of law.

## **VI. ADDITIONAL TERMS**

39. The Parties agree that this Agreement is in the best interest of BES reliability. The terms and conditions of the Agreement are consistent with the regulations and orders of the Commission and the NERC Rules of Procedure.
40. ReliabilityFirst shall report the terms of all settlements of compliance matters to NERC. NERC will review the Agreement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under similar circumstances. Based on this review, NERC will either approve or reject this Agreement. If NERC rejects the Agreement, NERC will provide specific written reasons for such rejection and ReliabilityFirst will attempt to negotiate with Liberty and EPRS a revised settlement agreement that addresses NERC's concerns. If a settlement cannot be reached, the enforcement process will continue to conclusion. If NERC approves the Agreement, NERC will (a) report the approved settlement to the Commission for review and approval by order or operation of law and (b) publicly post the violations and the terms provided for in this Agreement.
41. This Agreement binds the Parties upon execution and may only be altered or amended by written agreement executed by the Parties. Liberty and EPRS expressly waive their right to any hearing or appeal concerning any matter set forth herein, unless and only to the extent that Liberty and EPRS contend that any NERC or Commission action constitutes a material modification to this Agreement.
42. ReliabilityFirst reserves all rights to initiate enforcement actions against Liberty and EPRS in accordance with the NERC Rules of Procedure in the event that Liberty and EPRS fail to comply with any of the terms or conditions of this Agreement. Liberty and EPRS retain all rights to defend against such action in accordance with the NERC Rules of Procedure.
43. Liberty and EPRS consent to ReliabilityFirst's future use of this Agreement for the purpose of assessing the factors within the NERC Sanction Guidelines and applicable Commission orders and policy statements, including, but not limited to, the factor evaluating Liberty's and EPRS's history of violations. Such use may be in any enforcement action or compliance proceeding undertaken by NERC or any Regional Entity or both, provided however that Liberty and EPRS do not consent to the use of the conclusions, determinations, and findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC

or any Regional Entity or both, nor do Liberty and EPRS consent to the use of this Agreement by any other party in any other action or proceeding.

44. Liberty and EPRS affirm that all of the matters set forth in this Agreement are true and correct to the best of its knowledge, information, and belief, and that it understands that ReliabilityFirst enters into this Agreement in express reliance on the representations contained herein, as well as any other representations or information provided by Liberty and EPRS to ReliabilityFirst during any interaction with ReliabilityFirst relating to the subject matter of this Agreement.
45. Upon execution of this Agreement, the Parties stipulate that the alleged violations resolved through this Agreement will be considered violations. The parties further stipulate that all required, applicable information listed in Section 5.3 of the CMEP is included within this Agreement.
46. Each of the undersigned agreeing to and accepting this Agreement warrants that he or she is an authorized representative of the party designated below, is authorized to bind such party, and accepts the Agreement on the party's behalf.
47. The undersigned agreeing to and accepting this Agreement warrant that they enter into this Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer, or promise of any kind by any member, employee, officer, director, agent, or representative of the Parties has been made to induce the signatories or any other party to enter into this Agreement.
48. The Agreement may be signed in counterparts.
49. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

**[SIGNATURE PAGE TO FOLLOW]<sup>8</sup>**

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

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<sup>8</sup> An electronic version of this executed document shall have the same force and effect as the original.

**ENDORSED BY:**

\_\_\_\_\_  
Niki Schaefer  
Vice President & General Counsel  
ReliabilityFirst Corporation

\_\_\_\_\_  
Date


**AGREED TO AND ACCEPTED BY:**

**Hamilton Liberty, LLC**

  
\_\_\_\_\_  
Jeff Ingraham  
Vice President  
Hamilton Liberty, LLC

February 4, 2025  
\_\_\_\_\_  
Date

**Essential Power Rock Springs, LLC**

  
\_\_\_\_\_  
Jeff Ingraham  
Vice President  
Essential Power Rock Springs, LLC

February 4, 2025  
\_\_\_\_\_  
Date

**ReliabilityFirst Corporation**

\_\_\_\_\_  
Timothy R. Gallagher  
President & Chief Executive Officer  
ReliabilityFirst Corporation

\_\_\_\_\_  
Date

**ENDORSED BY:**

/s/ Niki Schaefer  
Niki Schaefer  
Vice President & General Counsel  
ReliabilityFirst Corporation

February 7, 2025  
Date

**AGREED TO AND ACCEPTED BY:**

**Hamilton Liberty, LLC**

Jeff Ingraham  
Vice President  
Hamilton Liberty, LLC

Date

**Essential Power Rock Springs, LLC**

Jeff Ingraham  
Vice President  
Essential Power Rock Springs, LLC

Date

**ReliabilityFirst Corporation**

/s/ Timothy R. Gallagher  
Timothy R. Gallagher  
President & Chief Executive Officer  
ReliabilityFirst Corporation

February 7, 2025  
Date

## Mitigating Activities Verification for 2021-00974

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Hamilton Liberty, LLC

**Standard/Requirement:** IRO-001-4 R2.

**NERC Registry ID:** NCR11611

**Date of Completion of Mitigation:** April 20, 2022

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**Description of Issue** [CF2021-00974](#)

Evidence Reviewed	
File Name	Description of Evidence
File 1	SEL: Attachment 1 – IRO-001-MitPlan-VoiceRecordingReview.pdf
File 2	SEL: Attachment 2 – EMG COM Training Roster.pdf
File 3	SEL: Attachment 3 – EMG-NERC Training-2022.pdf
File 4	SEL: Attachment 4 – EM 6 – Audio Communications Protocol.pdf
File 5	SEL: Attachment 5 – 2022- COM-002 Liberty Training Sign in Sheet.pdf
File 6	SEL: Attachment 6 – COM-002 Training.pdf
File 7	SEL: IRO-001 Mitigation Plan Completion Letter – Signed.pdf

### Verification of Mitigating Activity Completion

**Mitigating Activity 1:** Three Part Communication Spot Check. Perform an extent of condition review of Three-Part communications between the Energy Management Group and staff at the Hamilton Liberty facility.

Completion Date: March 9, 2022

Attachment 1 – *IRO-001-MitPlan-VoiceRecordingReview.pdf* is the review history for 3 part communication spot check. The spot check identifies if the 3 part communication was “good” or not. If not, there were comments on how to improve. Milestone met.



Mitigating Activity #1: Completion verified.

**Mitigating Activity 2:** Conduct training on proper Three-Part Communication protocols and importance of properly communicating Operating Instructions issued by the RC.

Completion Date: March 28, 2022

*Attachment 2 – EMG COM Training Roster.pdf* is all of the training rosters in regard to the COM training for Cogentrix EMG. This training was provided to management staff. The last staff member received the training on March 28, 2022. *Attachment 3 – EMG-NERC Training-2022.pdf* is the training that was conducted for Cogentrix EMG. The training slides include proper 3 part communication, proper communication with the RC, etc. Milestone met.

Mitigating Activity #2: Completion verified.

**Mitigating Activity 3:** Develop a documented plan to manage communications with PJM and the plants during VOIP outage in the Energy Management Group.

Completion Date: April 20, 2022

*Attachment 4 – EM 6 – Audio Communications Protocol.pdf* is the VOIP plan to be used during outages of the EMG phone system. The plan identifies primary, secondary, and tertiary (email, Google voice, etc.) as possible paths of communication with Cogentrix, PJM, etc. The document does not have an associated date. Milestone met.

Mitigating Activity #3: Completion verified.

**Mitigating Activity 4:** Conduct training on proper 3-Part Communication and importance of following on the Operating Instructions issued the RC.

Completion Date: March 24, 2022

*Attachment 5 – 2022- COM-002 Liberty Training Sign in Sheet.pdf* is the training roster in regards to the COM training for Hamilton Liberty staff. *Attachment 6 – COM-002 Training.pdf* is the training that was conducted for Hamilton Liberty staff. The training slides include proper 3 part communication, proper communication with the RC, etc. The last Hamilton Liberty staff member received the training on March 24, 2022. Milestone met.

Mitigating Activity #3: Completion verified.

The Mitigating Activity(ies) is/are hereby verified complete.

A handwritten signature in black ink, appearing to read 'Anthony Jablonski', with a long horizontal stroke extending to the right.

Date: August 3, 2022

Anthony Jablonski  
Sr. Manager, Risk Analysis & Mitigation  
ReliabilityFirst Corporation

## Mitigating Activities Verification for 2021-00975

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Essential Power Rock Springs, LLC

**Standard/Requirement:** TOP-001-5 R5.

**NERC Registry ID:** NCR00251

**Date of Completion of Mitigation:** March 23, 2022

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**Description of Issue:** [CF2021-00975](#)

Evidence Reviewed	
File Name	Description of Evidence
File 1	TOP-001-MitPlan-VoiceRecordingReview.pdf
File 2	EM 6 - Audio Communications Protocol.docx
File 3	TOP-001-5 R5 Evidence Letter.pdf
File 4	Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Bongiovi.pdf
File 5	Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Daniel.pdf
File 6	Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Jake.pdf
File 7	Attachment 1 Operator Training.pdf
File 8	C. Sharp 1-7-22.pdf
File 9	M. Hailey 1-4-22.pdf
File 10	M. Moore 1-8-22.pdf
File 11	C. White 12-4-21.pdf
File 12	Two-Party Communications-2020.pptx
File 13	EMG-NERC Training-2022.pptx

### Verification of Mitigating Activity Completion

**Mitigating Activity 1:** Three-Part Communication Spot Check.

Completion Date: 3/9/2022

Mitigating Activity #1: *TOP-001-MitPlan-VoiceRecordingReview.pdf* shows the 3-part communication spot check performed. It includes the date, time, personnel and if the communication was “Good 3-part” or not. If a “N” was indicated, comments were included on how to improve upon 3-part communication. Milestone met.

**Mitigating Activity 2:** Conduct training on Three-Part Communication and Operating Instructions for the Energy Management Group

Completion Date: 3/17/2022

Mitigating Activity #2: *Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Bongiovi.pdf*, *Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Daniel.pdf*, and *Training Roster-EM-IRO-001-TOP-001-MitPlanTraining-Jake.pdf* are training records that energy management received communications training. *COM-002-Leadership-Training-20220418* are the training slides provided to leadership. Topics include Operating Instruction procedures, communication with PJM, etc. Milestone met.

**Mitigating Activity 3:** Develop a plan for VOIP outages.

Completion Date: 3/23/2022

Mitigating Activity #3: *EM 6 - Audio Communications Protocol.docx* is the document developed to outline proper protocol for managing audio communications through the Cogentrix Real-Time Desk. It discusses primary, secondary and tertiary (Google Voice, cell phone) communications methods to ensure communication with the Cogentrix fleet as well as PJM. This document does not have an effective date or revision date. Milestone met.

**Mitigating Activity 4:** Conduct training on 3-Part Communication and Operating Instructions for Essential Power Rock Springs operating staff.

Completion Date: 1/8/2022

Mitigating Activity #4: *C. Sharp 1-7-22.pdf*, *M. Hailey 1-4-22.pdf*, *M. Moore 1-8-22.pdf*, and *C. White 12-4-21.pdf* and *Attachment 1 Operator Training.pdf* are training records that demonstrate operating staff received communications training. *EMG-NERC Training-2022* are the training slides provided to operating staff. These slides include an overview of COM-002 and communications with PJM. Milestone met.

The Mitigating Activities are hereby verified complete.

A handwritten signature in black ink, appearing to read 'Anthony Jablonski', with a long horizontal stroke extending to the right.

Date: August 25, 2022

Anthony Jablonski  
Senior Manager, Risk Analysis & Mitigation  
ReliabilityFirst Corporation

**ATTACHMENT B**  
Self Report for IRO-001-4 R2  
submitted November 15, 2021

Finding Record - Violation ID: 2021-00974

General information

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<b>Compliance Enforcement Authority:</b>	RF
<b>Registration:</b>	NCR11611 - Hamilton Liberty, LLC
<b>Applicable Requirement:</b>	IRO-001-4 R2.
<b>Applicable Part(s):</b>	
<b>Applicable Reliability Function(s):</b>	GOP
<b>Region - Jurisdiction in which the Potential Noncompliance Occurred:</b>	RF-US
<b>Other Region - Jurisdiction(s) where you are reporting this Potential Noncompliance:</b>	
<b>Entity in Coordinated Oversight:</b>	No
<b>Associated Registrations Impacted:</b>	
<b>If Finding from Audit, related Audit Finding ID:</b>	
<b>Finding Created by CEA:</b>	No

Discovery and Description

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<b>Monitoring Method:</b>	Self-Report
<b>When was the Potential Noncompliance discovered?:</b>	September 16, 2021
<b>When did the Potential Noncompliance start?:</b>	September 16, 2021
<b>Is the Potential Noncompliance still occurring?:</b>	No
<b>When did you return to compliance?:</b>	September 16, 2021
<b>What is the basis for selecting the start date?:</b>	This is the date that the Operating Instruction that was not followed, was issued.
<b>How was the Potential Noncompliance Discovered?:</b>	The Commercial Operations Manager of Cogentrix's Energy Management Group (EMG) notified facility staff of the issue. The EMG is the PJM point of communications contact for the facility.
<b>Please describe the Potential Noncompliance in detail:</b>	<p>Hamilton Liberty submitted a PJM ticket to perform MOD-025 reactive testing on Unit 20. The PJM Reliability Engineer, operating as the Reliability Coordinator, indicated that Liberty 20 could have stability issues while performing the leading reactive test at max MW output, due to an ongoing transmission outage and they needed to perform a stability study prior to approving that portion of the test.</p> <p>The EMG did not properly convey this information to the Hamilton Liberty control room operator. This miscommunication lead to Liberty staff conducting the Max leading portion of the reactive test prior to receiving approval from the RC.</p> <p>When this miscommunication occurred, the EMG was experiencing a VOIP phone outage that created additional confusion in the EMG to PJM communications. In the course of normal business for a reactive test, EMG would assign a separate phone number with PJM strictly for testing purposes and use its regular phone line for routine dispatch communications. With the VOIP outage, EMG had to assign multiple cell phone numbers as backup mechanisms to communicate with PJM (and to the plant), one for regular dispatch and another for the MOD-025 testing. During the event, these multiple backup numbers were not utilized by PJM as intended by EMG, opening multiple channels of communication regarding the testing, leading to confusion. .</p> <p>Hamilton Liberty is a 33 acre power generation facility located in Towanda, PA. It is comprised of two individual common shaft Siemens generation units, Unit 10 and Unit 20. These units are combined cycle utilizing a natural gas fired turbine directly coupled to a generator supplying heat for the steam turbine which shares the same generator coupled via a clutch. Each unit is capable of producing 453.5 MW for a plant total of 907 MW at 23 kV. Using a step up transformer the 23 kV is stepped up to 230 kV for line distribution. Unit 20's Capacity Factor for 2019 was 60.22, 2020 was 71.05, and 2021 to Present was 85.73.</p>

**Extent of Condition and Root Cause**

<b>Has an Extent of Condition Review been performed?:</b>	No
<b>If yes, what was/is the Extent of Condition?:</b>	
<b>What cause(s) led to the Potential Noncompliance?:</b>	<p>Lack of proper use of three-part communications when issuing an Operating Instructions</p> <p>Poorly-managed communication channel redundancies</p>



**Risk and Impact**

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<b>What do you think the Potential Impact to the BPS was/is from this Potential Noncompliance?:</b>	Minimal
<b>Why do you believe that to be the correct Potential Impact?:</b>	Liberty was requested to maintain a minimum + 20MVAR due to the transmission outage affecting their facility. While conducting the Leading portion of the MOD-025 test, both being touch and go, the facility used Unit 10 to offset Unit 20's MVAR output. Liberty maintained the required min +20 MVAR output for the site during the entire time.
<b>How likely is it that Impact could have occurred?:</b>	Since Liberty maintained the required min +20 MVAR output for the site during the entire time, the chances of an issue occurring are minimal.
<b>Was there any actual impact to the BPS?:</b>	No
<b>If yes, what was the Actual Impact to the BPS?</b>	

**Additional Comments**

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<b>Please provide any additional comments</b>	
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**ATTACHMENT C**  
Self Report for TOP-001-5 R5  
submitted November 15, 2021

Finding Record - Violation ID: 2021-00975

General information

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<b>Compliance Enforcement Authority:</b>	RF
<b>Registration:</b>	NCR00251 - Essential Power Rock Springs, LLC
<b>Applicable Requirement:</b>	TOP-001-5 R5.
<b>Applicable Part(s):</b>	
<b>Applicable Reliability Function(s):</b>	GOP
<b>Region - Jurisdiction in which the Potential Noncompliance Occurred:</b>	RF-US
<b>Other Region - Jurisdiction(s) where you are reporting this Potential Noncompliance:</b>	
<b>Entity in Coordinated Oversight:</b>	No
<b>Associated Registrations Impacted:</b>	
<b>If Finding from Audit, related Audit Finding ID:</b>	
<b>Finding Created by CEA:</b>	No

Discovery and Description

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<b>Monitoring Method:</b>	Self-Report
<b>When was the Potential Noncompliance discovered?:</b>	September 16, 2021
<b>When did the Potential Noncompliance start?:</b>	September 16, 2021
<b>Is the Potential Noncompliance still occurring?:</b>	No
<b>When did you return to compliance?:</b>	September 16, 2021
<b>What is the basis for selecting the start date?:</b>	This is the date that the Operating Instruction that was not followed, was issued.
<b>How was the Potential Noncompliance Discovered?:</b>	The Energy Management Group Real-time desk operator called EPRS's Lead Plant Operator (LPO) and asked why he had not started Unit 3 as requested. The LPO went and listened to the recordings and realized that the request for Unit 3 was missed. The EMG is the PJM point of communications contact for the facility.
<b>Please describe the Potential Noncompliance in detail:</b>	<p>PJM, the Balancing Authority, requested through Cogentrix's Energy Management Group (EMG) that Essential Power Rock Springs (EPRS) run Unit 3 and 4 for economics. The EMG relayed this Operating Instruction to the EPRS Lead Plant Operator (LPO). The LPO did not hear the request properly and repeated it back to the EMG representative as "PJM requesting Unit 4 on for economics." The EMG representative did not identify nor correct the incorrect repeat back. This lead to EPRS not starting Unit 3 as directed by PJM.</p> <p>When this miscommunication occurred, the EMG was experiencing a VOIP phone system outage resulted in EMG staff using cell phones as backup means of communications with PJM and the plants. As a result, the quality of cell phone signal with EPRS staff during the event was sub-optimal leading to difficulties in clearly understanding the instructions that were presented</p> <p>Essential Power Rock Springs, LLC operates 4 simple cycle gas-fired combustion turbines with a combined output of 744 MWs. Capacity factors for EPRS Unit 3:</p> <p>2019 – 1.42%, 2020 – 5.09%, 2021 (Jan-Oct) – 3.72%</p>

**Extent of Condition and Root Cause**

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<b>Has an Extent of Condition Review been performed?:</b>	No
<b>If yes, what was/is the Extent of Condition?:</b>	
<b>What cause(s) led to the Potential Noncompliance?:</b>	<p>Ineffective use of three- part communications when issuing an Operating Instruction</p> <p>Poorly-managed communication channel redundancies</p>

**Risk and Impact**

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<p><b>What do you think the Potential Impact to the BPS was/is from this Potential Noncompliance?:</b></p>	<p>Minimal</p>
<p><b>Why do you believe that to be the correct Potential Impact?:</b></p>	<p>The way PJM plans its generation plan, if one unit fails to start in the needed timeframe, it moves on the next available economic unit. Therefore, there was little to no impact to the BPS.</p>
<p><b>How likely is it that Impact could have occurred?:</b></p>	<p>Due to PJM's generation planning, the likelihood of this causing an impact is minimal.</p>
<p><b>Was there any actual impact to the BPS?:</b></p>	<p>No</p>
<p><b>If yes, what was the Actual Impact to the BPS?</b></p>	

**Additional Comments**

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<p><b>Please provide any additional comments</b></p>	
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