

September 16, 2011

Mr. Al DiCaprio
Strategist
PJM Interconnection, LLC
955 Jefferson Avenue Valley Forge Corporate Center
Norristown, PA 19403

Re: Level I Appeal of Project 2009-22 – Interpretation of the word, “Directive” as used in COM-002-2,
Requirement R2

Dear Al,

In response to your letter of August 30, 2011, I agree, in large part, with the recitation of the procedural history:

- The initial delay in processing this interpretation was discussed with the interpretation requester, and was associated with deferring work on the interpretation in the hope that clarity on the term, “directives” would be identified through standard development work in Project 2007-02.
- Additional delays were caused by a reprioritization of the total standards workload, with interpretations given a lower priority than standards development in accordance with guidance from the NERC Board of Trustees (November 2009).
- Additional delays were caused when the Standards Committee directed staff to stop work on interpretations until more formal processes were developed and implemented (October 2010 – April 2011).

While some of these delays were identified in public records, some were not, and I agree that we should have done a better job of communicating each of these delays not only with the requester but with all stakeholders, regarding the various reasons for the delays in processing this and other interpretations.

I further agree that the process of addressing this interpretation request has taken too long. We have reviewed the schedule with the drafting team; the team has developed a second draft of its interpretation that is responsive to stakeholder comments and submitted its work for a quality review on September 14, 2011. In accordance with the *Standard Processes Manual*, the draft interpretation will undergo a quality review and once the team has reviewed and responded to any observations, will be posted for a 45-day parallel comment and ballot period.

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The average time to complete an interpretation from 2006-2010 has been 10 months. Most of the interpretations posted on the Standards Under Development web page were initiated under the Reliability Standard Development Procedure Version 7, and are now being processed in accordance with the Standard Processes Manual.

- Note that the interpretation process was significantly modified when the industry approved the Standard Processes Manual. Under the Reliability Standard Development Procedure Version 7, if a request for interpretation was accepted, a drafting team was quickly formed and developed a draft interpretation within 45 days of accepting the interpretation. There was no comment period – the interpretation was posted for a 30-day pre-ballot review and then underwent an initial ballot and if no changes were made to the interpretation, then underwent a recirculation ballot. Experience with this process showed that the interpretations needed at least one comment period, and some sort of review to verify that the interpretation answered the question asked and only the question asked, and met other quality attributes.
- Under the Standard Processes Manual interpretations undergo the same quality reviews and comment and ballot periods as proposed standards. Thus, under the Standard Processes Manual, processing an interpretation takes much longer than it did under the predecessor Reliability Standard Development Procedure. While some interpretations posted on the Standards Under Development web page may have been drafted and undergone an initial ballot in 3.2 months, these interpretations have not been completed. The associated drafting teams must still respond to all comments, determine whether to make conforming changes, and continue with at least one more ballot.

In recent months the procedural issues surrounding interpretations have been clarified by both the Standards Committee and the newly formed Board of Trustees Standards Oversight and Technology Committee (BOT SOTC)

- The Standards Committee formalized a procedure for processing interpretations that ensures the work of drafting teams is more open and transparent to stakeholders.
- The Standards Committee approved a quality review process and endorsed a prioritization process for use in processing interpretations relative to other standards work
- The BOT SOTC indicated that the standards program must balance the need to provide most resources to standard development with the need to address stakeholder questions about requirements by moving some interpretations forward.

We appreciate the importance of each interpretation request, particularly to the requesting party. As indicated in the appeal, verbal communication is critical to reliability. The interpretation of COM-002, Requirement R2 for the ISO/RTO Council is among those identified as “High Priority” and is under active development at this time. The drafting team is aware of this appeal and has committed to giving this interpretation its highest priority.

Sincerely,



Herb Schrayshuen
Vice President and Director Standards

cc: Mr. Allen Mosher, Chair, NERC Standards Committee
Mr. Ben Li, Vice Chair, NERC Standards Committee
Mr. Gerry Cauley, President and Chief Executive Officer, NERC
Mr. Tom Galloway, Senior Vice President and Chief Reliability Officer, NERC
Ms. Holly Hawkins, Assistant General Counsel, NERC
Ms. Maureen Long, Director of Standards Process, NERC
Mr. Andy Rodriguez, Director of Standards Development, NERC
Mr. Joseph Krisiak, Standards Drafting Team Advisor, NERC