

June 4, 2010

Below are the comments developed by the Northeast Power Coordinating Council's Regional Standards Committee for your consideration to the proposed amendments to the NERC Rules of Procedure Section 300.

- Throughout the document, where “ERO governmental authority” is referred to, is it just FERC, a Canadian authority, both something else? The intent should be explicit.
- From Section 321.1--Who determines that the Drafting Team failed to address a specific matter in a directive? The Standards Committee authority over a Drafting Team does not allow it to force a Drafting Team to address a directive they determine to be technically incorrect. In those instances, an alternative might be to move the standard forward without the directive included, but addressed in a separate technical document.
- From Section 321.2-2.2--Re-balloted negative ballots **without substantive comments** are not counted towards the outcome of a ballot. What is the definition of substantive? Who determines if a comment is substantive? Would cost-benefit studies the industry performs be considered substantive? NERC has repeatedly made it clear that cost-benefit studies are the industry's responsibility and NERC is developing standards to achieve an “adequate level of reliability”.
- From Section 321.4—There is no timeframe associated with NERC BOT actions. It is suggested that a 60 day window be considered for the Board of Trustees to act on a re-balloted standard that failed to get an affirmative two-thirds majority vote of the ballots cast, but received at least a 60 percent affirmative majority.
- From Section 321.4-4.1--Who will the Board of Trustees be soliciting technical input from; NERC staff, industry, academia?
- From Section 321.4-4.3--Who will do the analysis of the technical input for the Board of Trustees?
- NPCC is concerned with the large and growing backlog of Directives that NERC has outstanding. There is much concern that the standards under development as well as those not yet begun may have difficult coordination issues. It has been suggested that these directives be categorized into difficult or “easy” and that the group of easy ones be moved forward as a group filing. NPCC is supportive of this approach but only from the perspective it doesn't upset existing efforts to revise standards or cause multiple versions being worked on concurrently. This will create confusion. Also, in efforts to reduce the backlog, revised standards may not fully address problems, and additional time to resolve will be introduced because of the necessity to have the standards reworked.

Proposed revision to Section 309.1 in red below--

- **Section 309. Filing of Reliability Standards for Approval by ERO Governmental Authorities**
  1. **Filing of Reliability Standards for Approval** — Where authorized by applicable legislation or agreement, NERC shall file with the applicable ERO governmental authorities each reliability standard, modification to a reliability standard, or withdrawal of a standard that is approved by the board. Each filing shall be in the format required by the ERO governmental authority 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 Section 302; the drafting team roster; the ballot pool and final ballot results; and a (i) discussion of public comments received during the development of the reliability standard and the consideration of those comments-, (ii) the standard shall address specific matters that are contained in a directive issued by an applicable ERO governmental authority, (iii) if the standard does not address the directive, the standard shall include an explanation for the exclusion of the directive.
- Determining whether a comment is substantive can be arbitrary, and by not including negative votes without substantive comments in determining the number of votes cast results in the expertise of the industry being ignored. NERC, being an international standards organization, must make a formal decision on how it will deal with non-U.S. members when following FERC directives.
- The Standards Committee should not be given the responsibility for ensuring that government issued directives are followed. The Standards Committee manages the process, and does not have the authority to interfere with the work of a Drafting Team.