

Proposed Revisions to the NERC Rules of Procedure

Section 300, Reliability Standards Development Appendix 3A, Standard Processes Manual

NERC is proposing a series of revisions to Section 300 (Reliability Standards Development) and Appendix 3A (Standard Processes Manual) to its Rules of Procedure. The proposed revisions were developed by the Standards Process Stakeholder Engagement Group (“SPSEG”) to improve the agility of NERC’s standard development processes to address urgent reliability needs, while also maintaining reasonable notice and opportunity for public comment, due process, openness, and balance of interests. More information on this project is available on the [SPSEG Recommendations page](#).

Stakeholders are invited to provide comment on the proposed changes, and members of the Registered Ballot Body are invited to join the ballot pools for the proposed revisions to Appendix 3A (Standard Processes Manual). **Due to the different procedural requirements for approval, commenters must submit comments on the proposed changes to Section 300 and Appendix 3A separately as follows:**

- Comments on the proposed revisions to Section 300 (Reliability Standards Development): submit comments to ropcomments@nerc.net by **March 6, 2023**.
- Comments on the proposed revisions to Appendix 3A (Standard Processes Manual): submit comments through the NERC [Standards Balloting System](#) by **March 6, 2023**. More information on joining the ballot pool is available at [SPSEG 2022 project page](#).

A summary of the changes is provided below. More information on the rationale for the proposed changes is available in the [SPSEG Recommendations Memorandum](#) and the [reference document](#) prepared by NERC staff.

Section 300, Reliability Standards Development

Section 309: Revisions to restore certain language that was approved by FERC in 2011 and that remains applicable, but was not reflected in subsequently approved revisions to this section.

Section 316: Removed the requirement for American National Standards Institute (“ANSI”) accreditation. The essential principles of openness, transparency, consensus-building, fair balance of interests, due process, and timeliness in standards development are maintained in Section 304.

NEW Section 322: New process to provide the NERC Board of Trustees with the authority to direct the development of a Reliability Standard in extraordinary circumstances where the Board finds that issuing a directive is essential to address an urgent reliability issue. This process would make clear that NERC has the

authority in the Rules of Procedure to meet its fundamental responsibility under Section 215 of the Federal Power Act to develop, establish, and enforce Reliability Standards to ensure the reliability of the Bulk-Power System. The proposed process would provide for openness, transparency, and opportunity for public comment prior to the issuance of the directive and stakeholder involvement in standards development. It is modeled on the process currently in place under Rule 321 that enables the Board to ensure that NERC complies with a regulatory standards directive.

Section 321: Revisions to this section include revisions to correspond to the proposed Rule 322, to include projects to address Board directives. Other revisions include: (1) removing reference to ANSI processes (Rule 322.5.4); and (2) restoring certain language regarding stakeholder participation that was approved by FERC in 2011 but not reflected in subsequently approved revisions to this section.

Appendix 3A, Standard Processes Manual

Section 1.4: Revised, consistent with the proposed changes to Section 316 of the Rules of Procedure, to reflect that NERC's process is modeled on the *ANSI Essential Requirements* and those core principles form the framework for NERC's process, but there are several differences in how they are implemented due to NERC's statutory and regulatory responsibilities. Conforming changes to remove reference to ANSI requirements are proposed in other sections (e.g., Sections 10.0, 13.0, 16.0).

Section 4.2: Revision to clarify that Standard Authorization Requests (SARs) that have had "some vetting in industry" includes those that are endorsed by the NERC technical committees. Also includes SARs to address Board directives in the scope of SARs that may be posted for informal comment, consistent with the proposed Rule 322 in the Rules of Procedure.

Section 4.12: Creates a tiered comment period structure under which initial formal postings and ballots would be posted for a minimum of 45 days, with shorter minimum comment periods for subsequent postings when the issues are likely to have narrowed. Drafting teams are free to choose longer periods if it would aid in stakeholder review and consensus building, and the Standards Committee's ability to direct longer or shorter periods is not changed. Conforming changes are proposed to the Figure 1 flowchart and clarifying changes are proposed in Section 4.7.

Section 4.13: Revision to eliminate the requirement for a 10-day final ballot to confirm the results of the previous successful ballot. The revised Section 4.13 would provide that the standards process would be concluded when the team has made a good faith effort at resolving objections, is not making any substantive changes (as that term is presently defined in the Standard Processes Manual), and the previous ballot achieved the requisite ballot body approval. Public notice would be provided. Conforming changes are made to other sections of the Standard Processes Manual to remove reference to the final ballot, including deletion of current Section 4.14.

Section 4.14: Deleted consistent with revisions to Section 4.13. Remaining sections 4.15-4.18 renumbered accordingly.

Section 4.14 (current Section 4.15): Revision to specify that the Board may direct further work on a proposed standard presented for its adoption in accordance with Section 322 of the Rules of Procedure.

Section 16.0: Revision to include Board directives in the scope of circumstances under which the Standards Committee may grant waivers from the usual standard development processes.