

Additional EPSA Comments on The Proposed Amendments to the NERC Rules of Procedure Section 300

EPSA appreciates the opportunity to provide additional comments on the proposed amendments to the NERC Rules of Procedure (ROP) Section 300 that address the March 18 FERC Order directing modifications to the ROP regarding the Standards Development process and balloting protocol. As one of the signatories EPSA fully supports the comments submitted by the Trade Associations and would like to provide comments on one additional issue for the Board of Trustees (BOT) consideration.

EPSA believes that the ROP changes need to provide the BOT with a well developed record. Only with an adequate record can the BOT establish a well-reasoned opinion for responding to FERC reliability directives and prevent misuse of the NERC standards development process. For the record to be sufficient it must contain information that documents the issues and presents both sides of all the arguments associated with the standard.

When a ballot pool vote fails to approve a standard that is being developed to meet a Commission directive the BOT needs the full set of facts so that it can sufficiently respond. Regardless of the results of the impending re-ballot of the standard, the BOT is still left with significant responsibility for next steps and supporting what will be submitted to the Commission. In view of the foregoing considerations and because NERC is the organization which possesses the requisite technical expertise, the BOT should be provided with the set of full facts about the proposed standard including the reasons why it is needed for reliability, or the reasons why it should not be approved.

Both negative and positive votes should be accompanied by supporting comments regarding their position. The proposed amendment will count all affirmative votes, but only those negative votes which are accompanied by comments. This assumes that a standard as proposed is supported by a record that not only satisfies the FERC directive, but documents why the vote is in the affirmative. Requiring supporting commentary for both affirmative and negative votes will provide the BOT with enhanced understanding of the rationale for the votes that have been cast, both for and against.

The December 2008 FAC-008-002 vote influenced the FERC March 18 decision and caused the Commission to request changes to the NERC ROP. The FAC-008-002 ballot however illustrates why the BOT should require full information for both affirmative and negative votes. It is significant that over 40 percent of the votes for Segments 1-6 for FAC-008-002 were "NO" votes. Therefore the negative votes crossed over the bulk of the most heavily populated NERC segments representing not only different forms of ownership, but ownership of different types of Bulk Power System facilities. This suggests not only differing opinions among segments, but also within segments, which could indicate that affirmative votes may have been cast without significant regard for reliability. Importantly, it suggests that the proposal was unable to garner significant support from any one segment.

When the ballot pool fails to approve a standard, the BOT should have a full understanding about why so many different registered entities, independent of segment or form of ownership either support or have misgivings about the standard. Therefore, both affirmative and negative votes should be accompanied by comments, so that the Board can have the full benefit of all industry expertise, both pro and con, to develop the record and inform its decision for submittal to the Commission.