

Agenda

Standards Oversight and Technology Committee

February 2, 2016 | 2:30-3:30 p.m. Eastern
Conference Call

Dial-in: (855) 331-9631 | Conference ID: 40527733

Call to Order

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda Items

1. **Minutes* — Approve**
 - a. November 4, 2015 Meeting
2. **Standards Oversight and Technology Committee Self-Assessment Results* — Review**
3. **ERO Enterprise IT Application Strategy Update* — Review**
4. **Reliability Standards Quarterly Status Report* — Review**
5. **Adjournment**

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

DRAFT Minutes

Standards Oversight and Technology Committee

November 4, 2015 | 9:15–10:15 a.m. Eastern

Westin Buckhead Atlanta
3391 Peachtree Road NE
Atlanta, GA 30326

Mr. Kenneth G. Peterson, Chair, called to order a duly noticed meeting of the Standards Oversight and Technology Committee (the “Committee”) of the Board of Trustees of the North American Electric Reliability Corporation (“NERC”) on November 4, 2015, at 9:15 a.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members:

Kenneth G. Peterson, Chair
Paul F. Barber
Frederick W. Gorbet
David Goulding

Board of Trustee Members:

Janice B. Case
Gerald W. Cauley, President and Chief Executive Officer
Robert G. Clarke
George Hawkins
Jan Schori
Roy Thilly

NERC Staff:

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Administrative Associate Director
Howard Gugel, Director of Standards
Stan Hoptroff, Vice President and Chief Technology Officer
Mark G. Lauby, Senior Vice President and Chief Reliability Officer
Sonia Mendonca, Vice President and Deputy General Counsel
Marcus Sachs, Senior Vice President and Chief Security Officer
Janet Sena, Senior Vice President and Director Policy and External Affairs
Timothy Roxey, Vice President and Chief ES-ISAC Operations Officer
Michael Walker, Senior Vice President, Chief Financial and Administrative Officer, and Treasurer

NERC Antitrust Compliance Guidelines

Mr. Peterson directed the participants’ attention to the NERC Antitrust Compliance Guidelines included with the agenda materials, and stated that any additional questions regarding these guidelines should be directed to Mr. Berardesco.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the August 12, 2015 meeting as presented to the Committee at the meeting.

2016-2018 Reliability Standards Development Plan

Mr. Gugel summarized the draft 2016-2018 Reliability Standards Development Plan (the “RSDP”), referencing the advance Committee materials, and which had been posted for comment. He reminded the Committee that the RSDP was subject to potential modification based on certain events, such as FERC directives. Mr. Gugel also reviewed the various inputs into the RSDP, including the role of the Reliability Issues Steering Committee (RISC), and also summarized the concepts of “steady state” and enhanced periodic reviews. He discussed the various considerations regarding costs and how that would be approached during the enhanced periodic reviews and as a part of the company’s strategic plan. There was a general discussion around the cost question, with Mr. Cauley noting that considerations of cost in developing standards is difficult, but that NERC management was committed to attempting to address the issue. After discussion and upon motion duly made, the Committee approved the RSDP as presented to the Committee and recommended Board approval.

Committee Mandate

Mr. Berardesco referenced the proposed amendments to the Committee’s mandate, which had been included in the advance Committee materials. He noted that the recommendations were the result of a Legal Department review, using the approach that had been developed for amendments to the mandate for the Compliance Committee. Mr. Berardesco noted there were relatively few changes to the mandate other than organization. Upon motion duly made and seconded, the Committee recommended the proposed revisions to the Corporate Governance and Human Resources Committee for ultimate recommendation to the Board.

Reliability Standards Quarterly Status Report and Standards Committee Report

Mr. Gugel presented the Reliability Standards Quarterly Status Report, referencing the detailed materials included in the advance Committee materials, noting the significant decrease in outstanding FERC directives and recommendations from Paragraph 81 and Independent Experts review, as well as the projected reduction in actual requirements applicable to registered entities.

ERO Enterprise IT Application Strategy

Mr. Hoptroff provided an update on the IT application strategy, referencing the detailed materials that had been included in the advance Committee materials, including work on a common model for CMEP tools and an update on the document management program. He also reviewed priorities for future company IT investments. Mr. Allen Mosher noted it would be helpful for future presentations to highlight those IT applications that would affect stakeholders, to help focus their comments and questions.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Charles A. Berardesco
Corporate Secretary

Summary of 2015 Board of Trustees Standards Oversight and Technology Committee Survey

Standards Oversight and Technology Committee Meeting
February 2, 2016

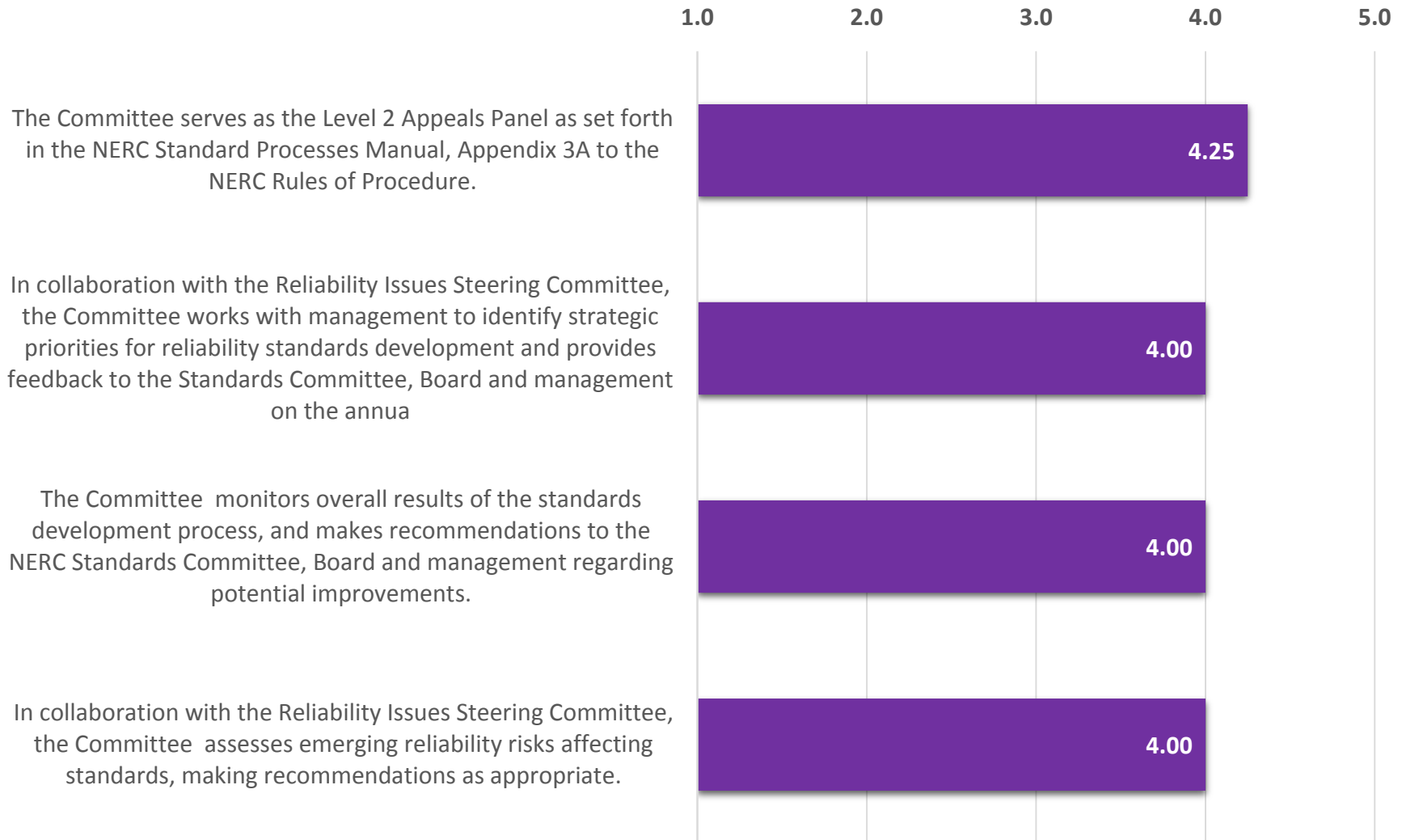
RELIABILITY | ACCOUNTABILITY

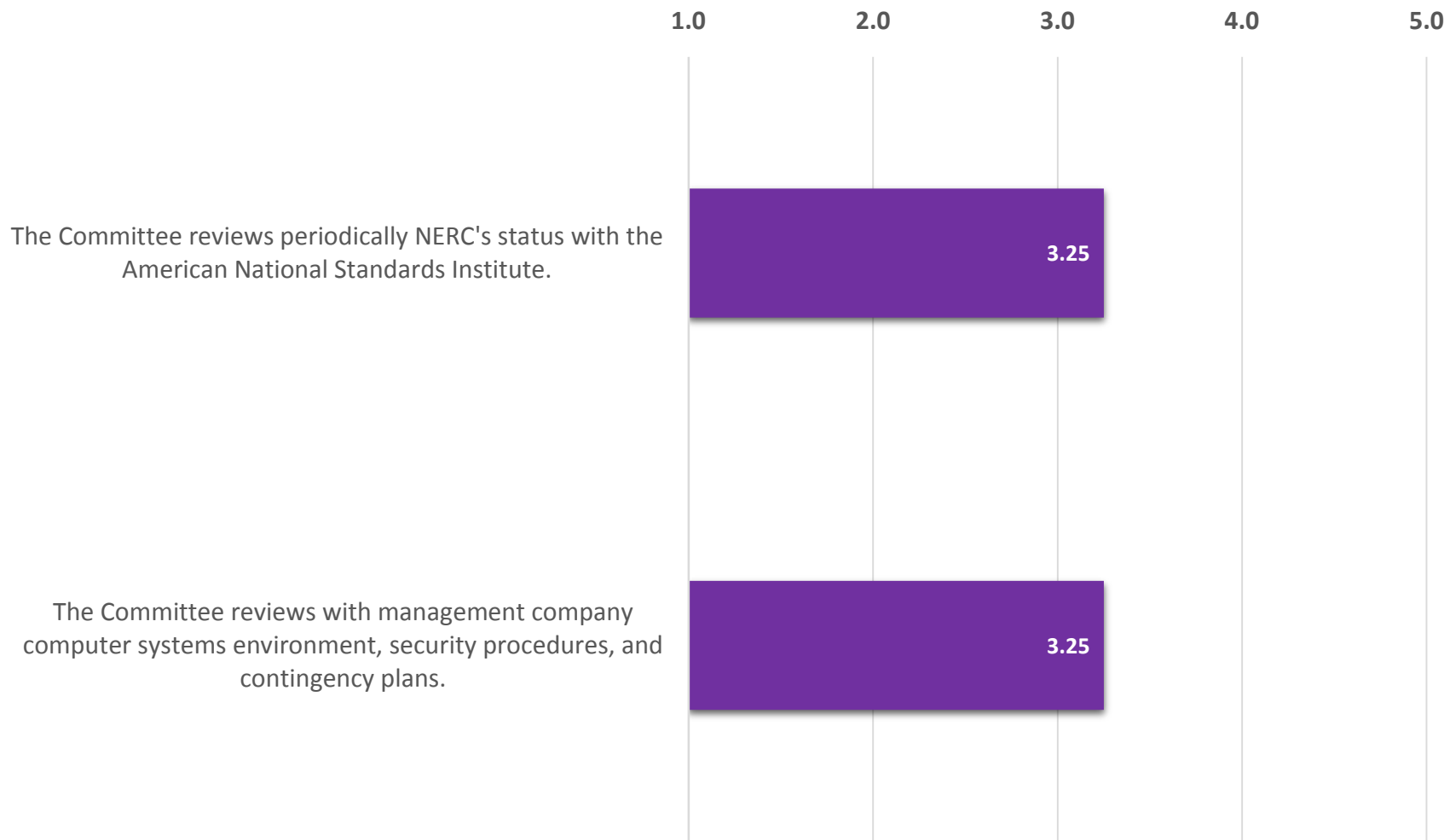


- NERC engaged TalentQuest to conduct its annual Board of Trustees Standards Oversight and Technology Committee Survey through an online methodology
- The Standards Oversight and Technology Committee survey was administered from November 10 to December 18, 2015, to a total of 4 Committee members
- 4 Committee members responded to the survey
 - 100% response rate

- Respondents were asked to rate items on a 1 to 5 point scale to indicate their evaluation for each rated item
 - 1 = Needs Prompt Attention (“unacceptable performance”)
 - 2 = Below Expectations (“performance area with opportunity for improvement”)
 - 3 = Meets Expectations (“meets the required standard of performance”)
 - 4 = Exceeds Expectations (“exceeds the required standard of performance”)
 - 5 = Outstanding (“far exceeds the required standard of performance”)
- Additional items were evaluated by selection of “Yes” or “No” to indicate agreement or disagreement
- For any item rated “1” (Needs Prompt Attention), “2” (Below Expectations), or “No”, mandatory comments were required to explain the rationale for the rating or selection

- The overall Standards Oversight and Technology Committee survey average was 3.77, with item averages ranging from 3.25 to 4.25
- Given the lowest item averages are well above 3.00, the Standards Oversight and Technology Committee is seen to be operating at expectations or higher





- Across all Committee surveys, 4 “Yes/No” items were asked in regard to committee functioning. Each committee, including the Standards Oversight and Technology Committee, rated these items with a 100% response of “Yes”:
 - The number of Committee meetings is appropriate.
 - The size of the Committee is appropriate.
 - The information provided in support of the agenda is appropriate and available in a timely manner in advance of Committee meetings.
 - The Committee Chair manages meetings efficiently to allow for open, equal, and sufficient discussion and construction input on important issues.

ERO Enterprise IT Application Strategy Update

Action

Information

Background

The Technology Leadership Team (TLT), comprised of the NERC CEO, CTO, and CEOs from three Regional Entities (NPCC, SERC, and WECC) approved a multi-year ERO Enterprise roadmap that consists of four strategic initiatives:

- Collaboration and Information Sharing
- Data and Analytics
- Entity Information and Communication
- Standards and Compliance

This roadmap was shared with the broader ERO EMG during October 2015, and was created in collaboration with NERC Information Technology (IT) and business staff, along with the Regional Entities, and sets forth a multi-year technology strategy designed to enhance collaboration and efficiency between NERC, Regional, and Registered Entities. The plan is designed to improve information sharing, deliver new Compliance Monitoring and Enforcement Program (CMEP) solutions, and consolidate data for usage and analysis by authorized organizations. The phased plan will take advantage of existing investments made in commercial-off-the-shelf (COTS) technology (e.g., Microsoft xRM and SharePoint) to build upon the existing platform in order to broaden and strengthen the base of ERO Enterprise applications.

The Standards Oversight and Technology Committee (SOTC) subgroup, comprised of three SOTC members, were briefed on the ERO Enterprise roadmap on January 2016 and will continue to provide additional oversight to this effort, as well as deliver feedback to the SOTC on the development and execution of the ERO Enterprise IT roadmap.

A presentation will be made during the February 2016 conference call providing a report on several key initiatives of the ERO Enterprise IT roadmap, including updates on NERC's Document Management Program, MisOps, and CMEP tools, as well as plans for replacement of the User Management Profile (UMP), MyAccount, and Application Broker.

ERO Enterprise IT Application Strategy Update

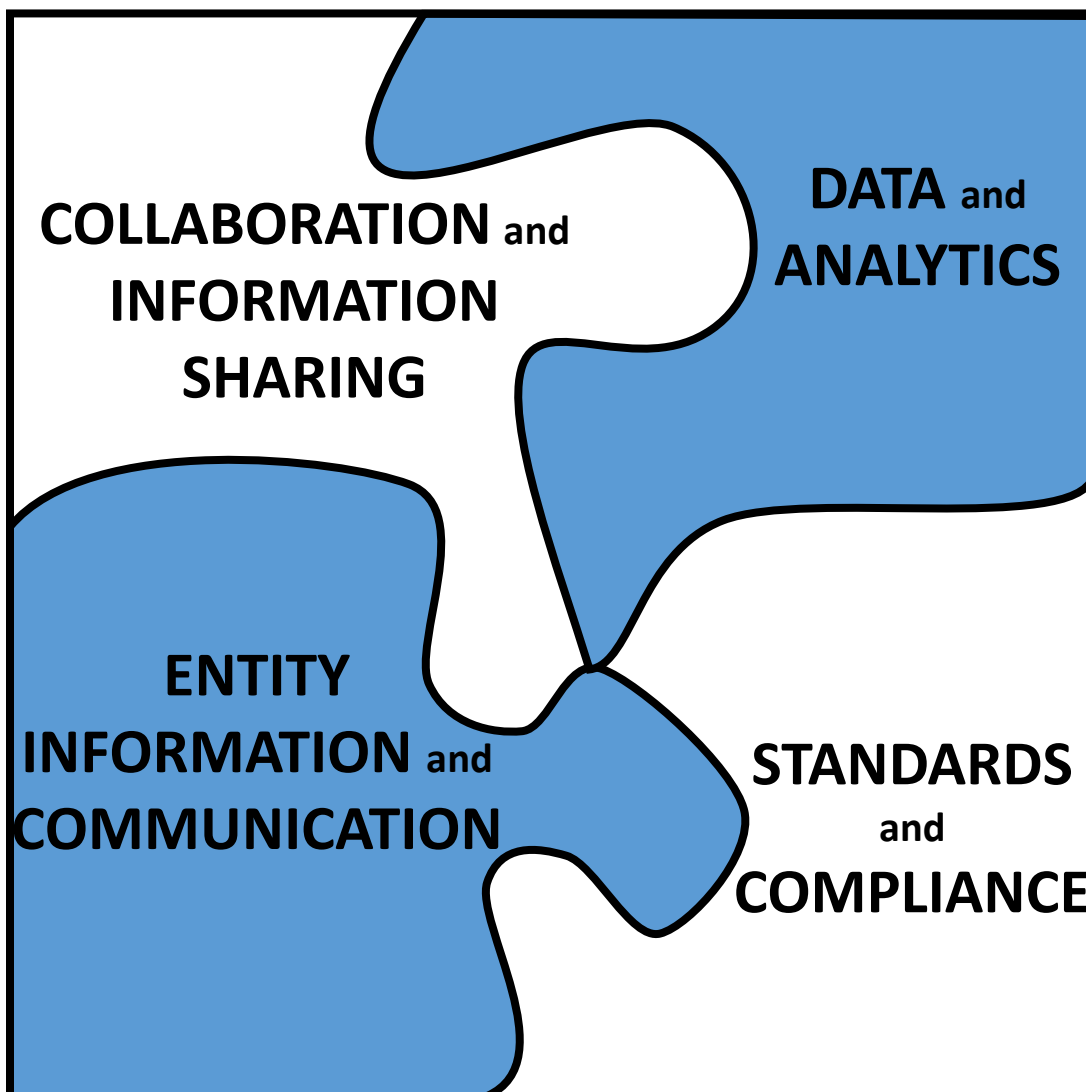
Stan Hoptroff, Vice President and Chief Technology Officer
Standards Oversight and Technology Committee Conference Call
February 2, 2016

RELIABILITY | ACCOUNTABILITY



- ERO IT Projects Update Planned and Underway
- ERO Enterprise Systems Roadmaps
 - Collaboration and Information Sharing
 - Entity Information and Communications
 - Standards and Compliance
 - Data and Analytics
- Document Management Program Update
- Priorities Looking Ahead

- Compliance Reporting and Tracking System (CRATS) Enhancements – Q2 2016
- Misoperations Data Capture
- User Management and Registration Replacement



Enhance collaboration and information sharing by leveraging Microsoft's SharePoint platform

- Phase 1 (2015–2017)
 - Deliver Document Management and NERC Intranet interface
- Phase 2 (2016–2018)
 - Deliver a new NERC.com
- Phase 3
 - Deliver a new NERC Extranet; replace email document collaboration with SharePoint based document collaboration
 - Provide a new solution for Extranet discussion groups
- ✓ Phases 2 and 3 benefit registered entities

Improve entity specific communication and information sharing across the ERO Enterprise

- Phase 1 (2016)
 - Enable user management
 - Replace the current three entity registration processes with one common centralized solution
- Phase 2 (2017–2018)
 - Deliver a new intelligent announcements and alert solution
- ✓ Phase 1 and Phase 2 benefit registered entities

Implement new Enterprise-wide support tools for Compliance Monitoring and Enforcement Program (CMEP)

- Phase 1 (2017–2019)
 - Enable NERC Reliability Standards to be used and shared as “data”
- Phase 2 (2017–2019)
 - Deliver new solutions and retire current solutions that support the CMEP

Consolidate data collected by NERC and improve data visibility across the ERO while enabling self-service

- Phase 3 and beyond (2016–2019)
 - Deliver initial components for an enterprise reporting data warehouse
 - Integration of data based on business priority

- Activities completed:
 - File plan design workshops
 - Intranet interface design
 - Infrastructure setup including SharePoint and add-ons
 - Training and communications plan
- Activities in progress:
 - File plan configuration
 - Execution of training and communications plans
 - Intranet development
 - IT pilot

- Keep focus on technology investments that deliver tangible business value
 - Document Management Program
 - User Management and Registration
 - Entity Registration
 - Enterprise Reporting – Regions, Reliability Risk Management, Reliability Assessment and Performance Analysis, Compliance
 - Misoperations Data Capture
 - Continue to refine and share vision and roadmaps for the ERO Enterprise Systems Initiatives



Questions and Answers

Reliability Standards Quarterly Status Report

Action

Information

Background

Attached is the Reliability Standards Quarterly Status Report. Highlights include:

- **2016-2018 Reliability Standard Development Plan (RSDP) Progress**
 - Provides the status of progress made by NERC staff, the Project Management and Oversight Subcommittee, and standards drafting teams in standard development and project scheduling coordination anticipated in the 2016-2018 RSDP.
- **Standards Development Forecast**
 - Provides a forecast of the standards anticipated for completion and submission to the NERC Board of Trustees (Board) for adoption through November 2016.
- **Paragraph 81 and Independent Experts' Quarterly Update**
 - Provides an update on the status of the Paragraph 81 and Independent Expert Review Panel's recommendations for standard requirement retirement and the total number of resolutions made pursuant to these recommendations.
- **Regulatory Directives Update**
 - Provides a report on the progress made in addressing outstanding FERC directives and guidance.
- **Standards Committee (SC) Report**
 - SC overview of key activities and progress from the previous quarter, including the continued activity and progress of the SC subcommittees.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda Item 4
Attachment 1
Standards Oversight and
Technology Committee Meeting
February 2, 2106

Reliability Standards

Standards Oversight and Technology
Committee Quarterly Report

February 2, 2016

RELIABILITY | ACCOUNTABILITY



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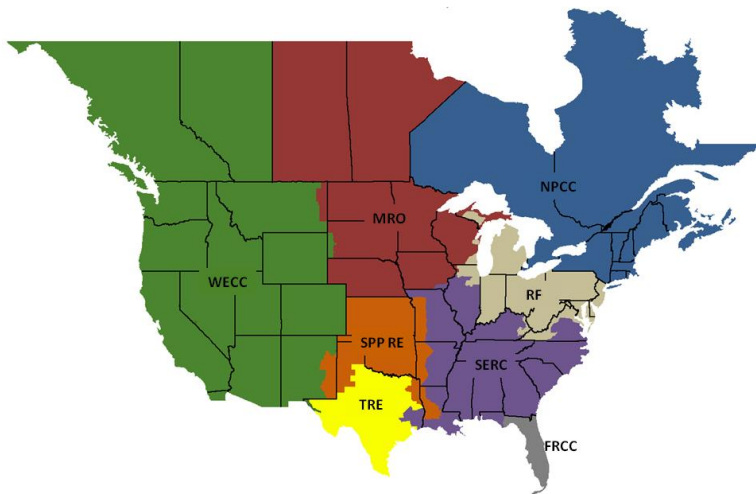
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Preface

The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to ensure the reliability of the bulk power system (BPS) in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC’s area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the electric reliability organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada. NERC’s jurisdiction includes users, owners, and operators of the BPS, which serves more than 334 million people.

The North American BPS is divided into the eight Regional Entity (RE) boundaries, as shown in the map and corresponding table below.



FRCC	Florida Reliability Coordinating Council
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	Reliability First
SERC	SERC Reliability Corporation
SPP-RE	Southwest Power Pool Regional Entity
TRE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

2016-2018 Reliability Standards Development Plan Progress

The [2016-2018 Reliability Standards Development Plan \(RSDP\)](#), developed by NERC staff in conjunction with members of the Standards Committee (SC), is a continuation of the approach set forth in prior RSDPs. It outlines a plan to complete the majority of the work necessary to bring the NERC Reliability Standards to “steady-state” by addressing FERC directives, Paragraph 81 (P81) and the Independent Experts’ Review Panel (IERP) recommendations for retirement and quality improvement, and considering other initiatives such as results-based standards. This RSDP was adopted by the NERC Board of Trustees (Board) at its November meeting and was filed with FERC on December 30, 2015.

NERC staff, the Project Management and Oversight Subcommittee of the SC, and standards development teams have worked closely to spread the project completion dates and presentations to the Board evenly throughout the year. As project timelines shift due to complexities or issues that need to achieve consensus, every effort is being made to pull some projects forward as others that need additional time are shifted further back in the year. Industry support in maintaining the target delivery dates is critical, and industry’s efforts to have open discussions to resolve issues is appreciated.

Standards Development Forecast (Continent-wide)

Board Forecast for Standard Projects in Active Development

February 2016

- Project 2010-07.1 Vegetation Management (FAC-003)
- Project 2010-14.2.1: Phase 2 – Balancing Authority Reliability-based Controls (BAL-005, BAL-006, FAC-001)

May 2016

- Project 2007-06.2: System Protection Coordination (PRC-001)
- Project 2010-14.2.2: Phase 2 – Balancing Authority Reliability-based Controls (BAL-004)
- Project 2009-02: Reliability Monitoring and Analysis Capabilities (IRO-018-1, TOP-010-1)
- Project 2010-05.3: Phase 3 of Protection System Misoperations: SPS/RAS (PRC-012, PRC-013, PRC-014, PRC-015, PRC-016)

August 2016

- Project 2015-07: Internal Communications Capabilities (COM-001)¹
- Project 2015-08 Emergency Operations (EOP-004, EOP-005, EOP-006, EOP-008)

November 2016

- Project 2015-10 Single Points of Failure (TPL-001)

Projects with Regulatory Deadlines

There is currently no project with a regulatory deadline.

Table 1: Projects with Regulatory Deadlines

Project	Regulatory Deadline
none	

¹ See FERC Order No. 808 issued April 16, 2015

Paragraph 81 and Independent Experts' Quarterly Update

Progress to Date

In Table 2 below, a summary of the progress that has been made in addressing the P81 Phase 2 concerns and the IERP recommendations for retirement is provided. A spreadsheet outlining the specific requirements that are the subject of the P81 revision or the IERP recommendations, the projects that addressed them, and the resolutions of those projects have been posted to the standards page on the [NERC website](#).

Background

On November 21, 2013, FERC issued Order No. 788 approving the retirement of the requirements proposed for retirement under Phase 1 of the P81 project. At the conclusion of Phase 1, 217 requirements remained for consideration in Phase 2 of the project. In addition, the IERP recommended a total of 257 requirements for retirement. Some requirements were included in both sets of recommendations, and eliminating these duplications resulted in a total of 281 requirements proposed for retirement. Of these, all except eight candidates have either been addressed or are in the process of being addressed in either a current project or five-year review.

Table 2: Progress Addressing P81 and IERP Recommendations for Retirement		
	Current Status	P81 and IERP Recommendations for Retirement
Total*		281
Addressed	238	
In current projects	35	
Not assigned	8	
*Unique requirements		

There are three possible ways in which the requirements proposed for retirement (above) may have been addressed: 1) The standard drafting teams may have retired the requirement in its entirety, 2) the requirement may have been modified, or 3) the requirement may have been retained in its entirety. The analysis is qualitative and was conducted with a conservative approach; thus a categorization of "modified" indicates that a portion, but not all, of the requirement, sub-requirement or part was retired. If any action in the original requirement was retained, the requirement received a categorization of "modified." Table 3 provides a summary of the 238 requirements that have been addressed to date:

Table 3: Resolutions for P81 and IERP Recommendations for Retirement		
Resolution	Number	Percent
Retired ²	110	46%
Modified	103	43%
Retained	25	11%
Total	238	

²Twelve of these were retired in the P81 Phase 1, but were included on the list as they were recommended for retirement by the Independent Expert Review Panel.

Regulatory Directives Update

Directives Filed in 2015

The directives resolved by Reliability Standards that were filed with FERC in 2015 were:

- Q1
 - Project 2013-03 Geomagnetic Disturbance Mitigation (14 directives)
 - Project 2014-02 Critical Infrastructure Protection Version 5 Revisions (6 directives)
 - Project 2014-03 TOP/IRO Revisions (39 directives)
 - Project 2008-02 Undervoltage Load Shedding PRC-010 (2 directives)
- Q2
 - Project 2014-04 Physical Security (1 directive)
 - Project 2008-02.2 Phase 2 of Undervoltage Load Shedding (UVLS): Misoperations (1 directive)
- Q3
 - Response to Order pertaining to PRC-004-3 (1 directive)
- Q4
 - Project 2007-17.4 PRC-005 FERC Order No. 803 Directive (1 directive)
 - Project 2010-04.1 MOD-031 FERC Order No. 804 Directives (2 directives)

Directives Issued in 2015

The directives related to Reliability Standards that were issued by FERC in 2015 were:

- Q1
 - Order No. 803 pertaining to PRC-005-3 (2 directives)
 - Order No. 804 pertaining to MOD-031 (2 directives)
- Q2
 - Order pertaining to PRC-004-3 (1 directive)
 - Order No. 808 pertaining to COM-001 (1 directives)
 - Order No. 810 pertaining to BAL-001 (2 directives)
- Q3
 - None
- Q4
 - Order No. 817 pertaining to TOP/IRO (4 directives)

Summary of Total Directives

As of December 31 2015, there were 35 standards-related directives, including FERC guidances, to be resolved. Table 4 below illustrates the progress to address FERC directives issued prior to 2013, post-2012, and in total. It does not include non-standards related directives.

Table 4: Summary of Total Directives

	Pre-2013 Directives*	Post 2012 Directives*	Total
Issued prior to year-end 2012	191		
Issued since year-end 2012		60	
Resolved as of December 31, 2015	168	48	
Remaining	23	12	35

*Does not include directives for other NERC departments

Trend in Number of Requirements

As the NERC Reliability Standards become steady-state there is an expectation that the total number of requirements subject to enforcement will be reduced. To measure the accuracy of NERC's expectation, NERC staff used the *US Enforcement Status/Functional Applicability spreadsheet*³ to analyze the trend in the total number of Board-approved requirements at the end of each year since standards became enforceable in the United States in 2007.

The below chart (Chart 1: Trend for Number of Requirements) is based on each requirement's U.S. enforcement date in the *US Enforcement Status/Functional Applicability spreadsheet*. For comparison, this chart has been updated with information contained in the spreadsheet as of December 31, 2015. This chart updates the projection for 1) pending continent-wide retirements and 2) the number of regional reliability standards. The variances within continent-wide standards were removed from the regional reliability standards line.

The line indicating the number of retirements using the November 2014 data shows a downward slope in 2014 - 2015. This downward trend was anticipated as pending projects were filed. The line indicating the number of requirements using the December 2015 data shows the downward trend in 2016 - 2018 to more accurately reflect the anticipated enforcement dates. Table 5 below provides the list of projects pending regulatory approval. Overall, the total pending projects reflect a potential reduction of 101 requirements.

The chart below also includes the projected number of requirements at the end of each of the data lines. In November 2014, it was anticipated that the number of enforceable standards, once all projects were implemented, would be 422. At this time, the projection is 403 requirements.

³Available from the Standards section of the NERC website: <http://www.nerc.com/pa/Stand/Pages/default.aspx>.

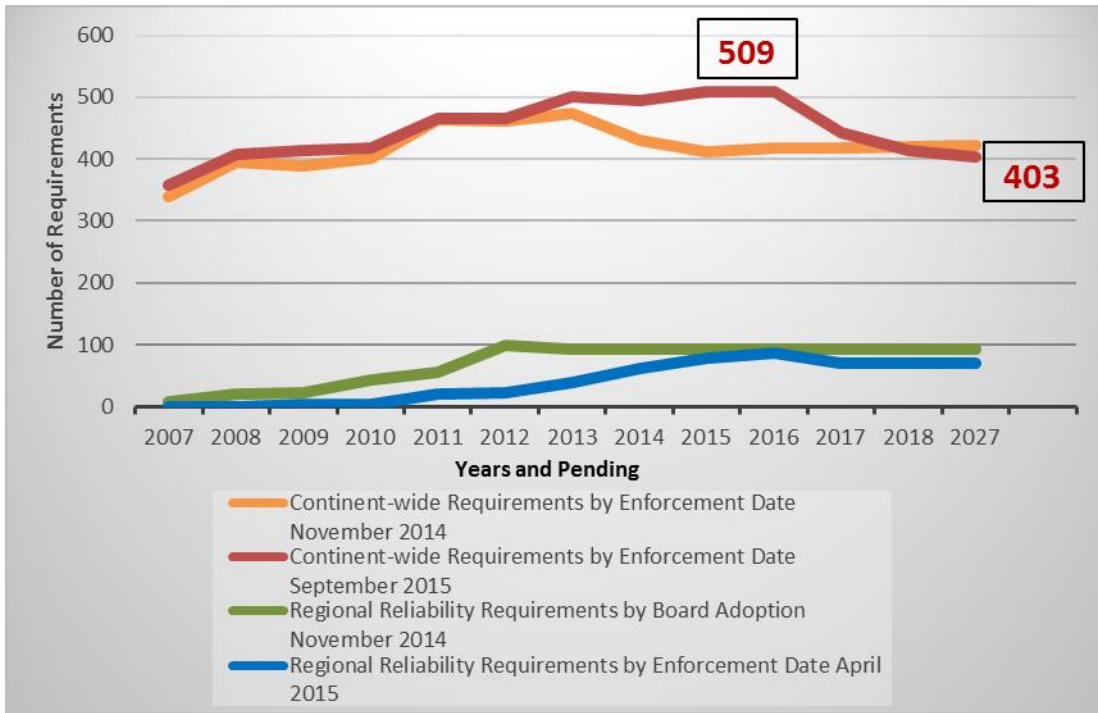


Chart 1: Trend for Number of Requirements

Table 5: Projection of Projects Pending Regulatory Approval

Project	Title	Board Adoption	Filing Date	Projected	Projected	Net Requirements
				FERC Approval Year	Enforcement Year	
2006-06	Reliability Coordination	11/7/2012	5/14/2014	2015	2016	0
2010.13.3	Phase 3 of Relay Loadability: Stable Power Swings	12/17/2014	12/31/2014	2015	2018	+4
2012-05	ATC Revisions (MOD A)	2/6/2014	2/10/2014	2015	2017	-50
2013-03	Geomagnetic Disturbance Mitigation	12/17/2014	1/21/2015	2015	2017	+7
2014-02	Critical Infrastructure Protection Standards Version 5 Revisions	11/13/2014	2/13/2015	2015	2016/2017	-11

Standards Committee Report

Background and Summary

2016-2018 Standards Committee Strategic Plan

The 2016-2018 Standards Committee (SC) Strategic Work Plan (Plan) is a continuation of the 2015-2017 Strategic Plan in that it also reinforces the need to achieve a steady state with respect to Reliability Standards and transition to an Enhanced Periodic Review (EPR) process for a more deliberate review of the steady state Standards. The Plan further recognizes the possibility that consideration of emerging risks may result in the need for new Standards development over the 2016-2018 time period.

The SC offers the Strategic Plan for Board of Trustee's (Board) acceptance.

Standards Metric

At the May 2015 BOT meeting, there was support for the SC's measured approach in transitioning to EPRs, provided a Standards Metric(s) is established to inform the Board on progress. The Board requested that NERC Staff and the Standards Committee develop a Standards Metric and include it in the Reliability Standards Development Plan for adoption at the November Board meeting.

On the May 2015 SC call, the SC endorsed the following

- (i) the Standards Committee members will send any recommendations for approaches on the Standard Metric(s) to NERC's Director of Standards and the Standards Committee Executive Committee (SCEC) by June 24, 2015; and
- (ii) Subsequently the SCEC, working with NERC Staff, will develop recommended approach(es) on a Standard Metric(s) for the Standards Committee consideration, using the comments submitted as well as any of their own proposals.

Consistent with these action items, the SCEC collected and organized all the comments received from the SC and asked the members of the SC to comment on the various proposed approaches. The results of this second round of SC comments were discussed at September 2015 meeting, and the SCEC agreed to take those discussions into consideration when interacting with the OC, PC, CIPC and NERC staff. The discussions with the OC, PC, CIPC and NERC staff did not result in an agreed on or definitive approach to develop a Standard(s) metric.

Based on these discussions, the SC on its January 2016 call endorsed the following approach to implement Standards metric(s):

- . . . that each Enhanced Periodic Review Team (EPRT) be required to use the attach considerations and questions, as the EPRT deems applicable and helpful, to develop a Standards metric(s) for the Standard(s) it is reviewing, and that the metric(s) be posted for stakeholder comment at the same time as Periodic Review materials, and, then, presented to the Standards Committee (SC) for endorsement, and included in the Periodic Review material submitted to the Board of Trustees. After finalization of the metric, it would be posted in the NERC website.

The benefit of this approach provides the EPRT with valuable input on what could be a meaningful metric, and also provides the EPRT with the discretion to design a metric that is Standard(s) specific, given there are different objectives for the various Standards. It is also thought that the most informed decision and consideration of a metric is also when the EPRT is considering whether or not to revise the Standard(s).

Cost Effectiveness

The SC, NERC Staff and the Standards Committee Process Subcommittee (SCPS) continue to work to develop a consideration of cost effectiveness that is meaningful, efficient and effective. The SC and SCPS welcomes the discussion that will likely occur at the February 2016 MRC and Board meetings on this matter, and will take the discussions into consideration as it continues to work with NERC Staff on a meaningful cost effectiveness approach.

New Leadership

The following leadership has been approved for the SC subcommittees for two year terms. The SC is thankful for their willingness to serve:

Project Management and Oversight Subcommittee

Brenda Hampton (Luminant) – Chair

Charles Yeung (SPP) – Vice Chair

SCPS

Peter Heidrich (FRCC, RE) – Chair

Ben Li (Ben Li Associates) – Vice Chair

Reliability Standards Quarterly Status Report

Howard Gugel, Director of Standards
Standards Oversight and Technology Committee Meeting
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RELIABILITY | ACCOUNTABILITY



Table 4: Summary of Total Directives

	Pre-2013 Directives*	Post 2012 Directives*	Total
Issued prior to year-end 2012	191		
Issued since year-end 2012		60	
Resolved as of December 31, 2015	168	48	
Remaining	23	12	35

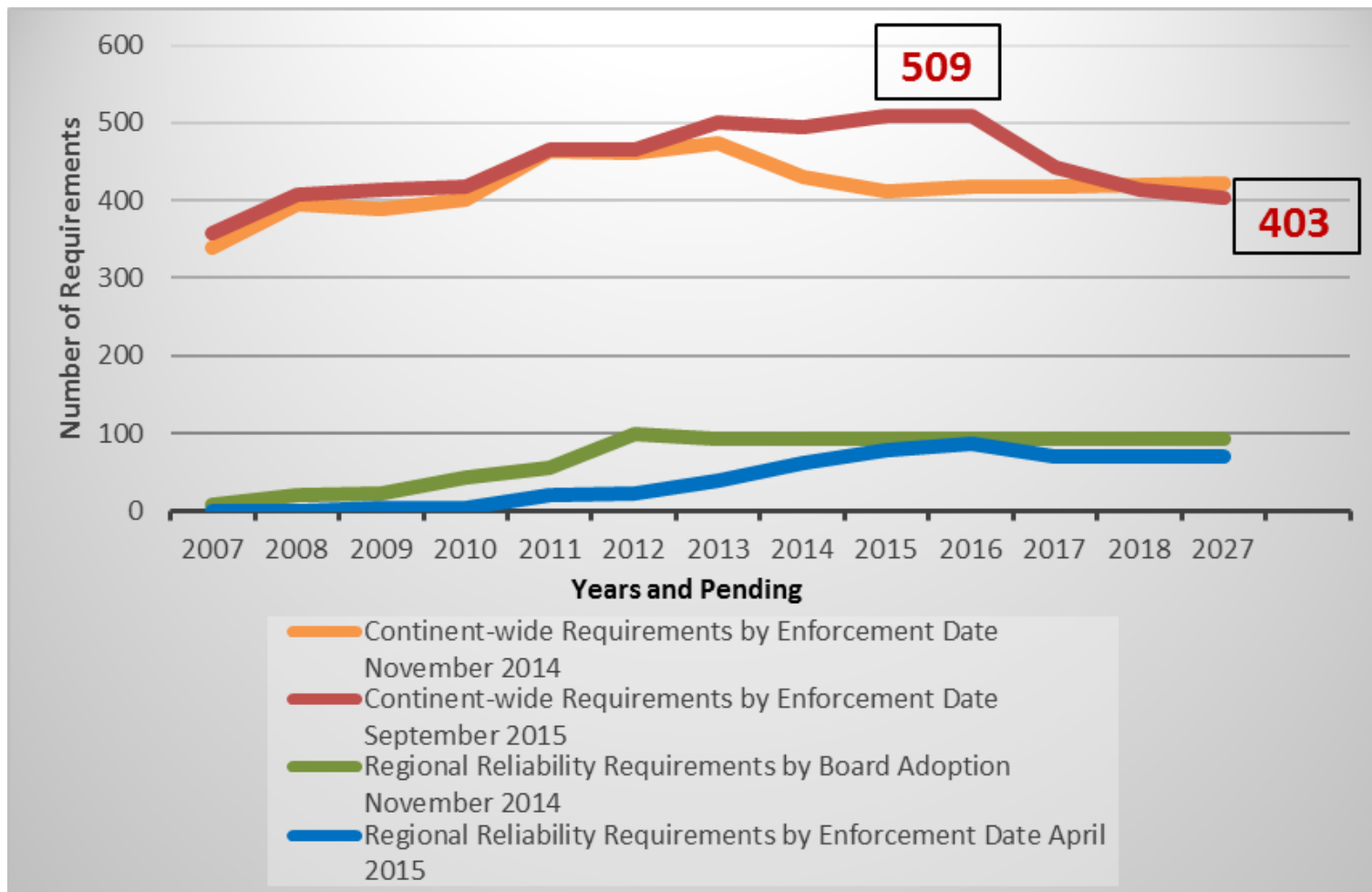
*Does not include directives for other NERC departments

	Current Status	P81 and IERP Recommendations for Retirement
Total*		281
Addressed	238	
In current projects	35	
Not assigned	8	
*Unique requirements		

Resolution	Number	Percent
Retired	110	46%
Modified	103	43%
Retained	25	11%
Total	238	

- February (2 planned)
- May (4 planned)
- August (2 planned)
- November (1 planned)

Trend for Number of Requirements



- Strategic Work Plan to be delivered to Board
- Continuing work on Standards metric
- Cost effectiveness approach



Questions and Answers