# North American Electric Reliability Corporation (NERC) Practice Exam (Sample)

**Study Guide** 



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### **Questions**



- 1. Why is the operating reserve capacity important for balancing authorities?
  - A. To maintain public trust
  - B. To ensure reliability during energy shortages
  - C. To optimize financial profits
  - D. To limit environmental impact
- 2. Which of the following reactive reserve sources falls into the static reactive reserve category?
  - A. Generator in automatic voltage regulation
  - B. Static VAR compensator in automatic mode
  - C. Capacitor bank in manual operation
  - D. Wind turbine with power factor correction
- 3. In the early stages of a system restoration, why are high transmission voltage issues more prevalent than low voltage issues?
  - A. Due to Low System Demand
  - **B.** High Generation Capacity
  - C. Excessive MVAR Supply from Energization of Lines
  - **D. Faulty Equipment Operation**
- 4. If a dynamic schedule is tagged for an average flow of 100 MW, what is the minimum change required for the Tag to be updated?
  - A. 20 MW
  - **B. 26 MW**
  - C. 30 MW
  - D. 35 MW
- 5. What characteristic defines the operation of a distance relay?
  - A. Monitoring voltage levels
  - **B.** Measuring frequency variations
  - C. Utilizing the relationship of current to voltage
  - D. Identifying phase imbalances

- 6. If balancing authority A is importing 225 MW while only scheduled to import 200 MW, what does the ACE indicate if frequency is 59.99 Hz?
  - A. 225 MW under generating
  - B. 45 MW under generating
  - C. 25 MW over generating
  - D. No impact on generation
- 7. When facing an islanded condition, what is the first step you should take?
  - A. Notify all system operators
  - B. Determine the extent and condition of the isolated area
  - C. Reduce generation levels immediately
  - D. Start emergency load shedding
- 8. What types of information must be included in transaction tags?
  - A. Utility costs and Energy profiles for different resources
  - B. Pricing details and Duration of transaction
  - C. Physical path, Transmission Service Provider, POR/POD, Energy profile
  - D. Producer's information and Regulatory compliance details
- 9. What is the importance of reactive power reserves in the transmission system?
  - A. To efficiently transmit electricity over long distances
  - B. To maintain voltage levels and system stability
  - C. To reduce environmental impacts of power generation
  - D. To increase the capacity of transmission infrastructure
- 10. Why are high transmission system voltage problems more likely in the initial stages of system restoration?
  - A. Due to equipment failures
  - B. Because of excessive MVAR supply from the energization of transmission lines
  - C. Because of rapid load increase
  - D. Due to a lack of reactive resources

#### **Answers**



- 1. B 2. B 3. C 4. B 5. C 6. B 7. B 8. C 9. B 10. B



### **Explanations**



- 1. Why is the operating reserve capacity important for balancing authorities?
  - A. To maintain public trust
  - B. To ensure reliability during energy shortages
  - C. To optimize financial profits
  - D. To limit environmental impact

The operating reserve capacity is crucial for balancing authorities because it directly relates to the reliability of the electric grid, particularly in times of energy shortages or unexpected demand surges. Operating reserves consist of extra capacity that can be quickly deployed to maintain system stability when generation falls short of demand. This includes resources that can be activated rapidly, such as fast-responding generators or load reduction strategies. When there is an unexpected event—like a sudden generator outage or an increase in demand—these reserves enable balancing authorities to respond swiftly, ensuring that the supply continually meets the demand. This capability helps prevent outages and maintains the overall stability and reliability of the electric system. In summary, the focus on ensuring reliability during energy shortages highlights the critical role operating reserves play in protecting the integrity of the power grid and securing reliable electricity supply for consumers.

- 2. Which of the following reactive reserve sources falls into the static reactive reserve category?
  - A. Generator in automatic voltage regulation
  - B. Static VAR compensator in automatic mode
  - C. Capacitor bank in manual operation
  - D. Wind turbine with power factor correction

The static reactive reserve category primarily includes systems that do not rely on rotating machinery or dynamic response for their operation. A Static VAR Compensator (SVC) is a power-electronic device that can quickly provide reactive power compensation to the grid, adjusting its output based on real-time voltage conditions. Because SVCs are solid-state devices, they fall into the category of static reactive resources, which can respond rapidly to changing demand or voltage fluctuations without the inertia associated with rotating systems. In automatic mode, the Static VAR Compensator can swiftly alter its operation to either absorb or supply reactive power, thus maintaining grid stability and optimizing voltage levels. This rapid adjustment capability highlights the primary characteristic of static resources, distinguishing them from other options that rely on mechanical responses or are less flexible in their operation. Understanding this distinction helps clarify why the Static VAR Compensator in automatic mode is categorized as static reactive reserve.

- 3. In the early stages of a system restoration, why are high transmission voltage issues more prevalent than low voltage issues?
  - A. Due to Low System Demand
  - **B.** High Generation Capacity
  - C. Excessive MVAR Supply from Energization of Lines
  - **D. Faulty Equipment Operation**

High transmission voltage issues tend to be more prevalent than low voltage issues during the early stages of a system restoration primarily due to excessive MVAR supply from the energization of transmission lines. When restoring a power system, operators often bring lines back into service to re-establish transmission capabilities. Energizing these lines can introduce reactive power (measured in MVARs) into the network. If the supply of reactive power exceeds demand, it can lead to over-voltage conditions, particularly in the transmission system. This over-voltage can manifest as high voltage issues that can complicate system stability and integrity, necessitating careful management of reactive power to avoid such situations. In contrast, low voltage issues typically arise from insufficient reactive power or load imbalances during periods of high demand, but during the initial restoration phase, the predominance of available generation and the change in system conditions from re-energizing lines makes the management of reactive power supply and its effects on voltage levels a more pressing concern.

- 4. If a dynamic schedule is tagged for an average flow of 100 MW, what is the minimum change required for the Tag to be updated?
  - A. 20 MW
  - **B. 26 MW**
  - C. 30 MW
  - **D. 35 MW**

When a dynamic schedule is tagged for a specific flow, it is important to maintain certain thresholds for reliability and accuracy. The minimum change required for the tag to be updated is typically set to ensure that even small fluctuations in power flow are accurately reflected in the scheduling systems to prevent reliability issues. In this case, a dynamic schedule tagged for an average flow of 100 MW would necessitate an update when changes reach a threshold that allows for effective communication and operational management across different operators in the electric grid. The requirement for a minimum change of 26 MW indicates that this is the value determined by the standards to maintain consistency and reliability in system operations. This threshold helps in accounting for variations in generation and demand while ensuring grid stability. Overall, the 26 MW parameter strikes a balance between being significant enough to warrant a change without being so small that it results in frequent, unnecessary updates that could create confusion or operational inefficiencies. This ensures that the dynamic schedule remains relevant and effectively managed by all parties involved in maintaining grid reliability.

- 5. What characteristic defines the operation of a distance relay?
  - A. Monitoring voltage levels
  - **B.** Measuring frequency variations
  - C. Utilizing the relationship of current to voltage
  - D. Identifying phase imbalances

The operation of a distance relay is fundamentally defined by its ability to utilize the relationship of current to voltage to assess distance to a fault on a transmission line. This type of protection device calculates the impedance, which is a combination of voltage and current measurements taken by the relay. When a fault occurs, the current that flows through the relay and the voltage measured across the line provide vital information that indicates how far along the transmission line the fault is located. Distance relays operate based on the principle that the impedance from the relay location to the fault changes, allowing the relay to determine its position relative to the fault. By calculating the impedance, the relay can effectively trip circuit breakers if the value falls below a predetermined threshold, thus protecting the electrical system from damage due to faults. This characteristic makes distance relays particularly effective for long transmission lines, where assessing the distance to a fault is critical for maintaining system reliability and efficiency. The other characteristics listed, such as monitoring voltage levels, measuring frequency variations, and identifying phase imbalances, are essential functions in power system monitoring and protective relaying but do not specifically define the operational principle of distance relays.

- 6. If balancing authority A is importing 225 MW while only scheduled to import 200 MW, what does the ACE indicate if frequency is 59.99 Hz?
  - A. 225 MW under generating
  - **B.** 45 MW under generating
  - C. 25 MW over generating
  - D. No impact on generation

In this scenario, the Balancing Authority (BA) is importing more power than it had previously scheduled. Specifically, it's importing 225 MW while only planning to import 200 MW, resulting in a difference of 25 MW. Since this BA is importing more power than expected, it indicates an imbalance in supply and demand. The term ACE, which stands for Area Control Error, is a critical metric used to gauge the balance between generation and the load or demand that a balancing authority must maintain. ACE is calculated based on the actual net power flow into the area compared to the scheduled power flow, adjusted for frequency. When the frequency is below the nominal 60 Hz, as indicated with 59.99 Hz, it suggests that the system is under-generating relative to its demand. In this case, since the BA is importing 225 MW instead of the scheduled 200 MW, and the frequency is below normal, the ACE reflects that the Balancing Authority is 25 MW under generation based on the imbalance created by the higher import and the lower frequency. Therefore, the ACE indicates that there is a need to compensate for this imbalance, reinforcing the notion that the correct answer is identifying the Balancing Authority as being under-generated by 25 MW.

## 7. When facing an islanded condition, what is the first step you should take?

- A. Notify all system operators
- B. Determine the extent and condition of the isolated area
- C. Reduce generation levels immediately
- D. Start emergency load shedding

In an islanded condition, where a segment of the power system becomes electrically separated from the rest of the grid, determining the extent and condition of the isolated area is the most critical first step. Understanding the characteristics of the islanded system is essential to make informed decisions regarding stability, reliability, and safety. This involves assessing the generation capacity within the isolated area, the load profile, and the operational status of any protection systems. By gathering this information, operators can identify how much generation is available versus the load being demanded, which is crucial for maintaining system stability. Moreover, it allows for informed decisions regarding subsequent actions, such as whether to reduce generation or shed loads. Addressing the situation without a clear understanding of the condition of the isolated area could lead to decisions that exacerbate the situation, such as starting load shedding or reducing generation levels without knowing the consequences. Thus, the assessment of the island's conditions not only lays the groundwork for effective response but also enhances the operators' ability to navigate the complexities of the power system in crisis situations.

- 8. What types of information must be included in transaction tags?
  - A. Utility costs and Energy profiles for different resources
  - B. Pricing details and Duration of transaction
  - C. Physical path, Transmission Service Provider, POR/POD, Energy profile
  - D. Producer's information and Regulatory compliance details

Transaction tags are crucial for ensuring the reliable and accurate tracking of electricity transactions across the grid. They serve to communicate the necessary details about the flow of electricity from one location to another and are essential for maintaining the integrity and reliability of power systems. The inclusion of the physical path, Transmission Service Provider (TSP), Point of Receipt (POR), and Point of Delivery (POD), along with the energy profile, is vital because these elements detail how and where the electricity is being transmitted. The physical path indicates the actual route the electricity takes, while the TSP gives information about who is providing the transmission service. The POR and POD denote the specific locations where the electricity begins and ends its journey, which is important for understanding the logistics and legalities involved in the transaction. The energy profile provides insight into the characteristics of the electricity, such as its source and quality. Overall, each of these components plays a critical role in the reliability and accountability of electric transactions, which is why this option is selected as the correct response.

- 9. What is the importance of reactive power reserves in the transmission system?
  - A. To efficiently transmit electricity over long distances
  - B. To maintain voltage levels and system stability
  - C. To reduce environmental impacts of power generation
  - D. To increase the capacity of transmission infrastructure

Reactive power reserves play a crucial role in maintaining voltage levels and ensuring system stability within the transmission system. Unlike active power, which performs the actual work in a system (such as lighting a bulb or turning a motor), reactive power is essential for managing voltage levels throughout the grid. When reactive power is adequately supplied, it helps to support the voltage necessary for the efficient operation of the transmission system. If reactive power is insufficient, voltage levels can drop, leading to instability, which can cause equipment to malfunction or result in a broader system failure. By providing reactive power reserves, utilities can better respond to fluctuations in demand and unexpected changes in generation, ensuring that voltage remains within acceptable limits for the stability of the grid. Other choices relate to different aspects of power systems. For instance, while reactive power does impact voltage, it does not directly contribute to the efficient long-distance transmission of electricity or reduce environmental impacts. Additionally, reactive power doesn't inherently increase the capacity of transmission infrastructure; rather, it ensures that the existing infrastructure can operate reliably and effectively. Therefore, the importance of reactive power reserves lies primarily in their ability to maintain voltage levels and system stability, which is critical for the overall reliability of the electric grid.

- 10. Why are high transmission system voltage problems more likely in the initial stages of system restoration?
  - A. Due to equipment failures
  - B. Because of excessive MVAR supply from the energization of transmission lines
  - C. Because of rapid load increase
  - D. Due to a lack of reactive resources

High transmission system voltage problems are more likely in the initial stages of system restoration primarily because of the excessive MVAR (Mega Volt Ampere Reactive) supply from the energization of transmission lines. When transmission lines are energized, they can introduce a significant amount of reactive power into the system, particularly if these lines are long or if they are connected without adequate balancing of reactive power resources. During the restoration process, the system is often transitioning from a state of outages to an operational condition, and the sudden energization of these lines can lead to overvoltage conditions. This is especially true when there is an abundance of reactive power being supplied without a corresponding load to absorb it. A well-balanced system requires both sufficient real power (MW) and reactive power (MVAR) to maintain voltage levels within acceptable limits. In the early stages of restoration, if reactive load is low or if there aren't enough reactive power resources to mitigate the surge from newly energized lines, voltage levels can spike. In summary, the primary concern during the initial phases of system restoration is how the reactive power dynamics can fluctuate dramatically due to the energization of transmission lines, leading to potential overvoltage issues.