

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Drafting Team Reference Manual

Version 5

Reviewed by the Standards Committee
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RELIABILITY | RESILIENCE | SECURITY



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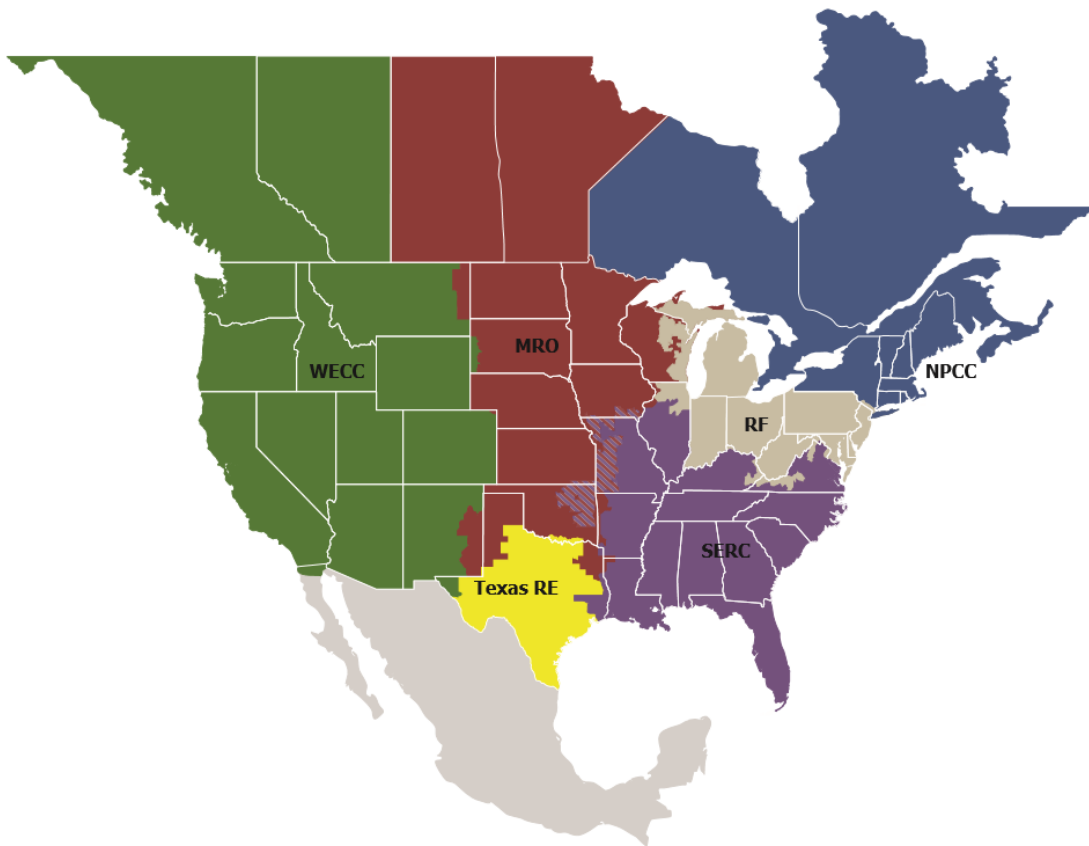
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one RE while associated Transmission Owners (TOs)/Operators (TOPs) participate in another.



| | |
|-----------------|--------------------------------------|
| MRO | Midwest Reliability Organization |
| NPCC | Northeast Power Coordinating Council |
| RF | ReliabilityFirst |
| SERC | SERC Reliability Corporation |
| Texas RE | Texas Reliability Entity |
| WECC | WECC |

Introduction

Background and Purpose

A Drafting Team (DT) develops a Reliability Standards-related product as directed by the [Standards Committee \(SC\)](#). The product that is developed is typically a new or revised Reliability Standard, but could also be a definition, a reference document, a set of [Violation Risk Factors \(VRFs\)](#), a set of [Violation Severity Levels \(VSLs\)](#), an interpretation of a Reliability Standard, or the team could be appointed to refine a [Standard Authorization Request \(SAR\)](#).

Drafting Teams are the foundation of the NERC standard development process. This [Drafting Team Reference Manual](#) (DT Reference Manual) is a tool to assist DT's in drafting quality Reliability Standards and associated documents, and DT members are encouraged to review prior to starting their responsibilities and refer to this document during the development process. This DT Reference Manual provides information on informal development, standard authorization requests, and the roles and responsibilities of standard and interpretation DTs, with guidance on how to implement Appendix 3A of the NERC Rules of Procedure (Standard Processes Manual (SPM)).¹

¹The Standard Processes Manual is located here: [FINAL - ROP Appendix 3A SPM v5 \(nerc.com\)](#)

Chapter 1: Governing Documents

The DT Reference Manual does not supersede the currently approved SPM or [NERC Rules of Procedure](#) (ROP).² Links to the foundational documents provided in this DT Reference Manual used for any questions related to the processes are described herein. See Sections 4.1 and 4.2 in the SPM for detailed information, including Figure 4.1 for a detailed workflow of the Standard Development Process.

² The Rules of Procedure is located here: <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>

Chapter 2: Principles Supporting Reliability Standards Development

The North American Electric Reliability Corporation’s Reliability Standards Development Processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for certification as the Electric Reliability Organization under Section 215 of the Federal Power Act and Federal Energy Regulatory Commission (FERC) regulations.³ The same attributes, as well as transparency, consensus building, and timeliness, are also required under the [NERC Rules of Procedure Section 304](#) accreditation.

The following principles serve as a foundation for development of high quality, technically sound, results-based Reliability Standards:

Adequate Level of Reliability (ALR)

As defined by NERC, ALR “[i]s the state that the design, planning, and operation of the Bulk Electric System (BES) will achieve when the listed Reliability Performance Objectives are met. Further, Reliability Assessment Objectives included in the definition must be evaluated to assess reliability risk in support of an adequate level of reliability.”⁴

Results-based Requirements

Each requirement of a Reliability Standard should identify what Functional Entities shall do and under what conditions, to achieve a specific reliability objective; but not how that objective is achieved. There are categories of requirements, each with a different approach for measurement. Generally, each standard should employ a defense-in-depth strategy where each requirement in a NERC Reliability Standard has a role in prevention of harm. Defense-in-depth is created when there is an appropriate portfolio of performance-, risk-, and competency-based mandatory reliability requirements that complement and reinforce each other. Each requirement should identify a clear and measurable expected outcome, such as: a) a stated level of reliability performance, b) a reduction in a specified reliability risk (prevention), or c) a necessary competency, as below:

- Performance-based Requirements
- Risk-based Requirements
- Capability-based Requirements

Additionally, see Section 2.4 of the SPM for a detailed explanation of these three types of requirements.

Reliability Principles

NERC Reliability Standards are based on reliability principles that define the foundation of reliability for the North American BPS. See the document [Reliability Principles](#) on the NERC Resources page for detailed explanation of this principle.

³ 16 U.S.C. § 824o; see also 18 C.F.R. § 39.3(b)(2)(iv).

⁴ NERC filed its definition for “Adequate Level of Reliability” with the Commission on May 10, 2013. *Informational Filing on the Definition of “Adequate Level of Reliability”*, available at: http://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/Informational_Filing_Definition_Adequate_Level_Rel_iability_20130510.pdf.

Market Principles

Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Reliability Standards shall be written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets. See the document [Market Principles](#) on the NERC Resources page for detailed explanation of this principle.

Ten Benchmarks of an Excellent Reliability Standard

NERC Reliability Standards should meet the principles outlined in the *Ten Benchmarks of an Excellent Reliability Standard* and conform to the acceptance criteria contained in FERC Order 672 as outlined in the document [Acceptance Criteria of a Reliability Standard](#).

Chapter 3: Orientation

Prior to, or at the first meeting of the DT members, the Standards Developer or another NERC Standards staff member will provide an orientation session that may include the tasks identified below.

Read and Review:

- [NERC's Antitrust Compliance Guidelines](#)
- [NERC Participant Conduct Policy](#)

NOTE: Additional documents referenced in this manual are located on the NERC Standards Resources web page unless otherwise noted. Commonly referenced documents and additional resources are centrally located on the NERC site. Refer to **Attachment A: Verbs** in this document for references to Reliability Standard verbs and their associated definitions.

Understand Work Obligations:

- Review the applicable SAR;
- Review the applicable proposed Reliability Standard;
- Review applicable FERC orders and/or directive(s);
 - Develop a consensus of how the DT will respond to stakeholder comments with the intent of revising work products to reflect the consensus view of stakeholders;
 - Understand the Quality Review (QR) work as required under Section 4.6 of the SPM, [including the criteria specified in NERC's Ten Benchmarks of an Excellent Reliability Standard](#);
 - Develop a project schedule in accordance with SC expectations or Reliability Standards Development Plan (RSDP) requirements;
 - Provide the project schedule to the SC or its designee for review and approval;
 - Understand the function and role of the Project Management & Oversight Subcommittee (PMOS) DT liaison;
 - Review the current cost effectiveness process and understand how it relates to the project; and
 - Continue with standard development until the conclusion of the project through either rejection or approval by the applicable governmental authorities.⁵

⁵ A DT may be formally disbanded by the SC under certain circumstances as described in the Standards Process Manual, Section 3.4: Standards Committee.

Chapter 4: Drafting Team Types and Meetings

The SPM contemplates two types of DTs who perform the Reliability Standards-related activities depending on the project focus.

Reliability Standard Drafting Team (RSDT):

With regards to the SAR, the RSDT assists the SAR submitter to achieve stakeholder consensus on whether a standard is required to address a reliability-related need, and develop the scope of the project to address the identified need. The role of the RSDT when working with the SAR is to evaluate and respond to industry comments on the technical justification, background information, potential for industry consensus, and associated cost impact analysis information to determine the level of support and scope of a standard. The DT presents the SAR and a recommendation to the SC, and the SC determines whether to pursue a standard development project.

If the SC determines that a standard development project will be pursued, the RSDT then shifts to focus on developing the new or modified Reliability Standards or definitions. The DT is encouraged to consult the developmental history of the Reliability Standards under revision on Archived Reliability Standards under Development. Generally, the role of the DT is to: (i) develop a project schedule and timeline in accordance with SC expectations or RSDP requirements that may include collaboration with the PMOS; and (ii) draft a Reliability Standard or definition within the scope of the SAR. The DT develops an implementation plan to propose an effective date or dates for the associated Reliability Standard(s) or definitions. This implementation plan should identify the factors supporting the DT's proposal. Additionally, the DT develops a set of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria established by NERC and Applicable Governmental Authorities. Further, the DT will collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. Finally, the DT may make revisions to the proposed Reliability Standard that will improve the quality, clarity, or enforceability of that Reliability Standard based on stakeholder comments.

Interpretation Drafting Team (IDT):

The IDT develops an Interpretation as outlined in [Section 7.0 of the SPM](#). An Interpretation may only clarify or interpret the Requirements of an approved Reliability Standard, including, if applicable, any attachment to such Requirement. An approved Interpretation appends the existing approved Reliability Standard to which it applies until a future revision of the Reliability Standard incorporates the Interpretation, or the Interpretation is retired due to a future modification of the applicable Requirement. In general, Interpretations may not change the Reliability Standard, address a weakness or gap in the Reliability Standard, address any element of a Reliability Standard other than a Requirement or an attachment referenced in a Requirement, or provide an opinion on whether a particular approach would achieve compliance with the Reliability Standard.

IDTs are encouraged to review past history of the Reliability Standard's development by assessing the full record including, but not limited to, past comments and responses. Also, if a potential reliability issue or gap exists or is determined during the interpretation process, the team should document suggested revisions, develop a SAR to revise the Reliability Standard accordingly, and submit the SAR to NERC staff.

Team Meetings:

DT meetings shall be open to all interested parties. Meeting notices and agendas shall be publicly posted on the NERC website at least five business days prior to the meeting. Notices shall describe the purpose of meetings and shall identify a readily available source for further information. All who wish to attend a DT meeting must pre-register via the NERC Calendar web page to ensure that there are sufficient resources to accommodate guests and DT members.

Chapter 4: Drafting Team Types and Meetings

An observer is any industry individual who wishes to attend a DT meeting. A guest is a subject matter expert that the DT may decide to invite to one or more of the DT meetings to respond to the team's questions. The chair or the coordinator shall extend invitations to guests. It is expected that all members, observers, and guests attending drafting team meetings adhere to the *NERC Participant Conduct Policy* and conduct themselves in a professional manner at all times.

A quorum requires two-thirds of the DT voting members. DT action should only occur when a quorum is present during the meeting. While the DT members are encouraged to arrive at decisions through consensus, on the rare occasions when this is not possible, team members assigned by the SC have the right to vote. Voting may take place during formal meetings or may take place through electronic means. Approval of any action of a DT through a vote requires a two-thirds majority of the DT member votes cast. Guests and observers shall not have the right to vote unless an informal straw poll is taken at the request of or by the DT Chair. A DT member may not appoint a proxy to represent the member during team meetings.

The chair may limit the participation of guests and observers to ensure that the DT accomplishes its assigned tasks or to permit discussions pertaining to Critical Energy Infrastructure Information (CEII), Cyber Security, or other "sensitive" issues. Such decisions shall be documented in meeting minutes.

Meeting minutes should be posted to the NERC website as soon as is practicable following each meeting.

Chapter 5: Areas of Responsibilities

Drafting Teams:

Collectively, a DT (i.e., Reliability Standard Drafting Team), following NERC’s standard development process, has responsibility for developing new Reliability Standards and revising existing Reliability Standards. The mission of each DT is to develop excellent, technically correct Reliability Standards that provide for an adequate level of BES reliability. The members of a DT consist of a DT Chair, DT Vice Chair, DT members, and supported by NERC staff and other industry SMEs as identified in this section.

Some drafting teams work to modify already approved Reliability Standards, with modifications aimed at addressing specific directives of the applicable governmental authorities, or to address reliability issues not directed by the applicable governmental authorities. Other drafting teams work to develop new Reliability Standards that are not associated with any directives from an applicable governmental authority. In all cases, DT members are selected from industry volunteers to provide the DT with sufficient technical expertise from diverse industry perspectives to ensure development of Reliability Standards that, when approved, demonstrate broad industry consensus. DTs are selected by, and report to, the SC.

During the SAR process the DT has primary responsibilities to:

- Revise or refine the SAR, and propose the SAR for industry comment;
- Participate in industry forums, as needed, to help build industry consensus on the SAR;
- Consider and respond to comments, and attempt to resolve objections;⁶
- Identify and consider potential regional variances to be incorporated in the proposed new or revised standard; and
- Provide advice, as needed or appropriate, on the decision to continue with the development of a SAR.

During the drafting process, the DT has primary responsibilities to:

- Follow the standard development process as outlined in NERC’s Rules of Procedure, including:
 - Developing results-based Reliability Standards that contain requirements that are clear and unambiguous from a compliance and implementation perspective;
 - Draft new or revised Reliability Standards that provide for an ALR, addresses the full scope contained in the SAR, and achieves the objectives delineated in the SAR;
 - Work in conjunction with other DTs to consider and reconcile impacts from concurrent Reliability Standard development projects;
 - Consider Standard Efficiency Review efforts in drafting new or modified requirement language;
 - Consider previously approved requirement language when developing new requirement language;
- Revise approved Reliability Standards to address relevant directives from one or more applicable governmental authorities;
- Provide an initial set of violation risk factors and violation severity levels for new or modified Reliability Standards;
- Ensure the proposed Reliability Standards meet the statutory or regulatory criteria for approval in each relevant jurisdiction

⁶ When a SAR is posted only for an informal comment period, there is no obligation to respond in writing to industry comments.

Chapter 5: Areas of Responsibilities

- Meet with applicable governmental authority staff, as requested, to present and discuss the DT’s approach to meet a regulatory directive, including any alternative approaches;
- Document the technical justification associated with each proposal for a new or modified requirement, and for each proposal to retire a requirement, in a Technical Rationale document;
- Consider and respond to all posted comments submitted during a formal commenting period;
- Develop an implementation plan to support the proposed Reliability Standards;
- Identify the need for field testing proposed technical requirements and, where a field test is needed, reviewing, and analyzing the associated data;
- Recommend to the SC when a proposed standard is ready for balloting;
- Respond to observations from a quality review of a proposed standard and associated implementation plan;
- Engage stakeholders during Reliability Standards development to help build industry consensus;
- Identify and consider variances to proposed Reliability Standards;
- Report progress to the SC, as needed;
- Develop or support development of supporting documents to supplement Reliability Standards; and,
- Provide technical input, as needed, to NERC staff during preparation of regulatory documents, including:
 - Work status updates or similar filing(s);
 - Submitting the proposed standard(s) for approval;
 - Responding to questions raised in a notice of proposed rule-making or other regulatory proceedings;
 - Preparation of a request for clarification or rehearing following the issuance of the rule or order addressing a proposed standard filed for approval; and
 - Preparing requests for extensions of time when a regulatory imposed deadline for Reliability Standards development cannot be achieved.
- Notify chair and NERC Standards Developer if team member cannot fulfill team responsibilities.

The DT Chair and Vice Chair have additional responsibilities to:

- Facilitate DT discussions such that the team may reach consensus on proposed standard(s) that will achieve the SAR objectives and DT responsibilities described above;
- Conduct the meetings in a responsible, timely and efficient manner;
- Represent the drafting team before the SC in reporting on team progress in implementing the scope of the SAR and in addressing directives from an applicable governmental authority;
- Represent the drafting team in discussions with applicable governmental authority staff on how the proposed Reliability Standards address the applicable directives;
- Lead the drafting team in the effective dispatch of its Reliability Standards development obligations; and
- Assist the NERC staff to provide technical input to:
 - Draft filings for submission to the applicable governmental authorities for approval of the proposed standard(s);
 - Respond to questions raised in a notice of proposed rule-making or other regulatory proceedings;

Chapter 5: Areas of Responsibilities

- Prepare a request for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; and
- Respond to directives from applicable governmental authorities that are determined to be detrimental to reliability.

DT Subject Matter Expert (SME):

Compliance, Legal, Technical Support, and other Individuals with specific expertise applicable to the project may participate in the development process on an as needed basis to provide input. While not formal team members, they may participate in discussions.

NERC Standards Developer:

The NERC Standards Developer is a NERC Standards staff member assigned to facilitate and assist DTs to ensure consistency and quality in the development of standard products. The Standards Developer keeps the project on track and informs the SC of progress. The NERC Standards Developer has the following primary responsibilities in support of and collaboration with a DT:

- Ensure the DTs adhere to the integrity of the standard development process as defined in NERC’s Rules of Procedure;
- Ensures the quality of documents submitted for posting, balloting, and adoption;
- Develops and posts the record of proceedings (e.g., draft Reliability Standards, minutes, etc.) for the meetings;
- Facilitates the logistics for meetings, telephone and online conference calls, and virtual discussions;
- Coordinates the scheduling of DT meetings with NERC staff and the appropriate applicable governmental authority staff to discuss proposed standards, including the approach taken by the team to address directives;
- Monitors the participation of regulatory staff members, industry stakeholders, and other observers in drafting team activities to ensure proper business meeting decorum is maintained;
- Documents and includes in the standards development record the informal advice and feedback provided by applicable governmental authority staff participants concerning directives that are offered in a non-public meeting with drafting team members;
- Coordinates the DT’s technical input into:
 - Draft filings to the applicable governmental authorities for approval of the proposed standard(s);
 - Responses to questions raised in a notice of proposed rule-making or concerns raised by commenters in regulatory proceedings;
 - Requests for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; or
 - Responses to directives from an applicable governmental authority that are determined to be detrimental to reliability or lack a clear reliability benefit;
- Reports to the DT chair, other NERC standards staff, and upon request, the SC as to the team’s progress; and
- Requests filling of vacant positions or supplemental expertise as needed.

Chapter 5: Areas of Responsibilities

The NERC Standards Developer is responsible for facilitating the work of the DT in completing its obligations as outlined in this document and the standard development process. In this regard, the NERC Standards Developer *may* support the drafting teams with respect to the following:

- Ensure that applicable governmental authority directives and the entirety of the rule(s) or order(s) relating to the standard(s) under development are available and understood;
- Propose language for the drafting team to consider, or assign drafting team members to propose language to:
 - Capture the essence of the team discussions of proposed Reliability Standards;
 - Ensure consistency of style and format of proposed Reliability Standards with other approved Reliability Standards;
 - Ensure compliance obligations are clear in the proposed Reliability Standard;
 - Assist in developing supporting documents to support industry understanding and implementation of proposed Reliability Standards;
 - Assist in developing written technical justification for each proposed new or revised requirement and for each proposal to retire a requirement;
 - Assist in developing written technical justification describing the drafting team’s approach to addressing regulatory authority directives where a drafting team determines that an alternative approach should be pursued; and
 - Help demonstrate that the proposed Reliability Standards meet statutory and regulatory authority criteria for approval in each relevant jurisdiction;
- Assisting the drafting team regarding the degree to which the team:
 - Sufficiently addresses the full scope of the approved SAR;
 - Proposes revised Reliability Standards that provide for an ALR;
 - Completely addresses each regulatory directive applicable to the Reliability Standards under development; and,
 - Address each observation made during the quality review of the team’s proposed standard and associated implementation plan.

NERC Staff Working with DTs:

Collectively, NERC staff, working with the SC, prepares the materials submitted to the NERC Board of Trustees (Board) regarding adoption of a proposed Reliability Standard that achieved the requisite industry consensus for approval. In providing this recommendation, NERC staff includes a discussion on the development of the standard through the balloting process, adherence to the Reliability Standard development procedure, key issues and an overview of stakeholder comments, how the team addressed the comments and issues, identification of any significant unresolved minority views, and, where applicable, how the proposed standard addresses associated directives from an applicable governmental authority. The NERC Board must adopt the proposed Reliability Standards and authorize the filing of a proposed standard with the applicable governmental authorities.

Chapter 6: Additional DT Guidance

NERC Email Lists

NERC staff will assign each DT a unique list server. The list server allows drafting team members, and any others on that list, to simultaneously send a message to all members of the DT. NERC staff will also assign an expanded (DT-plus) list server to include other interested individuals who are not members of the team (Observers, Guests, etc.). The drafting team should use the “plus” list as the primary communication tool. The “team only” list should be used only when sensitive information is discussed. Additional guidelines are outlined in the [NERC Participant Conduct Policy](#).

Hyperlinks and Citations

Avoid including hyperlinks in mandatory and enforceable elements of Reliability Standards. For hyperlinks used in other documents (e.g., Technical Rationale, Implementation Guidance, etc.), each hyperlink should be accompanied by a full citation in APA Style format. When citing a document within the body of a text the document’s title is italicized (e.g., [Appendix 3A of the NERC Rules of Procedure Standard Processes Manual](#)).

Submission of Final Work Product for Approval

When the balloting process indicates sufficient industry consensus, the DT provides a recommendation to the SC that may include the following:

- For a SAR: a statement indicating the DT believes there is stakeholder consensus on the following: a reliability-related need for the proposed Reliability Standard action and the appropriate scope of the requirements;
- For a Reliability Standard or Definition: a summary listing of the work of the DT to achieve stakeholder consensus including:
 - Dates each draft of the Reliability Standard product was posted for comment;
 - Link to the associated Reliability Standards Development web page; and
 - Link to redline version of the final Reliability Standard product to show changes from the last version of the Reliability Standard product posted for comment;
- An analysis of the diversity of stakeholder participation in the comment periods;
- Identification of any strong minority views that were not satisfied during the revisions made to the Reliability Standard product and pertinent cost impact information collected during the comment period(s).

Quality Review

Although Section 4.6 of the SPM requires a QR prior to any initial ballot and formal comment period, the DT Chair may ask, at any time, the NERC Standards Developer to request for a QR which may be conducted depending on available resources. The QR will evaluate whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The DT may consider the results of the QR, decide upon appropriate changes, and recommend to the SC whether the documents are ready for formal posting and balloting.

Supplemental SAR (if needed)

If stakeholder comments indicate the existing scope of the approved SAR should be expanded, the DT may consider, and if necessary, submit a request to expand the scope of the SAR to the SC. If approved for posting, the DT can continue to work on the proposed Reliability Standard while it collects stakeholder’s support on the expanded scope of the project. Consideration should be made to avoid concurrent drafts of a proposed Reliability Standard by consolidating the drafting to a single project incorporating any subsequent related SARs.

DT Develops Proposed New or Revised Defined Term(s) (if necessary)

Section 5 of the SPM addresses the process for developing a defined term used in one or more NERC Reliability Standards. Please refer to that section for additional information regarding development and posting of such documents.

DT Develops an Implementation Plan

Section 4.4.3 of the SPM requires each DT to develop an implementation plan that informs responsible entities of the actions (compliance obligations) required once the Reliability Standard becomes effective. Please refer to that section for additional information regarding development and posting of such documents.

Supporting Document(s) (if necessary)

Section 11 of the SPM describes the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard, but do not themselves contain mandatory Requirements subject to compliance review. Please refer to that section for additional information regarding development and posting of such documents.

Implementation Guidance

Implementation Guidance is an additional type of supporting document that may be developed by the standard drafting team. The Implementation Guidance policy was created by the Board and documented in the compliance guidance policy document dated November 25, 2015. Per the policy:

Implementation Guidance provides a means for registered entities to develop examples or approaches to illustrate how registered entities could comply with a standard that are vetted by industry and endorsed by the ERO Enterprise. The examples provided in the Implementation Guidance are not exclusive, as there are likely other methods for implementing a standard. The ERO Enterprise's endorsement of an example means the ERO Enterprise CMEP staff will give these examples deference when conducting compliance monitoring activities. Registered entities can rely upon the example and be reasonably assured that compliance requirements will be met with the understanding that compliance determinations depend on facts, circumstances, and system configurations.

The DT should be aware that Implementation Guidance drafted during the standards development process may not be vetted and approved after a purposed standard has gone to ballot.

Chapter 7: Addressing Regulatory Directives

FERC or another applicable governmental authority may issue an order directing NERC, as the Electric Reliability Organization (ERO), to address specific issues or concerns. Even if some stakeholders indicate they do not support the directive, the ERO has an obligation to address the directive. The SC and the DTs are responsible for addressing directives that require new or modified requirements using the standard development process. Ultimately, all proposed Reliability Standards require NERC Board adoption.

FERC, or another applicable governmental authority, may assign one or more staff to work as an observer with each DT and to communicate staff views and concerns to the team. Each team may seek input from the staff of the applicable governmental authority regarding whether the work of the DT addresses the intent of any directives from the applicable governmental authority. If applicable governmental authority staff offers advice on issues outside the scope of the directives, the DT should consider this advice in the same manner that it considers advice from any other source.

Applicable governmental authority directives vary in the level of detail provided – most directives identify a reliability objective that the directive should achieve and then identify a proposed method of achieving that objective. When an applicable governmental authority issues a directive that requires new or modified standard requirements, the optimal course of action is for NERC and stakeholders to participate in the proceeding, especially if concerns exist with the directive. In the United States, for example, FERC has generally proposed directives first through a notice of proposed rulemaking (NOPR), considered any comments that are submitted on the proposed directive(s) by interested parties, and then issued the directive(s) in a final rule. If a concern exists on a particular directive when a final rule is issued, NERC or stakeholders may seek rehearing or clarification of the final rule as provided under FERC’s Rules of Practice and Procedure, or, if outside the United States, the relevant rules of the applicable governmental authority issuing the directive.

At such time that the applicable governmental authority’s directive is considered “final”, NERC, through its SC and the DT, has the responsibility to address it. When addressing a directive, a DT has the following courses of action available based on its consideration of the directive and the reliability objective associated with the directive:

Drafting Team Agrees with the Reliability Objective and Directive as Presented

- The DT agrees with the reliability objective that is defined by the regulatory authority directive.
- The DT addresses the directive by incorporating the appropriate language in the proposed standard.
- The DT develops a written explanation that discusses how the team’s approach addressed the directive. This information will then be included in the filing of the standard, if industry approves it, and adopted by the NERC Board.

Drafting Team Agrees with the Reliability Objective but Elects to Employ an Equivalent Alternative Approach to Implement the Directive

- The DT agrees with the reliability objective that is defined by the directive.
- The DT does not agree with addressing the directive as presented in the order of the applicable governmental authority.⁷
- The DT incorporates language in the proposed standard that addresses the reliability objective or proposes achieving the reliability objective through another mechanism.

⁷ In the United States, FERC permits an equivalent alternative approach provided the alternative approach addresses the FERC’s underlying concern or goal as efficiently and effectively as the FERC proposal.

- The DT develops a written explanation that discusses how the team’s approach is equally efficient and effective in meeting the reliability objective of the directive. The DT posts this explanation when posting the standard for stakeholder comment. This information will then be included in the filing of the standard, if it is approved by industry, and adopted by the NERC Board.
- If requested, or as needed, the DT, or representatives thereof as determined by the team, shall discuss its approach with applicable regulatory authorities, the SC, and NERC staff.

Drafting Team Agrees with the Reliability Objective but Believes the Directive as Presented is Detrimental to Reliability

- The DT agrees with the reliability objective but does not agree with the directive because it is detrimental to reliability.
- The DT includes the reliability objective and directive in materials issued for an industry comment period to obtain stakeholder input on the impact of implementing the directive as presented.
- The DT develops an approach that achieves the reliability objective desired by the directive but in a manner not detrimental to reliability.
- The DT develops a written explanation that describes how the directive, if implemented as directed, would cause adverse reliability impacts. The DT articulates its alternate approach that better achieves the desired reliability objective.
- The written explanation is provided to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
- The NERC executive management will lead the effort in coordination with the chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive.
- If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its concerns and proposed alternate approach with the applicable governmental authority, the SC, and NERC staff.

Drafting Team Disagrees with the Reliability Objective and Believes the Directive, as Presented, Lacks a Clear Reliability Benefit

- The DT does not agree with the reliability objective associated with a directive because it is unsupported by a reliability need.
- The DT develops a written explanation that describes how the objective, if implemented as directed, does not support a reliability need.
- The DT implements the directive as presented by incorporating appropriate language in the proposed standard and posts this for stakeholder comment. At the same time, the DT posts its concerns regarding the perceived lack of reliability benefit of the directive and the reliability objective it is attempting to achieve. If stakeholder comments support the DT’s position, the DT provides its concerns and stakeholder comments to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
- The NERC executive management will lead the effort in coordination with the Chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive, that may include submission of a request for clarification to the applicable governmental authority or a request to process the proposed standard and associated directive language through the balloting process so there is full evidence of consensus, or lack thereof.
- If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its

concerns with the applicable governmental authority, the SC, and NERC staff.

Where an applicable governmental authority directs NERC to “consider” a proposal, issue, recommendation, or other matter, the drafting team may implement the proposal, offer an alternative proposal, or explain why the proposal should not be adopted. The drafting team must seek stakeholder input on its consideration of these directives using the standard development process and must document its conclusions. NERC will submit this documentation with its request for standard approval to the applicable governmental authorities.

Response to Applicable Governmental Authority Staff Involvement in Standard Drafting Team Activities

Because the standard development process is an open process, NERC cannot preclude applicable governmental authority staff from involvement in its standard development activities. To that end, the NERC Board provided the following policy guidance⁸ to guide DTs’ responses to regulatory authority staff involvement in standard drafting activities:

- The DT has sole responsibility for drafting and approving the language in the proposed Reliability Standards that are presented to the SC for ballot.
- NERC and its SC support the involvement of applicable governmental authority staff in all DT activities, where permitted by law.
- NERC recognizes that applicable governmental authority staff does not speak for the regulatory authority itself and, as such, the input they provide is considered advice.
- In the event applicable governmental authority staff does choose to participate in drafting team activities, they should be treated as any non-voting observer or participant.⁹
- DT members should seek out the opinion of applicable governmental authority staff, consider the staff input on its technical merits,¹⁰ and respond to written comments offered during a public posting period as it would seek opinions from, consider the technical merits of, and respond to comments offered by other industry stakeholders.
- To the extent that applicable governmental authority staff advice is offered to the drafting team (or members thereof) in a forum that is not public and open to all industry participants, the DT should consider the input as advice.
- If the team chooses to act on applicable governmental authority staff advice offered in a non-public forum, the DT chair should either:
 - Request the applicable governmental authority staff to provide the advice during an open meeting or conference call of the DT; or
 - Document his/her understanding of the issues or advice presented, and include the information in an open industry comment period with the accompanying changes to the proposed Reliability Standards.

By doing so the tenets in the ROP are satisfied.

⁸ Policy guidance was approved at the October 29, 2008, meeting of the NERC Board.

⁹ DT members are responsible for performing the roles and responsibilities as outlined in this document and are held accountable for developing standards that achieve the objectives in the approved standards authorization request. Observers and non-voting participants to the standard development process may opine on the issues at the discretion of the drafting team chair during DT meetings but they have no official voice in the final determination of the proposed standard language, except through participation in public comment periods, the Registered Ballot Body, and the balloting process associated with the proposed standard.

¹⁰ The DT may elect to seek regulatory authority staff opinion on a proposed standard’s ability to meet a regulatory authority directive or order, to clarify the regulatory authority staff’s interpretation of a directive, or may discuss a technical opinion not necessarily associated with a regulatory authority directive or order.

In the U.S., federal law prohibits FERC from authoring language for Reliability Standard requirements; rather, they can identify specific issues to be addressed by drafting teams.

See **Attachment B** for further discussion on FERC's role to approve Reliability Standards in the United States.

Chapter 8: Informal Development

The DT may participate in activities outside the formal standard development process. The intent of informal development activities are to identify issues associated with the project and determine whether there are solutions on which to build consensus, thereby reducing the time needed during the formal Reliability Standards development process. The informal development activity does not circumvent the formal Reliability Standards development process and, rather, its purpose is to raise issues and build consensus outside of formal Reliability Standards development.

Informal consensus building activities include, but are not restricted to, the following tools to advance industry awareness and build support for the Reliability Standard as opportunities to educate and inform stakeholders:

- Conducting Webinars
- industry surveys
- in-person workshops
- in-person meetings open to the stakeholders
- straw polls
- Publishing announcements
- Leveraging existing venues such as Compliance Workshops
- Leveraging existing and historical technical committee work
- Using any applicable NERC communication plans
- FERC outreach

Chapter 9: Assessing Stakeholder Comments

NERC staff will provide DTs with a report containing all of the comments submitted during the comment period. The report consists of the following information:

Table of Commenters

The Table of Commenters is a list of stakeholders who complete comment forms and is organized to show the industry segments represented by each commenter.

Standards Balloting System (SBS) Comment Report

Drafting team members will receive a comment report containing all comments received from responses to the individual questions and the interactive comments including likes/dislikes selections.

Comments and Responses

The format of the Consideration of Comments report includes each submitter's name, company, segment, answer(s) to question(s), comments submitted in response to the associated question, and the appeals process statement. As required in Section 4.12 of the SPM, the DT is responsible to review and respond in writing to all comments received during formal comment periods. The Consideration of Comments report is posted on the associated project page.

Evaluation of Comments as an Indication of Potential Ballot Results

DTs are encouraged to evaluate whether the set of comments is representative of the industry or a subset of the industry and to consider the sources of the comments when determining what revisions may be necessary to gain industry support for the standard. From the comment form, the DT can determine if the comments represent: 1) an individual in a single industry segment; 2) an individual representing several industry segments; 3) an individual representing a group in a region or industry segment; 4) a group representing several entities; 5) a group on behalf of a single entity; 6) a group representing a region; and 7) a group from a technical committee with members across regions and industry segments.

One way of interpreting the comments is to determine how many ballots are represented by each comment and consider the following:

- A single commenter from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- A single commenter from an entity that is registered to vote in three industry segments may be considered to represent three potential ballots.
- Six commenters from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- Six commenters, each from different entities with each of these entities registered to vote in one industry segment, may be considered to represent six potential ballots or, if in multiple industry segments, may result in an even greater number of ballot positions.

Obligation to Respond to Comments

Proposed new or modified Reliability Standards require a formal comment period. The intent of the formal comment period is to solicit feedback on the final draft of the Reliability Standard and associated documents. A drafting team must respond in writing to every stakeholder's written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team and publicly posted.

There is no formal comment period concurrent with the Final Ballot, and no obligation for the drafting team to respond to any comments submitted during the Final Ballot. There is no requirement for a drafting team to respond in writing to comments submitted through an informal comment period.

Assessing Technical Merit of Comments

When reviewing the comments, the DT should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community, with the understanding that 100 percent agreement is likely unachievable.

The intent of any relevant cost evaluation document is to identify potential egregious costs associated with a new Reliability Standard. If a cost evaluation was conducted, results should be used only in the context of providing further information along with the SAR and should be provided to the SC.

Practical Tips for Addressing Comments

One approach to completing the Consideration of Comments report is for the DT to review all the comments submitted in response to a particular question and then have a discussion. Some DTs find it useful to create responses together, developing a draft response to each unique comment during the meeting. Other DTs prefer to divide the comments among team members allowing the assigned team member to prepare an initial draft response for team discussion at its meeting. In either case, review and discussion should support the DT's efforts to reach a stakeholder consensus.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during a formal comment period or concurrent ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the Revised Reliability Standard for another formal comment period and ballot. Prior to posting a revised Reliability Standard for an additional comment period, the DT must communicate to stakeholders that significant revisions to the Reliability Standard are necessary. This communication should note that the DT is not required to respond in writing to comments from the previous ballot.

Chapter 10: Guidance on Drafting a Result-Based Reliability Standard

The results-based NERC Reliability Standard template is organized by the sections identified below and contains the definitive information on format and requirements. Below is additional guidance, which is organized similarly to the template’s corresponding section.

Section A – Introduction

Title

The title should be a brief descriptive phrase that identifies, in a clear and concise manner, the subject addressed by the Reliability Standard. The title should answer the following questions:

- What reliability-related topic does the title address?
- How should the topic be described, limited, or specified?

The title should not start with the word “to,” include the word “standard,” or be excessively wordy or vague. Reliability Standard titles should not be complete sentences.

Number

NERC staff assign the Reliability Standard number for a new Reliability Standard. The numbering convention has three parts:

- A three-letter acronym denoting the general topical area of the Reliability Standard
- The Reliability Standard number within that topical area, beginning with 1 and increasing sequentially
- The version of that Reliability Standard

If a Reliability Standard is being proposed for revision, the Reliability Standard is given a new version number. A detailed explanation is available in the [NERC Standards Numbering System](#).

Purpose

A clear statement that describes how the Reliability Standard contributes to the reliability of the BPS and should not contain actionable requirements. The purpose of a specific Reliability Standard will not necessarily be the same as the purpose on a SAR as some SARs have a purpose statement that addresses modification of a set of Reliability Standards.

Applicability

NERC’s Reliability Standards apply to users, owners, and operators of the facilities that make up the BPS. The applicability section of a Reliability Standard should use entities found in the *Statement of Compliance Registry Criteria* (codified as *Appendix 5B of the NERC Rules of Procedure*) which is the FERC-approved vehicle by which NERC and the Regional Entities identify the entities responsible for compliance with NERC and Regional Reliability Standards. In a small number of cases, when a number of requirements are being developed that will apply to a large number of functional entities, the DT may work with NERC staff to define a term that is used within a particular standard or group of Reliability Standards to refer to that group of functional entities collectively.¹¹ In some cases, the DT will identify the need to limit the applicability of one or more requirements in a Reliability Standard to a subset of entities or facilities so that the applicability aligns with the reliability risk. In most cases, these limitations are identified in the

¹¹ See CIP-002-5.1a for an example: 4.1 Functional Entities: For the purpose of the requirements contained herein, the following list of functional entities will be collectively referred to as “Responsible Entities.”

applicability section of the Reliability Standard, rather than embedded in the requirements.¹²

Effective Date

The effective date section in the Reliability Standard refers to an associated implementation plan. The implementation plan sets forth the date or pre-conditions for determining when each Requirement becomes effective in each jurisdiction.

Section B – Requirements and Measures

Requirements

An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability- related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory. Some requirements may have “parts.” The parts of a requirement are numbered by using the number of the requirement, followed by a decimal number (e.g., Requirement R4 could have parts 4.1, 4.2, and 4.3).

Each requirement should:

- Include the name of the responsible functional entity or entities.
- Include the word “shall.”
- Be written in:
 - Active voice rather than the passive voice.
 - Concise, clear, measurable language. (Requirements that are not measurable or are subject to multiple interpretations are unacceptable.)
- Avoid use of ambiguous adjectives such as “sufficient” or “adequate” as these cannot be measured objectively. When a range of performance is acceptable, the range needs to be qualified and bounded by measurable conditions/parameters.
- Utilize currently approved Glossary of Terms within each requirement unless the SAR’s scope provides for a new or updated term.
- Achieve one objective. If a requirement achieves two objectives, such as developing a document and distributing that document, then each objective should be addressed in its own requirement.
 - Contribute to one or more reliability principles and the specific objective of the Reliability Standard. All parts of a requirement must contribute to the objective of the main requirement. If there is only one part that contributes to the objective of the main requirement, there should only be one main requirement and no parts.
 - Avoid more than one level of parts as it may reduce clarity.

Where practical, requirements should use language that is already familiar to the end users of NERC’s Reliability Standards. To that end, a list of ‘verbs’ already used in NERC Reliability Standards can be referred to in *Attachment A*.

In general, the language of a requirement should follow the format of:

¹² For example, a Reliability Standard may limit applicability to certain facilities based on electric characteristics, such as transmission facilities energized at 200 kilovolts or greater. If no functional entity limitations are identified, the default is that the Reliability Standard applies to all identified listed functional entities – so that if the applicability identifies, “Transmission Operators”, then the Reliability Standard applies to all Transmission Operators that have registered in NERC’s Compliance Registry.

[Entity X] shall perform [specific action] by [a specific time or frequency].

The DT should consider adding a time frame for measuring the required performance, as FERC has determined that unless the requirement includes a time period, each incidence of noncompliant performance must be assessed as a separate act of noncompliance, subject to an individual penalty or sanction. In addition, if performance results can be practically measured quantitatively, metrics should be provided within the requirement.

Measures

Each requirement must have at least one measure. A single measure can be used for more than one requirement. A measure provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.

Section C – Compliance

Data/Evidence Retention

Evidence retention is included in Section C of the Reliability Standard under Compliance Monitoring Process. The evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance, and each requirement must have an Evidence Retention period following this format:

- The [applicable entity(ies)] shall keep data or evidence of Requirement [insert requirement number] for [insert retention period] calendar days/months/years. **(Add requirements as appropriate for this standard. This section is only for those requirements that do not have the default data retention.)**

Violation Severity Levels (VSLs)

VSLs are included in section C of the Reliability Standard in a table format. The VSLs provide guidance on the way that NERC will enforce the Requirements of the proposed Reliability Standard. To assist the DT in the development of VSLs, refer to the *Violation Severity Level Guidelines*. These guidelines outline the criteria and attributes for developing VSLs.

Violation Risk Factors (VRFs)

Each requirement must also have a Violation Risk Factor associated with it. The risk factor is one of several elements used to determine an appropriate sanction when the associated requirement is violated. The VRF assesses the impact to reliability of violating a specific requirement and shall be categorized as a high, medium or low risk. The criteria for categorizing a VRF, which has been filed with FERC as part of the ERO's *Sanction Guidelines* (codified as Appendix 4B of the NERC Rules of Procedure), along with the five guidelines that FERC uses to determine whether to approve the VRFs submitted for approval⁶¹³ are documented in *VRFs*.

If a requirement has parts, and some of the parts are much more critical to reliability than others, then the DT should consider subdividing the requirement into separate requirements and assigning a VRF to each of the individual requirements.

Time Horizons

Each Reliability Standard requirement must also have an associated time horizon to differentiate requirements that involve shorter and narrower time frames (e.g., real-time operations) from those that involve longer and broader time frames (e.g., long-term planning).

¹³ In its *May 18, 2007 Order on Violation Risk Factors*, FERC identified five "guidelines" it uses to determine whether to approve the VRFs submitted for approval.

Section D – Regional Variances

Most Reliability Standards can be written so that they apply on a continent-wide basis without the need for a variance. FERC accepts that a variance may be needed under the following conditions (Order No. 672¹⁴):

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential and in the public interest, as required under the statute:

(1) a regional difference that is more stringent than the continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not; and

(2) a Regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.

Regional variances are generally identified during the SAR stage, but may be identified later in the process. They are specified and requested by the Region that wants the variance. While both the DT and Regions must ask stakeholders if they see a need for a regional variance, the DTs do not have primary responsibility for writing these variances — writing a variance is the primary responsibility of the entity that requests the variance, or their designee. If a DT receives a variance as it is developing a Reliability Standard, the team will post the variance for comment along with the proposed Reliability Standard, and will ask stakeholders if they support the variance.

If stakeholders do not support the variance as proposed, the entity that wants the variance may modify the variance and post it again for another comment period, or the entity may withdraw its request for the variance. The entity requesting the variance is responsible for working with the DT to respond to each comment submitted in response to the proposed variance.

Section E – Associated Documents

This section should include a reference to the Implementation Plan, Technical Rationale if developed, and other important associated documents.

Version History

Update the version history of the Reliability Standard as appropriate. All version history content is carried over to the subsequent version. The ‘Action’ column should include the project number followed by the action completed. The ‘Change Tracking’ column should include (as applicable): New, Errata, Revisions, Addition, Interpretation, etc.

Standards Attachments

Documents that should appear in this section are attachments or other documents (Interpretations, etc.), if any.

¹⁴ Order No. 672, *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, FERC Stats. & Regs. ¶ 31,204, at P 291.

Attachment A: Verbs

To achieve the highest degree of consistency between Reliability Standards, a DT should use terms previously defined or applied in existing Reliability Standards. The following verbs and definitions are not in the official [NERC Glossary of Terms](#); however, existing Reliability Standards contain references to the following verbs and definitions and should serve as a reference for DTs, where applicable, to minimize the introduction of new terms.

Acquire — To obtain something new, such as a trait, ability or characteristic; to get as one's own; to locate and hold.

Activate — To make active; to start development of

Address — To communicate directly, spoken, written or otherwise; to direct one's attention to

Adhere — To give support or bind oneself to observance

Agree — To concur in, as an opinion; to settle on by comment consent

Alert — To give warning or notice, or to call to a state of readiness; to make clearly aware of

Analyze — To review elements and critically examine

Apply — To make use or put to use

Appoint — To fix a place or time; to place in office or post

Approve — To give one's consent to

Arrange — To put in a proper order, sequence, or relationship; to prepare for; to bring about an agreement or understanding

Assemble — To put together all relevant pieces

Assess — To make a determination, evaluation, or estimate; to critic and judge

Begin — To do or initiate the first part of an action or process

Calculate — To make a mathematical computation; to solve or probe the meaning of; to design or adapt for a purpose

Calibrate — To determine, rectify or mark the graduations of; to standardize by determining the deviation from the standard; to adjust precisely for a particular function

Check — To test, compare or examine to determine if something is as it should be

Collect — To gather information from multiple sources

Communicate — To receive or distribute, to convey or make known information via personal, written or electronic methods

Comply — To execute, conform, adapt, or complete

Compute — To determine, often mathematically, an answer or sum

Conduct — To act as a leader, supervisor or to director as leader the performance or action

Confirm — To prove the truth, validity or authenticity of something

Consider — To give intelligent thought to a situation

Contact — To reach someone through a communication device (telephone, radio, etc.)

Control — To exercise restraining or directing influence over

Cooperate — To work together or among others; to act in compliance; to associate with other(s) for mutual benefit

Coordinate — To mediate the exchange of data between at least two people

Correct — To alter or adjust so as to meet some standard or required condition

Cover — To treat or include information with; to guard, protect, prevent observation or knowledge of

Create — To produce or bring into existence

Curtail — To cause an action to stop

Define — To mark the limits of with clarity and authority; to specify instruction and interpretation

Demonstrate — To point out, show clearly the existence of; illustrate or explain

Describe — To give an account or represent in words, figure, model or picture

Destroy — To ruin the structure, condition or existence

Attachment A: Verbs

Detect — To discover or determine the existence, fact or presence

Determine — To analyze

Develop — To set forth or make clear by degrees or in detail; to work out the possibilities

Direct — To use an authoritative voice to tell another individual to perform an action

Disable — To make incapable or ineffective; to deprive a right, qualification, capacity

Disconnect — To sever or terminate a connection of or between

Discuss — To investigate or talk about using reason or argument; to present in detail for consideration or examination

Disperse — To cause to break up or become spread widely, to distribute

Display — To exhibit or make evident for viewing

Disseminate — To spread broadly

Distribute — To divide among several or many; to give out or deliver

Document — To make a printed record of something

Enable — To make possible or able by providing means or opportunity; to give legal power, capacity or sanction

Ensure — To make sure, certain or safe

Enter — To depress keys on a keyboard so as to have information sent to a computer system

Establish — To institute permanently by enactment or agreement; to make firm, stable

Evaluate — To appraise the worth of; to determine or fix the value, significance, condition or worth of

Exchange — To part with, give or transfer while receiving something as an equivalent; to part with for a substitute; to give and receive reciprocally

Execute — To put into effect; to carry out what is required

Exercise — To perform a function or carrying out the terms of an agreement; regular or repeated use or practice in order to develop, improve or display specific capabilities or skills

Explain — To make known, plain, or understandable; to give a reason for a cause

Flag — To signal, mark or identify

Focus — To direct toward a particular point or purpose

Follow — To go, proceed, or come after; to be or act in accordance with; to pursue in an effort; to seek or attain

Give — To administer, guide or direct; to execute or deliver; to offer or furnish; to perform

Have — To hold, maintain or possess something or a privilege; to stand in a certain relationship to

Hold — To have possession or ownership; to have as a privilege or position of responsibility

Identify — To recognize, establish the identity of, ascertain the origin, nature, or definitive characteristics of

Implement — To carry out or fulfill

Include — To make a part of a whole, group, or class

Increase — To make greater, larger in size, amount, number or intensity

Indicate — To point out, state or express briefly, to serve as a sign

Inform — To provide information or make aware

Initiate — To cause or facilitate the start of

Install — To establish in an indicated place, to set prepare, or position for use

Issue — To distribute, put forth, or make available

Keep — To take notice of by appropriate conduct; to retain possession of; to store

Know — To have direct cognition of; to have experience; to be acquainted or familiar with

Limit — To restrict, curtail or reduce in quantity or extent

List — To make a list of, itemize

Maintain — To control to specified limits

Attachment A: Verbs

| | |
|---|--|
| Make — To cause to exist or happen; to institute or establish; to put together from components | Request — To ask permission from someone of higher authority |
| Manage — To handle, direct, control or conduct with a degree of skill, to | Require — To impose a compulsion or command, to demand as necessary |
| Meet — To conform with or fulfill | Resolve — To deal with successfully, to clear up, to reach a firm decision about |
| Modify — To make an adjustment | Respect — To consider worthy of high regard, to have reference to; to refrain from interfering with |
| Monitor — To actively scan various information sources | Respond — To provide a reply to some request for information |
| Notify — To inform someone of some activity | Restore — To return equipment to a specified state |
| Offset — To serve as a counterbalance | Resynchronize — To re-establish synchronicity |
| Open — To perform actions that will cause a device to physically separate from the electric system | Retain — To keep possession of, to hold secure or intact |
| Operate — To cause to function or work | Return — To go back or come back to a practice or condition or specified measure |
| Participate — To take part or share in something | Review — To look at available data |
| Pay — (Attention) — To give, offer | Sample — To test or example by a sample |
| Perform — To carry out an action | Serve — To meet requirements, to work, prepare, provide |
| Place — To put in a particular position; to direct to a desired spot | Share — To participate in, use or experience jointly or in turns |
| Plan — To arrange or formulate information for a specific intention | Shed — To repel without allowing penetration |
| Post — To publish, announce or advertise | Sign — To place a signature on a document Specify — To state explicitly or in detail |
| Prepare — To make ready in advance | Staff — To provide a staff of workers or assistants |
| Protect — To cover or shield from exposure, injury, damage or destruction | Stipulate - To specify or make conditions or requirements for an agreement |
| Provide — To furnish or supply, make available | Submit — To yield authority; to present or put forward an opinion, information, or idea |
| Publish — To prepare and issue printed information for public distribution or access | Take — To possess and hold |
| Record — To enter | Terminate — To end |
| Re-evaluate — To revise or renew | Test — To use a procedure to measure or determine something |
| Reference — To supply or cite a source or make a notation | Track — To follow, pursue, or plot a moving path |
| Release — To relinquish control over a piece of equipment | Train — To instruct, drill or shape by discipline or precept |
| Render — To cause to be or become | Update — To bring up to date |
| Repeat — To perform one or more actions another time | |
| Report — To give a formal or informal account | |

Attachment A: Verbs

Use — To put into service, employ; to practice

Utilize — To find or make a practical use for

Verify — To prove to be correct by investigation or comparison with a standard or reference

Wait — To curtail actions until some criteria is reached

Work — To physically or mentally make effort or activity toward production or accomplishment

Attachment B: Additional Discussion on FERC’s Role

The Energy Policy Act of 2005 gave FERC certain jurisdiction over the development, approval, and enforcement of electric Reliability Standards applicable to users, owners, and operators of the bulk power system in the United States. It authorizes FERC to approve Reliability Standards, to remand Reliability Standards that do not meet its criteria for approval as outlined in Order No. 672, and to direct modifications to address specific issues. Through various orders and rules, FERC has approved a set of Reliability Standards developed by the industry through NERC’s Standard Processes Manual that establish the baseline for ensuring reliable operation of the bulk power system in North America. Only FERC-approved Reliability Standards are mandatory and enforceable within the United States.

In the Energy Policy Act of 2005, Congress added Section 215 to the Federal Power Act to outline the scope of FERC’s authority with respect to Reliability Standards. This statute provides, in relevant part:

The Commission shall have jurisdiction, within the United States, over the ERO certified by the Commission under subsection (c), any regional entities, and all users, owners and operators of the bulk-power system, including but not limited to the entities described in section 201(f), for purposes of approving reliability standards established under this section and enforcing compliance with this section. All users, owners and operators of the bulk-power system shall comply with reliability standards that take effect under this section... (16 U.S.C. § 824o(b)(1)).

The Commission may approve, by rule or order, a proposed reliability standard or modification to a reliability standard if it determines that the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission shall give due weight to the technical expertise of the Electric Reliability Organization with respect to the content of a proposed standard or modification to a reliability standard and to the technical expertise of a regional entity organized on an Interconnection-wide basis with respect to a reliability standard to be applicable within that Interconnection, but shall not defer with respect to the effect of a standard on competition. A proposed standard or modification shall take effect upon approval by the Commission. (16 U.S.C. § 824o(d)(2)).

The Commission, upon its own motion or upon complaint, may order the Electric Reliability Organization to submit to the Commission a proposed reliability standard or a modification to a reliability standard that addresses a specific matter if the Commission considers such a new or modified reliability standard appropriate to carry out this section. (16 U.S.C. § 824o(d)(5)).

The Commission’s regulations implementing Section 215 of the Federal Power Act are contained in 18 C.F.R. part 39.

Consistent with Section 215 of the Federal Power Act and implementing regulations, NERC has been certified by FERC to be the U.S. ERO. Not all jurisdictions in Canada have the necessary legal structures to name an ERO; however, all have recognized NEC as an electric reliability standards-setting organization and have committed to supporting NERC in its standards setting and oversight role as the North American ERO. Currently, Reliability Standards are mandatory and enforceable in the U.S., in the Canadian provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan, and on international power lines subject to the jurisdiction of the Canadian Energy Regulator

NERC, in one of its key roles as the ERO, develops Reliability Standards. NERC’s standard development process has been approved by FERC. Reliability Standards that have been developed by stakeholders through NERC’s open and inclusive process and adopted by the NERC Board are then submitted to regulatory authorities, as specified in the laws or regulations in effect in each jurisdiction. NERC’s standards development process provides reasonable notice and opportunity for public comment, due process, openness, and balance among the various interests in support of developing quality Reliability Standards.

Attachment B: Additional Discussion on FERC's Role

FERC is not permitted by law to explicitly write standard requirements. FERC may, however, direct the ERO to submit a proposed new or revised Reliability Standard that “addresses a specific matter.” (See 16 U.S.C. § 824o(d)(5)). As stated earlier, FERC must give due weight to the technical expertise of the ERO with respect to the specific content of a proposed Reliability Standard (see 16 U.S.C. § 824o(d)(2)). This technical expertise is embodied in the DTs and other stakeholders participating in the standard development process and is reflected in the comments received from industry stakeholders during the SAR and standard development process and by the Registered Ballot Body participants that vote on a proposed standard as part of the ballot pool.

NERC has an obligation, under applicable laws and regulations, to address directives issued by the applicable governmental authority regarding Reliability Standards. Through its SC, NERC charges its DTs to fully address each directive.

NERC staff serve an important role in assessing to what degree the DT has addressed each applicable directive and informing the SC when it appears that further work may be required to fully address a directive. The NERC Board of Trustees may exercise special procedures when a ballot pool has failed to approve, or a drafting team has failed to develop, a Reliability Standard that addresses an applicable directive. (See NERC Rules of Procedure Section 321, Special Rule to Address Certain Regulatory Directives).

In Order No. 693, FERC provided guidance as to how NERC and the DTs should view the FERC directives:

“185. With regard to the many commenters that raise concerns about the prescriptive nature of the Commission’s proposed modifications, the Commission agrees that a direction for modification should not be so overly prescriptive as to preclude the consideration of viable alternatives in the ERO’s Reliability Standards development process. However, in identifying a specific matter to be addressed in a modification to a Reliability Standard, it is important that the Commission provide sufficient guidance so that the ERO understands the Commission’s concerns and an appropriate, but not necessarily exclusive, outcome to address those concerns. Without such direction and guidance, a Commission proposal to modify a Reliability Standard might be so vague that the ERO would not know how to adequately respond.”

“186. Thus, in some instances, while we provide specific details regarding the Commission’s expectations, we intend by doing so to provide useful guidance to assist in the Reliability Standards development process, not to impede it. We find that this is consistent with statutory language that authorizes the Commission to order the ERO to submit a modification “that addresses a specific matter” if the Commission considers it appropriate to carry out section 215 of the FPA. In the Final Rule, we have considered commenters’ concerns and, where a directive for modification appears to be determinative of the outcome, the Commission provides flexibility by directing the ERO to address the underlying issue through the Reliability Standards development process without mandating a specific change to the Reliability Standard. Further, the Commission clarifies that, where the Final Rule identifies a concern and offers a specific approach to address the concern, we will consider an equivalent alternative approach provided that the ERO demonstrates that the alternative will address the Commission’s underlying concern or goal as efficiently and effectively as the Commission’s proposal.”

“187. Consistent with section 215 of the FPA and our regulations, any modification to a Reliability Standard, including a modification that addresses a Commission directive, must be developed and fully vetted through NERC’s Reliability Standard development process. The Commission’s directives are not intended to usurp or supplant the Reliability Standard development procedure. Further, this allows the ERO to take into consideration the international nature of Reliability Standards and incorporate any modifications requested by our counterparts in Canada and Mexico. Until the Commission approves NERC’s proposed modification to a Reliability Standard, the preexisting Reliability Standard will remain in effect.”

Attachment B: Additional Discussion on FERC's Role

“188. We agree with NERC’s suggestion that the Commission should direct NERC to address NOPR comments suggesting specific new improvements to the Reliability Standards, and we do so here. We believe that this approach will allow for a full vetting of new suggestions raised by commenters for the first time in the comments on the NOPR and will encourage interested entities to participate in the ERO Reliability Standards development process and not wait to express their views until a proposed new or modified Reliability Standard is filed with the Commission. As noted throughout the standard-by-standard analysis that follows, various commenters provide specific suggestions to improve or otherwise modify a Reliability Standard that address issues not raised in the NOPR. In such circumstances, the Commission directs the ERO to consider such comments as it modifies the Reliability Standards during the three-year review cycle contemplated by NERC’s Work Plan through the ERO Reliability Standards development process. The Commission, however, does not direct any outcome other than that the comments receive consideration.”

Version History

| Version | Date | Change Tracking |
|---------|--------------------|---|
| 1 | October 29, 2013 | New Revision to SDT Guidelines – changed to DT Reference Manual. Updated entire content. |
| 2 | January 7, 2014 | Corrected Errata to SC Reviewed version 1. |
| 2.1 | May 19, 2014 | Updated by Standards Information Staff to Coordinate with NERC Drafting Team Resources posting. |
| 3 | September 14, 2016 | Periodic review by Standards Committee Process Subcommittee and associated changes incorporated. |
| 4 | November 2021 | Updated to reformat, new design and deletion of redundancies with governing documents. Combine with Roles and Resp. document |
| 5 | January 2024 | Updated language to reflect deliverables from SPSEG. |