

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Appendix 3C

Procedure for Coordinating Reliability Standards Approvals, Remands, and Directives

Effective January 18, 2007

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Introduction

Purpose

This procedure describes steps for coordinating actions on reliability standards proposed by the electric reliability organization (ERO) among the various relevant federal and provincial governmental authorities in North America¹. This procedure also applies to governmental authority directives to develop or modify reliability standards.

The goals of coordinating these activities are:

- To ensure that reliability standards are applied consistently and concurrently to all bulk power system owners, operators, and users across North America, so as to preserve reliability and avoid undue discrimination.
- To avoid and resolve disagreements regarding the approval, effective date, or remand of a proposed reliability standard, or a directive to develop or modify a standard.

Importance of the Stakeholder Process

The challenge of coordinating approvals, directives, and remands of reliability standards among sovereign federal and provincial governments in the United States, Canada and, in time, Mexico underscores the paramount importance of granting due weight to the expertise of the industry and NERC in the development of reliability standards. Adopting standards as proposed by the ERO and the industry ensures that a single set of standards will be consistently applied across the various jurisdictions. At the same time, each governmental authority preserves its authorities and responsibilities established by the statutes and regulations applicable in each jurisdiction.

Principles of Coordination in the Development of Standards

Adherence to the following principles will promote effective coordination of standards actions among the various relevant governmental authorities.

NERC proposes that each relevant governmental authority:

- Share with each other respective authority and the ERO its policies and objectives for the development of standards to protect the reliability of the bulk power system.
- Share with each other respective authority and the ERO, as early as possible, any concerns it may have with a particular reliability standard, proposed or existing.
- Seek to actively participate in the stakeholder process for developing reliability standards, without compromising its oversight role and authority.

¹ In its July 20, 2006 order certifying NERC as the electric reliability organization, the United States Federal Energy Regulatory Commission directed NERC to revise its proposed coordination process to: (1) identify the relevant regulatory bodies and their respective standards approval and remand processes that will be implicated in any remand of a proposed standard, and (2) specify actual steps to coordinate all of these processing requirements, including those that may be necessary for an expedited deadline to return a remanded proposed reliability standard.

NERC will:

- Share standards development work plans and schedules with governmental authorities.
- Notify each governmental authority when a reliability standard is 1) proposed for development, 2) drafted for comment, and 3) balloted by stakeholders.
- Provide detailed justification for the approval of each standard submitted.
- Actively seek input and feedback from each governmental authority.

Coordination of Standards Work Plans

Annually, approximately during the period in which the ERO budget is subject to review and approval by the governmental authorities, NERC will facilitate an informal conference² to review standards development work plans with the interested staffs of governmental authorities in the United States, Canada and, as appropriate, Mexico. NERC will host the informal conference and invite representatives from the various governmental authority staffs, as well as stakeholder representatives that are experts with the proposed standards and representatives of the NERC Standards Committee. The conference will be facilitated as a collegial discussion of the objectives, priorities, schedules, and issues with regard to the development of reliability standards.

NERC will maintain a revolving 3-year work plan for standards development, updated annually prior to the informal conference. Additionally, NERC's annual business plan and budget submitted in August of each year will detail the standards development work for the coming year.

NERC will consider the comments and priorities of the governmental authorities in developing and updating the work plan. Each annual work plan shall include a progress report comparing results achieved to the prior year's plan.

Coordination of Standards Approval Actions

NERC will file with each governmental authority each reliability standard, modification to a reliability standard, or withdrawal of a standard that is approved by the board. Typically these filings will be made within 30 calendar days of board approval.

Each filing shall be in the format required by the respective governmental authorities and shall include: a concise statement of the basis and purpose of the standard; the text of the standard; the implementation plan for the reliability standard; a demonstration that the standard meets the essential attributes of reliability standards as stated in the ERO Rules of Procedure; the drafting team roster; the ballot pool and final ballot results; and a discussion of public comments received during the development of the reliability standard and the consideration of those comments.

Where a governmental authority is taking formal action on a reliability standard, the governmental authority is encouraged to use a proceeding that allows dialog with the ERO, other applicable governmental authorities, and, as appropriate, industry experts and stakeholders.

² Webex and conference lines will be available to invitees who are unable to travel to a central location.

To coordinate the timing of approval actions by governmental authorities, except in situations requiring more timely action, NERC will propose that all reliability standards become effective uniformly across North America on a date that:

- Provides a minimum of a 90-day period for governmental authority review and approval of the standards.
- Provides reasonable time for applicable bulk power system owners, operators, and users to become compliant with the standard.
- Coincides with the start of calendar year or quarter to facilitate implementation of compliance monitoring and reporting.

NERC will maintain an approval-action matrix for each set of proposed reliability standards. The action matrix will indicate the status of approval actions of all applicable governmental authorities. NERC will work with the applicable governmental authorities to obtain the requisite approvals and identify any concerns. NERC will notify all applicable governmental authorities when a status in the approval action matrix changes (e.g., a governmental authority approves the standard). If the approval-action matrix is completed in the planned approval window, the implementation of the standard will be set to begin on the proposed effective date.

If there is a failure to complete the approval-action matrix within the designated approval period, NERC will notify all applicable governmental authorities. NERC will coordinate with the governmental authorities for an effective date for the standard that is practical for the various jurisdictions. If a governmental authority fails to act on the standard for a cause, the remand process will be implemented.

Coordination of Remands and Directives

During the approval period (minimum of 90 days), if any concern exists that would cause any governmental authority to disapprove a standard or revision to a standard, the governmental authority is requested to inform the ERO in writing of the nature of that concern. The governmental authority should indicate whether it is considering a remand of the proposed standard, has remanded the standard, or is taking another action such as delaying approval, or is simply requesting clarification or additional information.

Upon receiving such a notice, NERC will forward the notice to all applicable governmental authorities within five business days and, where appropriate, request that each relevant governmental authority delay further action until the matter is resolved. Within 30 calendar days of the notice, NERC will propose a work plan and schedule to resolve the issue with the proposed standard. The work plan may be as simple as providing additional clarification to justify approval of the standard, or as extensive as returning the proposed standard to the stakeholder process for further development. The work plan will provide a proposed schedule for completion of the standard and re-submittal for approval.

A similar procedure as described above will be used if a governmental authority directs the development of a particular reliability standard, with or without a fixed time limit. NERC will notify all other governmental authorities of the directive within five business days of receiving the directive and will propose a work plan and schedule to meet the directive within 30 calendar days.

All standards that are remanded for further work or directed by an ERO governmental authority shall be modified or developed using the *Reliability Standards Development Procedure*. NERC will, during the development of a modification for the remanded standard or directed standard, consult and coordinate

with other governmental authorities to ensure that any modifications to the standard would not affect the standard's subsequent approval by the other relevant governmental authorities.

Urgent action or emergency action procedures may be applied if necessary to meet an expedited timetable required by a particular governmental authority. NERC will notify the other relevant governmental authorities on an expedited basis and will coordinate with those governmental authorities as required to ensure that the concerns of all relevant governmental authorities are addressed.

Principal Contacts for Coordination

NERC shall maintain a current list of government contacts for coordinating actions related to proposed standards. Two contacts will be provided, where available, including one for the filing and issuance of formal actions and a second for less formal coordination of standards development.

Contacts on the list will be notified of the following:

- Notice of the proposal to develop a standard, including the purpose and scope.
- Notice of the draft standard being available for review and comment.
- Notice of the stakeholder balloting of the standard, including the ballot results.

The list is provided in Table 1 below.

Table 1 — Contacts for the Coordination of Reliability Standards Actions

	Contact for Filings and Issuing Actions	Coordination Contact
United States	Ms. Magalie R. Salas Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426	Joseph McClelland Director, Division of Reliability Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426 Phone: (202) 502-8661 e-mail: Joseph.McClelland@ferc.gov
United States		Kevin Kolevar Director, Office of Electricity Delivery and Energy Reliability U.S. Department of Energy
Canada	Michel L. Mantha Secretary of the Board National Energy Board 444 Seventh Avenue SW Calgary, Alberta T2P 0X8	Bob Modray Technical Specialist, Economics & Energy Analysis National Energy Board 444 Seventh Avenue, S.W. Calgary, Alberta T2P 0X8 Phone: 403 299-3157 Fax: 403 299-3664 e-mail: Bmodray@neb-one.gc.ca

	Contact for Filings and Issuing Actions	Coordination Contact
Alberta	<p>Deb Young Minister's Secretary Alberta Ministry of Energy 404 Legislature Building 10800 - 97 Avenue Edmonton, Alberta T5K 2B6</p>	<p>Anne Denman Director, Electricity Division Alberta Department of Energy 9945-108 Street 6th Floor, North Petroleum Plaza Edmonton, Alberta T5K 2G6 Phone: 780-422-9212 Fax: 780-427-8065 e-mail: Anne.Denman@gov.ab.ca</p>
British Columbia	<p>Robert J. Pellatt Commission Secretary British Columbia Utilities Commission Box 250, 900 Howe Street Sixth Floor Vancouver, B.C. V6Z 2N3</p>	<p>Lori Ann Boychuk Commissioner British Columbia Utilities Commission Box 250, 900 Howe Street Sixth Floor Vancouver, B.C. V6Z 2N3 Phone: (604) 660-4700 e-mail: Lori.Boychuk@bcuc.com</p>
New Brunswick	<p>Lorraine Légère Board Secretary New Brunswick Board of Commissioners of Public Utilities P.O. Box 5001 15 Market Square, Suite 1400 Saint John, NB E2L 4Y9</p>	
Manitoba	<p>Gary Hastings Assistant Deputy Minister Energy Development Initiative Manitoba Department of Energy, Science and Technology 1200-155 Carlton Street Winnipeg, Manitoba, R3C 3H8</p>	<p>Kurt Simonsen Manager, Utilities and Energy Issues Manitoba Department of Energy, Science and Technology Energy Development Initiative 1200-155 Carlton Street Winnipeg, Manitoba R3C-3H8 Phone: (204) 945-3376 Fax: (204) 943-0031 e-mail: ksimonsen@gov.mb.ca</p>
Nova Scotia	<p>Nancy McNeil Regulatory Affairs Officer/Clerk Nova Scotia Utility and Review Board 3rd Floor, Summit Place 1601 Lower Water Street Halifax, Nova Scotia B3J 3P6</p>	<p>Peter Gurnham, Q.C. Nova Scotia Utility and Review Board 3rd Floor, Summit Place 1601 Lower Water Street Box 1692, Unit "M" Halifax, Nova Scotia B3J 3S3 Phone: (902) 424-4448 Fax: (902) 424-3919 e-mail: uarb.board@gov.ns.ca</p>

	Contact for Filings and Issuing Actions	Coordination Contact
Ontario	Kirsten Walli Board Secretary Ontario Energy Board P.O. Box 2319 2300 Yonge Street Toronto, Ontario M4P 1E4	Rick Jennings Assistant Deputy Minister Ontario Ministry of Energy 3rd floor 880 Bay Street Toronto, Ontario M7A 2C1 Phone: 416 314-6190 Fax: 416 314-6224 e-mail: rick.jennings@energy.gov.on.ca
Québec	Veronique Dubois Régie de l'énergie Tour de la Bourse 800, Place Victoria Bureau 255 Montréal, Québec H4Z 1A2	Gilbert Neveu Régie de l'énergie Tour de la Bourse 800, Place Victoria Bureau 255 Montréal, Québec H4Z 1A2
Saskatchewan	James Hoffman Crown Investments Corporation of Saskatchewan 400-2400 College Avenue Regina, Saskatchewan S4P 1C8	John A. McKenzie Manager, Strategic Corporate Development SaskPower 2025 Victoria Avenue, Regina, Saskatchewan S4P-0S1 Phone: 306- 566-3794 e-mail: jmckenzie@saskpower.com
Mexico		Carlotta Cagigas Comission Reguladora de Energia Mexico Phone: 011-52-555-283-1526 ccagigas@cre.gob.mx