



NERC is seeking comment on amendments to its Rules of Procedure to address the issues raised in the March 18 Order. The goal of these amendments is to preserve the values of NERC's ANSI-accredited consensus-based standards process while at the same time dealing constructively with the legitimate issues the Commission raised in the March 18 Order.

ROP 312.4 describes the process where regional entities not organized on an interconnection basis may propose standards through a regional reliability standards development procedure that has been approved by NERC.

- "Regional reliability standard" means a type of reliability standard that is applicable only within a particular regional entity or group of regional entities. A regional reliability standard may augment, add detail to, or implement another reliability standard or cover matters not addressed by other reliability standards. Regional reliability standards, upon adoption by NERC and approval by the applicable ERO governmental authority(ies), shall be reliability standards and shall be enforced within the applicable regional entity or regional entities pursuant to delegated authorities.
- ROP 312.4.3 describes the NERC BOT role in approving regional reliability standards. "The board shall consider the regional entity's request, the recommendation for action on the regional reliability standard, any unresolved stakeholder comments, and the regional entity's consideration of comments, in determining whether to approve the regional reliability standard as a NERC reliability standard."
- Therefore, ROP 321, as written, does not contemplate the regional standards development procedures approved in the delegation agreements in that the NERC Standards Committee does not oversee the development of regional reliability standards.

SERC recommends that language be added to the proposed ROP 321 that would address the instance where a regional reliability standard may be presented to the BOT for approval under the same or similar circumstances that ROP 321 is trying to address.

Specifically SERC recommends that the following language be added: "(or in the case of a regional standard, its applicable governing body)" after "Standards Committee" at the appropriate locations in ROP 321 where the BOT would request additional information in support of their decision as shown below:

321. Special Rule to Address Certain Regulatory Directives

1. The Standards Committee (or in the case of a regional standard, its applicable governing body) shall have the responsibility to ensure that standards drafting teams address specific matters that are contained in directives issued by applicable ERO governmental authorities. The Board of Trustees may remand, with instructions, a proposed reliability standard that fails to address such directives to the Standards Committee (or in the case of a regional standard, its applicable governing body).
2. Upon a written finding by the Board of Trustees that a ballot pool has failed to approve a proposed reliability standard that contains a provision to address a specific matter as directed by an ERO governmental authority, the Board of Trustees shall remand the proposed reliability standard to the Standards Committee (or in the case of a regional standard, its applicable governing body), with instructions to (i) prepare a memorandum describing the issues surrounding the regulatory directive, and (ii) re-ballot the proposed reliability standard one additional time.
 - 2.1. Such a re-ballot shall be completed within thirty days of the remand. The Standards Committee (or in the case of a regional standard, its applicable governing body) memorandum shall be included in the materials made available to the ballot pool in connection with the re-ballot.
 - 2.2. In any such re-ballot, negative votes without substantive comments shall be counted for purposes of establishing a quorum, but only affirmative votes and negative votes with substantive comments shall be counted for purposes of determining the number of votes cast and whether the proposed standard passes.
3. If the re-balloted proposed reliability standard achieves at least an affirmative two-thirds majority vote of the weighted segment votes cast, with a quorum established, then the proposed reliability standard shall be deemed approved by the ballot pool and shall be submitted to the Board of Trustees for approval.
4. If the re-balloted proposed reliability standard fails to achieve at least an affirmative two-thirds majority vote of the weighted segment votes cast, but does achieve at least a sixty percent affirmative majority of the weighted segment votes cast, with a quorum established, then the Board of Trustees may consider the proposed reliability standard for approval under the following procedures:
 - 4.1. The Board of Trustees shall issue notice of its intent to consider the proposed reliability standard and shall solicit input particularly focused on the technical aspects of the provisions of the proposed reliability standard that address the specific matter identified in the regulatory directive.
 - 4.2. The Board of Trustees may, in its discretion, convene a technical conference to receive additional input on the matter.
 - 4.3. After considering the developmental record, the comments received during balloting and the additional input received under subsections 4.1 and 4.2 of this rule, the Board of Trustees may act on the proposed reliability standard.



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- 4.3.1. If the Board of Trustees concludes that the proposed reliability standard should be adopted, then it shall approve the proposed reliability standard and direct that it be filed with applicable ERO governmental authorities with a request that it be made effective.
- 4.3.2. If the Board of Trustees concludes that the proposed reliability standard should not be adopted, then it shall direct that the proposed reliability standard be filed with the applicable ERO governmental authorities in response to the order giving rise to the regulatory directive, along with a recommendation that the standard not be made effective and an explanation of the basis for its conclusion.
- 4.4. If the re-balloted proposed reliability standard that contains a provision to address a specific matter as directed by an ERO governmental authority fails to achieve at least a 60 percent affirmative majority of the weighted segment votes cast, or the re-ballot fails to achieve a quorum, then NERC shall, within 30 days of the failed re-ballot, file a report with the applicable ERO governmental authority regarding the circumstances of the matter.
- 4.5. NERC shall on March 31st of each year file a report with applicable ERO governmental authorities on the status and timetable for addressing each directive to address a specific matter received from an applicable ERO governmental authority.