



Compliance Registry.<sup>3</sup> The March 19 Order became effective upon issuance, requiring NERC to submit the Rules of Procedure changes by May 18, 2015.<sup>4</sup>

As discussed herein, additional time is needed to comply with the Commission directives in its March 19 Order, specifically those directives related to the NERC Rules of Procedure revisions. This request is consistent with prior FERC action granting motions for extension of time in certain circumstances where the Commission-directed period may be too short to address all required items.<sup>5</sup>

The additional time is necessary to accommodate each of the required steps within the open, collaborative, and participatory process that applies to developing revisions of the NERC Rules of Procedure, as well as to enable NERC to coordinate with Regional Entities and registered entities in gathering additional information to support NERC's proposed removal of the LSE functional registration category from the NERC Compliance Registry. The present request, for a 60-day extension of time, does not pose any risk to the reliability of the Bulk-Power System. Should the Commission grant this motion, NERC would submit both items discussed herein in a single compliance filing on or before July 17, 2015.

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<sup>3</sup> *Id.*, at PP 2, 18, 37, 55, 68.

<sup>4</sup> Sixty days from March 19, 2015.

<sup>5</sup> See *Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing*, 116 FERC ¶ 61,062, P 3 n.2 (2006) ("the Certification Order") (the Commission noting that "90 days may be inadequate to address clarifications or revisions required by the Commission"). See generally *North American Electric Reliability Corporation Notice Granting Extension of Time*, Docket No. RM135-000 (January 13, 2015) (granting of a 10-day extension of time to file revisions to the CIP Standards required by Order No. 791); *North American Electric Reliability Corporation Order Granting Extension of Time*, Docket Nos. RM12-6-000 and RM12-7-000 (June 13, 2013) (granting a one year extension for the effective date of the definition of "Bulk Electric System").

## I. THE PROCESS FOR REVISING THE NERC RULES OF PROCEDURE

Section 215(f) of the Federal Power Act provides the framework for revisions to the NERC Rules of Procedure. Section 215(f) states that “[t]he Electric Reliability Organization shall file with the Commission for approval any proposed rule or proposed rule change, accompanied by an explanation of its basis and purpose.”<sup>6</sup> The Act goes on to state that the proposed rule or rule change “shall take effect upon a finding by the Commission, after notice and opportunity for comment, that the change is just, reasonable, and not unduly discriminatory or preferential, is in the public interest, and satisfies the requirements of subsection (c) [of §215].”<sup>7</sup> The Commission’s regulations at 18 C.F.R. §39.10 implement these requirements and require that the filing include “a description of the proceedings conducted by the Electric Reliability Organization . . . to develop the proposal.”<sup>8</sup> The NERC Rules of Procedure are ERO rules as defined in the Commission’s regulations at 18 C.F.R. §39.1.<sup>9</sup>

The NERC Bylaws (Article XI, section 2) specify the following process for NERC Rules of Procedure revisions:

Adoption, Amendment, and Repeal of Rules of Procedure— Except as provided in Section 2 of Article XII, all Rules of Procedure, amendments thereto and repeals thereof shall be approved by the board. . . Unless the board determines that exigent conditions exist requiring adoption of a new Rule of Procedure or amendment or repeal of an existing Rule of Procedure in a shorter time, *all proposals for adoption, amendment and repeal of Rules of Procedure shall be posted on the Corporation’s Web site and subject to public comment for a minimum of forty-five(45) days prior to action by the board.*

[*Emphasis added.*]

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<sup>6</sup> 16 U.S.C. § 824o(f) (2012).

<sup>7</sup> *Id.*

<sup>8</sup> 18 C.F.R. § 39.10(a) (2014).

<sup>9</sup> 18 C.F.R. § 39.1 (2014).

The NERC Rule of Procedure §1402, Approval or Amendment or Repeal of the Rules of Procedure, states:<sup>10</sup>

Amendment to or repeal of Rules of Procedure shall be approved by the Board after public notice and opportunity for comment in accordance with the Bylaws of NERC. *In approving changes to the Rules of Procedure, the Board shall consider the inputs of the Member Representatives Committee, other ERO committees affected by the particular changes to the Rules of Procedure, and other stakeholders as appropriate.* After Board approval, the amendment or repeal shall be submitted to the Applicable Governmental Authorities for approval, where authorized by legislation or agreement. No amendment to or repeal of the Rules of Procedure shall be effective until it has been approved by the Applicable Governmental Authorities.

*[Emphasis added.]*

In addition to the processes described above for NERC Rules of Procedure and Bylaws changes, on August 16, 2012, the Board of Trustees (“Board”) approved a NERC staff report on process enhancements and improvements with respect to the development of new or revised NERC Rules of Procedure.<sup>11</sup> These process enhancements include collaborating on the revisions with the Regional Entities and reviewing the proposed revisions with Regional Entity management prior to posting revisions for stakeholder comment for at least 45 days. These process improvements allow for more transparency and opportunity for Regional Entity and other stakeholder participation in the revision process.

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<sup>10</sup> On May 7, 2012, NERC filed a petition requesting approval of revisions to its Rules of Procedure, which included Section 1400. The Commission approved NERC’s proposed revisions to Section 1400. *North American Electric Reliability Corporation Order Conditionally Approving Revisions to North American Electric Reliability Corporation Rules of Procedure*, 141 FERC ¶ 61,241, at P 10 (2012).

<sup>11</sup> See the NERC Board of Trustees Meeting Agenda for August 16, 2012 at p. 44, available at <http://www.nerc.com/gov/bot/Agenda%20Minutes%20and%20Highlights%20DL/2012/0-BOT08-12acomplete.pdf>.

## **II. REQUEST FOR A 60-DAY EXTENSION OF TIME**

NERC requests a 60-day extension of time in order to file NERC Rules of Procedure changes and to gather additional information requested by the Commission to support NERC's proposed removal of the LSE functional registration category from the NERC Compliance Registry in accordance with the March 19 Order. As described below, good cause exists for this requested extension and proposed schedule modification. First, the additional time will allow for collaboration with Regional Entity and stakeholders consistent with established processes and procedures. Second, the additional time will not have an impact on the reliability of the Bulk-Power System.

### **A. Collaboration during the Revision Process**

The March 19, 2015 order did not allow NERC sufficient time to comply with its Board and Commission-approved processes for changes to the NERC Rules of Procedure without requesting permission from its Board to shorten the stakeholder comment period due to exigent circumstances. Specifically, to meet the timeline in the March 19, 2015 order, NERC would have had to post its Rules of Procedure changes the day after the order was issued in order to meet the 60-day compliance deadline. Under this timeline, NERC would not have sufficient time to prepare responses to comments received and satisfy the 15-day notice requirement for Board action on NERC Rules of Procedure changes.

Furthermore, to conduct outreach and gather additional support for the removal of the LSE functional registration category, NERC must collaborate with industry representatives and the Regional Entities as it has consistently done throughout the development of the RBR initiative. The 60-day timeline provides too limited a period to ensure a meaningful collaboration on this matter. Immediately after the Commission issued the March 19 Order, NERC began outreach to

registered entities as well as the Regional Entities to address the items FERC identified as requiring additional attention with respect to removal of the LSE functional registration category. NERC appreciates strong industry and Regional Entity participation in the development of the RBR initiative to date.

**B. The Requested Extension Would Provide No Impact on Reliability**

In addition to providing the opportunity for collaboration, the 60-day extension of time would pose no risk to the reliability of the Bulk-Power System. As a result, the present circumstances do not provide a compelling basis for an accelerated timeline. Therefore, allowing time for the NERC Rules of Procedure revision process and the gathering of additional support for the LSE functional registration category removal would provide an opportunity for public comment that may identify potential areas of concern that NERC could address prior to the FERC compliance filing, thereby improving the overall document.

**III. CONCLUSION**

WHEREFORE, in consideration of the foregoing, NERC respectfully requests that the Commission grant an extension of time as set forth herein.

Respectfully submitted,

/s/ Nina H. Jenkins-Johnston

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Date: April 13, 2015

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding. Dated at Washington, D.C. this 13<sup>th</sup> day of April 2015.

/s/ Nina H. Jenkins-Johnston

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