



Department of the Army  
U.S. Army Corps of Engineers  
Washington, DC  
21 May 2025

Engineer Regulation\* 1130-2-551

CECW-CO

Effective 20 June 2025

**Project Operations  
Hydropower Operations and Maintenance Policy  
Bulk Power System Reliability Compliance Program**

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FOR THE COMMANDER:

DAMON A. DELAROSA  
COL, EN  
Chief of Staff

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**Purpose.** This engineer regulation establishes the policies that must be adhered to by each major subordinate command and their subordinate District(s) with hydropower facilities that are registered with the North American Electric Reliability Corporation for compliance with the applicable Federal Energy Regulatory Commission-approved Bulk Power System Reliability Standards.

**Applicability.** This regulation applies to all major subordinate commands and Districts having responsibility for North American Electric Reliability Corporation compliance. This regulation applies to the full spectrum of hydropower operations and maintenance business processes, doctrines, policies, and standard operating procedures.

**Distribution statement.** Approved for public release; distribution is unlimited.

**Proponent and exception authority.** The proponent of this regulation is the Directorate of Civil Works Operations and Regulatory Division. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. Only the proponent of a publication or form may modify it by officially revising or rescinding it.

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\*This regulation supersedes ER 1130-2-551, dated 30 September 2009.

# *Summary of Change*

ER 1130-2-551

Hydropower Operations and Maintenance Policy Bulk Power System Reliability Compliance Program

This major revision, dated 21 May 2025:

- Revises formatting, paragraph numbering, and subparagraph headings to reflect current technical publication guidelines.
- Adds Chapter 2, Chapter 3, and Chapter 4:
  - Revises original content to reflect new technical structure of chapters and subparagraphs.
  - Defines the structure of the Army Corps of Engineers Compliance Monitoring Program, including the specific roles necessary at each level of the U.S. Army Corps of Engineers command.
  - Defines policies on execution of the Army Corps of Engineers Compliance Monitoring Program with respect to compliance reporting and evidence retaining.
- Adds background information and includes the Assistant Secretary of the Army (Civil Works) Letter to the Chairman of the Federal Energy Regulatory Commission in Appendix B as a reference to the Army policy for North American Electric Reliability Corporation compliance.

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## Contents

<b>Chapter 1 Introduction.....</b>	<b>1</b>
1–1. Purpose .....	1
1–2. Distribution statement.....	1
1–3. References .....	1
1–4. Records management (recordkeeping) requirements .....	1
1–5. Associated publications .....	1
<b>Chapter 2 Policy .....</b>	<b>2</b>
2–1. Overview .....	2
2–2. Responsibilities.....	2
2–3. Headquarters, U.S. Army Corps of Engineers.....	2
2–4. Major subordinate commands and Districts.....	2
<b>Chapter 3 Army Corps of Engineers Compliance Monitoring Program     Organizational Structure and Roles .....</b>	<b>4</b>
3–1. Districts.....	4
3–2. Major subordinate commands .....	4
3–3. Critical infrastructure cybersecurity.....	4
3–4. Headquarters, U.S. Army Corps of Engineers.....	4
3–5. Compliance Monitoring Program committees, units, and teams.....	4
<b>Chapter 4 Army Corps of Engineers Compliance Monitoring Program Execution .</b>	<b>6</b>
4–1. Reliability standards .....	6
4–2. Compliance assessment .....	6
4–3. Compliance evidence .....	6
<b>Appendixes</b>	
<b>Appendix A References .....</b>	<b>7</b>
<b>Appendix B Background Regarding the Assistant Secretary of the Army (Civil     Works) Letter to the Chairman of the Federal Energy Regulatory Commission     .....</b>	<b>8</b>
<b>Glossary of Terms</b>	

## **Chapter 1**

### **Introduction**

#### **1–1. Purpose**

This engineer regulation establishes the policies that must be adhered to by each major subordinate command and their subordinate District(s) with hydropower facilities that are registered with the North American Electric Reliability Corporation for compliance with the applicable Federal Energy Regulatory Commission-approved Bulk Power System Reliability Standards.

#### **1–2. Distribution statement**

Approved for public release; distribution is unlimited.

#### **1–3. References**

See Appendix A.

#### **1–4. Records management (recordkeeping) requirements**

The records management requirement for all record numbers, associated forms, and reports required by this publication are addressed in the Army Records Retention Schedule. Detailed information for all related record numbers is located on the U.S. Army Corps of Engineers (USACE) Records Management Site <https://usace.dps.mil/sites/INTRA-CIOG6/SitePages/Records-Management.aspx>. If any record numbers, forms, and reports are not current, addressed, and/or published correctly, see DA Pam 25-403 for guidance.

#### **1–5. Associated publications**

Procedures associated with this regulation are found in EP 1130-2-551.

## **Chapter 2 Policy**

### **2–1. Overview**

This regulation implements overall Army policy related to Federal Energy Regulatory Commission (FERC)-approved Bulk Power System (BPS) Reliability Standards authorized by the Energy Policy Act of 2005, as amended (hereinafter “the Act”). For the purposes of this regulation, the policies stated herein are mandatory. The term “compliance” is also understood to mean the current Army “voluntary compliance” policy with applicable FERC-approved BPS Reliability Standards.

### **2–2. Responsibilities**

- a.* Headquarters, U.S. Army Corps of Engineers (HQUSACE) and major subordinate commands (MSCs) are responsible for supporting compliance through oversight of the Districts’ full implementation of this regulation.
- b.* USACE Districts registered by the North American Electric Reliability Corporation (NERC) are responsible for compliance with reliability standards issued under the Act.

### **2–3. Headquarters, U.S. Army Corps of Engineers**

- a.* According to Army policy, USACE is not a user, owner, or operator of the BPS as defined in the Act. Moreover, the provisions in the Act regarding electric reliability do not include an explicit waiver of sovereign immunity that subjects the Army to monetary fines or penalties issued by NERC or FERC.
- b.* It is Army policy that USACE will support the goals of the NERC Electric Reliability Organization Enterprise and strive to meet the NERC-approved BPS Reliability Standards voluntarily, subject to the availability of funds and the requirements of project operations according to the Assistant Secretary of the Army (Civil Works) letter dated May 11, 2007 (see Appendix B).

### **2–4. Major subordinate commands and Districts**

- a.* This regulation establishes the policies and responsibilities for a USACE corporate program to monitor, track, and manage compliance with the FERC-approved BPS Reliability Standards.
- b.* USACE owns and operates hydropower facilities identified by NERC as part of the BPS. USACE will establish and maintain a corporate NERC compliance program, referred to as the Army Corps of Engineers Compliance Monitoring Program (ACE-CMP). The ACE-CMP will be organized to have representation at all applicable command levels and elements within HQUSACE, MSCs, and Districts.

c. It is USACE policy that each USACE District registered by NERC incorporate applicable FERC-approved BPS Reliability Standards into their business practices, policies, and standard operating procedures consistent with their NERC-registered designations. Each District must establish and maintain a NERC compliance program.

d. It is USACE policy that the ACE-CMP must assess, annually report, and address gaps in each District's compliance with FERC-approved BPS Reliability Standards.

e. It is USACE policy that each District collect and retain the information used as evidence for compliance according to FERC-approved BPS Reliability Standards retention requirements.

## **Chapter 3**

### **Army Corps of Engineers Compliance Monitoring Program Organizational Structure and Roles**

#### **3–1. Districts**

- a. The District Commander at each District registered by NERC will serve as the Reliability Compliance Chief Executive Officer (RC-CEO).
- b. The Chief of Operations at each District registered by NERC will serve as the Reliability Compliance Primary Compliance Officer (RC-PCO).
- c. Each District will identify a NERC Critical Infrastructure Protection (CIP) Senior Manager (CIP-SM) within the hydropower chain of command to serve as the Senior Manager to be the authorized representative for issues related to compliance with the CIP Reliability Standards.
- d. Each District will have a Reliability Compliance Program Manager (RCPM) to serve as the District's primary compliance contact.
- e. Each District will have a CIP Coordinator to provide support for issues related to compliance with the CIP Reliability Standards.

#### **3–2. Major subordinate commands**

Each MSC will have an MSC Reliability Compliance Representative (MSC-RCR) within the hydropower chain of command to provide support for the ACE-CMP.

#### **3–3. Critical infrastructure cybersecurity**

The Director of the USACE Critical Infrastructure Cybersecurity Mandatory Center of Expertise (UCIC-MCX) serves as the authority for cybersecurity over all USACE Civil Works Industrial Control Systems. The UCIC-MCX provides support for each NERC-registered District's compliance with the National Institute of Standards and Technology Risk Management Framework (RMF) and the NERC CIP Reliability Standards.

#### **3–4. Headquarters, U.S. Army Corps of Engineers**

The HQUSACE Hydropower Business Line Manager (BLM) will identify a Reliability Compliance Standards Monitor (RC-SM) to continually monitor the compliance industry for new FERC-approved and pending BPS Reliability Standards that may impact the ACE-CMP.

#### **3–5. Compliance Monitoring Program committees, units, and teams**

- a. Each NERC-registered District will be supported by a District Implemented Reliability Compliance Team (DIRECT).

*b.* Each region with NERC-registered Districts will be supported by a Regional Compliance Monitoring Unit (RCMU) with sufficient authority and independence to access the applicable areas of USACE Hydropower Operations and Maintenance programs to facilitate intraregional compliance.

*c.* An ACE-CMP Oversight Committee will be established with authority and independence to assess the applicable areas of USACE Hydropower Operations and Maintenance programs to monitor compliance at a command level.



## **Chapter 4**

### **Army Corps of Engineers Compliance Monitoring Program Execution**

#### **4–1. Reliability standards**

Each USACE District registered by NERC will strive to achieve and maintain compliance with the applicable FERC-approved BPS Reliability Standards.

#### **4–2. Compliance assessment**

Each USACE District will continually conduct compliance assessments through a structured process for identifying, evaluating, and prioritizing risks associated with the FERC-approved BPS Reliability Standards that could negatively impact the organization. Compliance assessments allow the District to focus essential resources on the most significant risks and areas lacking adequate reliability compliance internal controls.

#### **4–3. Compliance evidence**

Each USACE District is responsible for collecting, documenting, and retaining evidence of compliance according to the FERC-approved BPS Reliability Standards.

## **Appendix A**

### **References**

Unless otherwise indicated, Army and USACE publications are available at <https://armypubs.army.mil/> and <https://www.publications.usace.army.mil/>.

#### **Section I**

##### **Required Publications**

###### **Assistant Secretary of the Army (Civil Works) Letter**

Assistant Secretary of the Army (Civil Works) Letter to Chairman, Federal Energy Regulatory Commission, dated May 11, 2007.

###### **DA Pam 25-403**

Army Guide to Recordkeeping

###### **Energy Policy Act of 2005**

Energy Policy Act of 2005, Public Law. L. 109-58, 119 Statute 941 (2005), as amended (16 USC 824, et seq.). (<https://www.congress.gov/109/plaws/publ58/PLAW-109publ58.pdf>)

###### **EP 1130-2-551**

Hydropower Operations and Maintenance Policy Bulk Power System Reliability Compliance Program

###### **Federal Energy Regulatory Commission**

(<https://www.ferc.gov/>)

###### **North American Electric Reliability Corporation**

(<https://www.nerc.com>)

#### **Section II**

##### **Prescribed Forms**

This section contains no entries.

## **Appendix B**

### **Background Regarding the Assistant Secretary of the Army (Civil Works) Letter to the Chairman of the Federal Energy Regulatory Commission**

a. The Energy Policy Act of 2005 mandates that all users, owners, and operators of the BPS must register with the NERC. This legislation was enacted by Congress in response to the 2003 northeast power grid blackout, which left approximately 50 million people without power. The Act granted the FERC authority to regulate and impose fines to enforce compliance with FERC-approved Reliability Standards.

b. FERC is an independent agency responsible for overseeing the interstate transmission of electricity, ensuring the reliability of the high-voltage interstate transmission system. It has the authority to impose civil penalties, fines, and other sanctions on energy organizations and individuals who fail to comply with FERC-approved Reliability Standards. USACE has a mission to produce hydroelectric energy.

c. USACE has been directed to not pay monetary fines or penalties imposed under the reliability provisions of the Act. According to a letter dated May 11, 2007, from the Assistant Secretary of the Army (Civil Works) to the Chairman of the FERC, it is the policy of USACE to voluntarily support the objectives of FERC-approved Reliability Standards, subject to the availability of funds and operational requirements of projects. A screenshot of this letter is provided below for reference.



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

MAY 11 2007

Mr. Joseph T. Kelliher  
Chairman, Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Dear Mr. Kelliher:

The purpose of this letter is to share with you my initial view regarding compliance of Corps of Engineers Civil Works hydroelectric power projects with electric reliability standards under the 2005 Energy Policy Act (the Act).

The Army Deputy General Counsel (Civil Works and Environment) has initially advised that legal uncertainty exists as to whether the Act grants the Federal Energy Regulatory Commission or the Electric Reliability Organization jurisdiction over Corps-owned hydroelectric generating facilities at its Civil Works projects. Pursuant to section 5 of the Flood Control Act of 1944, the Corps has no transmission responsibilities and does not otherwise come to use, own, or operate the electric energy produced at its projects. Consequently, the Corps is not a "user, owner, or operator of the bulk-power system" as defined in the Act. Furthermore, the provisions regarding electric reliability in the Act do not include an explicit waiver of sovereign immunity that would make the Army subject to fines and penalties issued by the Electric Reliability Organization. In light of the legal uncertainty over the Act's applicability to Corps owned hydroelectric generating facilities, Corps divisions and districts are not in a position to register with their respective regional reliability organizations.

I understand that my initial view may not comport with those of other Federal agencies. Therefore, I withhold making a final determination until a government wide position is established on the applicability of the Act. You have my assurance that the Corps will support the goals of the Electric Reliability Organization and strive to voluntarily meet the standards, subject to the availability of funds and the requirements of project operations. The Corps is developing a plan for meeting the standards, and will undertake activities within available funds in Fiscal Years (FY) 2007 and 2008 to improve reliability at its generating facilities. Beginning with the FY 2009 budget, the Army will seek to budget funds for the purpose of voluntarily meeting the electric reliability standards.

Thank you for your attention to this matter. I look forward to working with the commission and to developing a government-wide position on the applicability of the standards to government owned facilities.

Very truly yours,

John Paul Woodley, Jr.  
Assistant Secretary of the Army  
(Civil Works)

CF: Mr. Richard Drouin, Chairman, North American Electric Reliability Corporation  
Honorable Rob Portman, Director, Office of Management and Budget  
Mr. Matthew J. McKeown, Assistant Attorney General, Environment and Natural  
Resources Division, U.S. Department of Justice

## **Glossary of Terms**

<b>Term</b>	<b>Definition</b>
ACE-CMP	Army Corps of Engineers Compliance Monitoring Program
BPS	Bulk Power System
CIP	Critical Infrastructure Protection
CMP	Compliance Monitoring Program
EP	Engineer Pamphlet
ER	Engineer Regulation
FERC	Federal Energy Regulatory Commission
HQUSACE	Headquarters, U.S. Army Corps of Engineers
MSC	Major Subordinate Command
NERC	North American Electric Reliability Corporation
UCIC-MCX	USACE Critical Infrastructure Cybersecurity Center of Expertise
USACE	U.S. Army Corps of Engineers
USC	United States Code