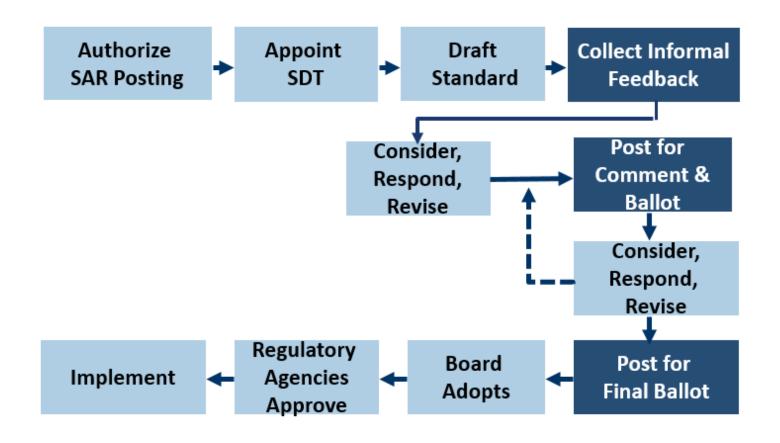


Current Standards Process





Special Rule for Regulatory Directives- Section 321

Standard
passes final
ballot

Standard submitted to Board that does not meet regulatory directives



Remand to Standards Committee with instructions



Standard development process reinitiates by either:

- Reinitiating project with existing SAR
- Developing new SAR and project to address directives





Standard fails in ballots to timely meet regulatory directives



Remand to
Standards
Committee with
instructions



- Convene technical conference
- Prepare memo
- Re-ballot standard within 45 days

Adopt standard and file



Achieve 66 2/3% approval?



- Issue notice of intent to adopt, solicit comment
- Convene technical conference (optional)
- · Considering the record and input:
 - Adopt
 - Adopt as draft and file as nonenforceable
 - Remand for further work



Achieve 60% approval?



- Direct SC and/or NERC staff to draft
- Convene technical conference (optional)
- · Considering the record and input:
 - Adopt
 - Adopt as draft and file as nonenforceable
 - Remand for further work



Proposed Section 322

Board sees inadequate or no progress on urgent reliability issue



Board issues notice; opens comment period



Board considers input



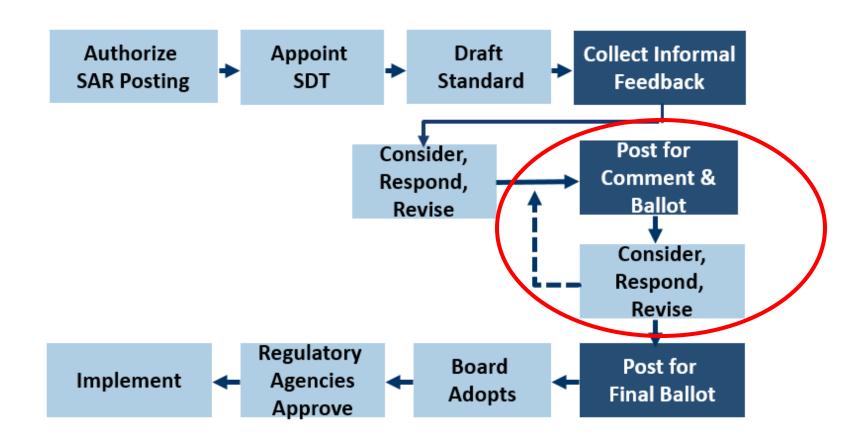
Board issues directive



SDT acts on directive (feedback)

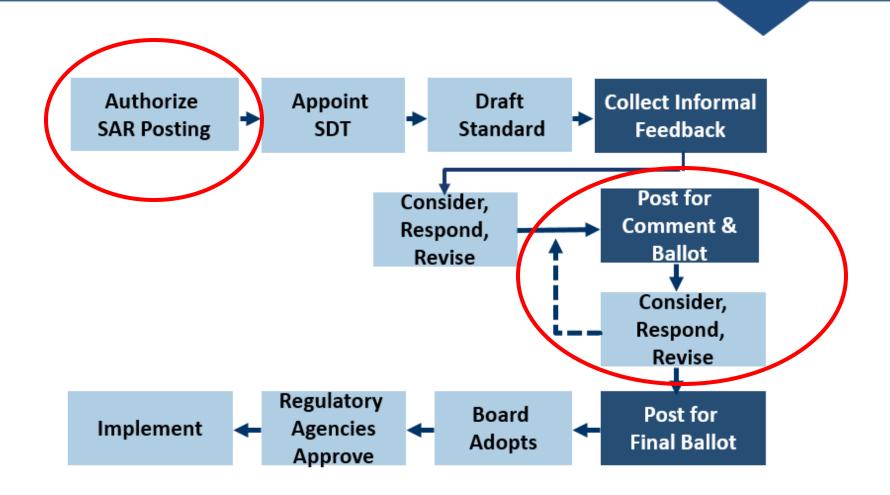


Potential Section 322 Initiation





Potential Section 322 Initiation





Special Rule for Regulatory Directives- **Section 321**

Standard
passes final
ballot

Standard submitted to Board that does not meet regulatory or Board directives



Remand to Standards Committee with instructions



Standard development process reinitiates by either:

- Reinitiating project with existing SAR
- Developing new SAR and project to address directives



Proposed Revised Section 321

Standard fails in ballots to timely meet regulatory or Board directives



Remand to
Standards
Committee with
instructions



- Convene technical conference
- Prepare memo
- Re-ballot standard within 45 days

Adopt standard and file



Achieve 66 2/3% approval?



- Issue notice of intent to adopt
- Convene technical conference (optional)
- · Considering the record and input
 - Adopt
 - Adopt as draft and file as nonenforceable (regulatory directives only)
 - Remand for further work



Achieve 60% approval?



- Direct SC and/or NERC staff to draft
- Convene technical conference (optional)
- Considering the record and input
 - Adopt
 - Adopt as draft and file as nonenforceable (regulatory directives only)
 - Remand for further work