

Agenda

Standards Committee Meeting

January 17, 2024 | 1:00 p.m.—3:00 p.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 2319 214 4154 | Meeting Password: 011724

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Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#) and Public Announcement*
[NERC Participant Conduct Policy](#)

Agenda Items

1. Review January 17, 2024 Agenda - **Approve** - *Todd Bennett (1 minute)*
2. Consent Agenda - **Approve** - *Todd Bennett (5 minutes)*
 - a. December 13, 2023 Standards Committee Meeting Minutes* - **Approve**
3. Projects Under Development - **Review**
 - a. [Project Tracking Spreadsheet](#) - *Mike Brytowski (10 minutes)*
 - b. [Projected Posting Schedule](#) - *Latrice Harkness (5 minutes)*
4. SCEC Election - **Elect** - *Todd Bennett (10 minutes)*
5. SCPS SPSEG Document Revisions - **Approve/Approve/Approve/Approve** - *Alison Oswald (10 minutes)*
 - a. Drafting Team Nomination Form*
 - b. Drafting Team Reference Manual*
 - c. Reliability Standard Acceptance Criteria*
 - d. Drafting Team Form Questions*
6. Project 2023-04 Modifications to CIP-003* **NON-PUBLIC** – **Appoint** – *Jamie Calderon (10 minutes)*
7. Project 2023-06 CIP-014 Risk Assessment Refinement – **Authorize** – *Jamie Calderon (10 minutes)*
 - a. CIP-014 Risk Assessment Refinement Standard Authorization Request*
8. Project 2022-03 Energy Assurance with Energy-Constrained Resources - **Authorize** - *Alison Oswald (10 minutes)*
 - a. BAL-007-1*

b. Implementation Plan*

9. Legal Update and Upcoming Standards Filings - Review - Sarah Crawford (5 minutes)

10. Informational Items – Enclosed

- a. Standards Committee Expectations*
- b. [2024 SC Meeting Schedule](#)
- c. [2024 Standards Committee Roster](#)
- d. Highlights of Parliamentary Procedure*

11. Adjournment

*Background materials included.

Public Meeting Notice

REMINDER FOR USE AT BEGINNING OF MEETINGS AND CONFERENCE CALLS THAT HAVE BEEN PUBLICLY NOTICED AND ARE OPEN TO THE PUBLIC

Conference call/webinar version:

As a reminder to all participants, this webinar is public. The registration information was posted on the NERC website and widely distributed. Speakers on the call should keep in mind that the listening audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

Face-to-face meeting version:

As a reminder to all participants, this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

For face-to-face meeting, with dial-in capability:

As a reminder to all participants, this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. The notice included the number for dial-in participation. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

Minutes

Standards Committee Meeting

A. Casuscelli, chair, called to order the Standards Committee (SC) meeting on December 13, 2023, at 10:03 a.m. Eastern. D. Love called roll and determined the meeting had a quorum. The SC member attendance and proxy sheets are attached as Attachment 1.

NERC Antitrust Compliance Guidelines and Public Announcement

D. Love called attention to the NERC Antitrust Compliance Guidelines and the public meeting notice and directed questions to NERC's General Counsel, Sonia C. Rocha.

Introduction and Chair's Remarks

A. Casuscelli welcomed the SC, guests, and proxies to the meeting.

Review December 13, 2024 Agenda (agenda item 1)

The SC approved the December 13, 2023 meeting agenda.

Consent Agenda (agenda item 2)

The SC approved the November 15, 2023 SC Meeting Minutes. The SC approved the 2023 SC Accomplishments. The SC approved the 2024-2026 SC Strategic Work Plan. The SC approved the 2024-2025 Term Elections.

Projects Under Development (agenda item 3)

M. Brytowski reviewed the Project Tracking Spreadsheet. L. Harkness reviewed the three-month outlook. L. Harkness reviewed the Project Posting Schedule. L. Harkness reviewed the Fast Track Project. K. Martz inquired about low priority project postings. L. Harkness responded that formal postings for the first six months of 2024 will be reserved for high priority projects. M. Hostler commented that signing up for ballot pools should be easier and recommends one singular sign-up.

Transmission Planning Energy Scenarios Standard Authorization Request (agenda item 4)

J. Calderon provided an overview of the project background and standard authorization request (SAR). P. Winston inquired if the concerns from the last SC meeting were forwarded to the SAR developers and if there were any changes to the SAR. J. Calderon responded that the concerns were not forwarded to the SAR submitters and that changes to the SAR would happen during the SAR development phase. M. Hostler mentioned that the SAR does not include any reference to IBR's. J. Johnson expressed concerns with the timing of the SAR, considering it was assigned a low priority. L. Harkness explained that the DT will address the FERC directives first, and this SAR will be addressed at a later date. V. Greaff made a motion to accept the Transmission Planning Energy Scenarios Standard Authorization Request (SAR) submitted by the NERC and Regional Entities representing each interconnection, authorize posting of the SAR for a 30-day formal comment period; and authorize solicitation of the drafting team (DT) members.

The SC approved the motion with J. Johnson, C. Yeung, and W. Chambliss opposed and M. Hostler, R. Blohm, P. Winston, and S. Muncherji abstained.

Risk Management for Third-Party Cloud Services Standard Authorization Request (agenda item 5)

A. Oswald provided an overview of the project background and standard authorization request (SAR). K. Martz inquired about the prioritization of the project. A. Oswald confirmed that the project is medium priority. M. Jones made a motion to accept the Risk Management for Third-Party Cloud Services Standard Authorization Request (SAR), authorize posting of the SAR for a 30-day formal comment period; and authorize solicitation of the drafting team (DT) members.

The SC approved the motion with no opposition and no abstentions.

Project 2023-05 Modifications to FAC-001 and FAC-002 (agenda item 6)

J. Calderon provided an overview of the project background. C. Yeung made a motion to appoint chair, vice chair, and members to the Project 2023-05 Modifications to FAC-001 and FAC-002 Drafting Team (DT).

The SC approved the motion with no opposition and no abstentions.

Project 2021-03 CIP-002 (agenda item 7)

A. Oswald provided an overview of the project background. P. Winston made a motion to appoint additional members to the Project 2021-03 CIP-002 Drafting Team (DT).

The SC approved the motion with no opposition and no abstentions.

Project 2020-02 Modifications to PRC-024 (Generator Ride-through) Waiver (agenda item 8)

J. Calderon provided an update. M. Hostler commented that he was not supportive of shortening formal commenting and balloting periods. S. Kim responded that waivers were fully within the guidelines of the SPM. Observer inquired about the benefit of reducing the commenting periods and what happens if projects do not reach their goals. J. Calderon responded that the shortening of the commenting periods is necessary for the project is to reach its goals. L. Harkness responded that the waivers allows the flexibility to move projects forward to meet FERC deadlines. P. Winston inquired about how the reduced periods would be announced to the industry. L. Harkness responded that project announcements are used to communicate that information to industry.

P. Winston made a motion to approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2020-02:

- Initial formal comment and ballot period reduced from 45 calendar days to as few as 25 calendar days, with ballot pools formed in the first 10 days and initial ballot and non-binding poll of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted during the last 10 days of the comment period. (Sections 4.7 and 4.9)

- Additional formal comment and ballot period(s) reduced from 45 calendar days to as few as 15 calendar days, with ballot conducted during the last 10 days of the comment period. (Sections 4.9 and 4.12)
- Final ballot reduced from 10 calendar days to as few as five calendar days. (Section 4.9)

The SC approved the motion with no opposition and no abstentions.

Project 2023-02 Analysis and Mitigation of BES Inverter-Based Resources Performance Issues Waiver (agenda item 9)

J. Calderon provided an update. S. Rueckert made a motion to approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2023-02:

- Initial formal comment and ballot period reduced from 45 calendar days to as few as 25 calendar days, with ballot pools formed in the first 10 days and initial ballot and non-binding poll of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted during the last 10 days of the comment period. (Sections 4.7 and 4.9)
- Additional formal comment and ballot period(s) reduced from 45 calendar days to as few as 15 calendar days, with ballot conducted during the last 10 days of the comment period. (Sections 4.9 and 4.12)
- Final ballot reduced from 10 calendar days to as few as five calendar days. (Section 4.9)

The SC approved the motion with no opposition and no abstentions.

Project 2021-04 Modifications to Disturbance Monitoring and Reporting Requirements Waiver (agenda item 10)

J. Calderon provided an update. S. Rueckert made a motion to approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2021-04:

- Additional formal comment and ballot period(s) reduced from 45 calendar days to as few as 15 calendar days, with ballot conducted during the last 10 days of the comment period. (Sections 4.9 and 4.12)
- Final ballot reduced from 10 calendar days to as few as five calendar days. (Section 4.9)

The SC approved the motion with no opposition and no abstentions.

Project 2023-07 Transmission System Planning Performance Requirements for Extreme Weather (agenda item 11)

J. Calderon provided an update. K. Martz made a motion to approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2023-07:

- Initial formal comment and ballot period reduced from 45 calendar days to as few as 25 calendar days, with ballot pools formed in the first 10 days and initial ballot and non-binding poll of

Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted during the last 10 days of the comment period (Sections 4.7 and 4.9)

- Additional formal comment and ballot period(s) reduced from 45 calendar days to as few as 15 calendar days, with ballot(s) conducted during the last 10 days of the comment period. (Sections 4.9 and 4.12)
- Final ballot reduced from 10 calendar days to as few as five calendar days. (Section 4.9)

The SC approved the motion with no opposition and no abstentions.

Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination Waiver (agenda item 12)

J. Calderon provided an update. M. Jones inquired about the final ballot not being reduced. J. Calderon responded that the final ballot waiver request was approved at the August 2023 meeting. C. Yeung made a motion to approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2021-07:

- Additional formal comment and ballot period(s) reduced from 45 calendar days to as few as 10 calendar days, with ballot(s) conducted during the last five days of the comment period. (Sections 4.9 and 4.12)

The SC approved the motion with no opposition and no abstentions.

Project 2023-03 Internal Network Security Monitoring (agenda item 13)

A. Oswald provided an update. P. Winston made a motion to authorize initial posting of proposed Reliability Standard CIP-007-X and the associated Implementation Plan for a 35-day formal comment period, with ballot pool formed in the first 20 days and parallel initial ballots and non-binding polls on the Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs), conducted during the last 10 days of the comment period.

The SC approved the motion with no opposition and no abstentions.

Standards Committee Charter Revisions (agenda item 14)

A. Casuscelli provided an update. V. O’Leary inquired if the SCEC had taken actions previously. A. Casuscelli responded that the SCEC acted on Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination. C. Yeung made a motion to approve revisions to the Standards Committee Charter for submission to the NERC Board of Trustees (Board).

The SC approved the motion with no opposition and no abstentions.

2024 Standards Committee Executive Committee Elections (agenda item 15)

A. Oswald provided an update.

SPSEG Recommendations Work Plan (agenda item 16)

A. Casuscelli provided an update.

Subcommittees Updates (agenda item 17)

C. Yeung provided updates from the Project Management and Oversight Subcommittee. T. Brumfield provided updates from the Standards Committee Process Subcommittee. T. Bennett provided updates from the Standing Committees Coordinating Group. V. Greaff provided updates from the Reliability and Security Technical Committee. S. Kelly provided updates from the NERC Board of Trustees.

Legal Update and Upcoming Standards Filings (agenda item 18)

S. Crawford provided an update.

Adjournment

The meeting adjourned at 1:55 p.m. Eastern.

Standards Committee 2023 Segment Representatives

Segment and Terms	Representative	Organization	Proxy	Present (Member or Proxy)
Chair 2022-23	Amy Casuscelli* Manager, Reliability Assurance & Risk Management	Xcel Energy		y
Vice Chair 2022-23	Todd Bennett* Managing Director, Reliability Compliance & Audit Services	Associated Electric Cooperative, Inc.		y
Segment 1-2022-23	Michael Jones Manager, Reliability Standards & Policy	National Grid		y
Segment 1-2023-24	Troy Brumfield* Regulatory Compliance Manager	American Transmission Company		y
Segment 2-2022-23	Jamie Johnson Infrastructure Compliance Manager	California ISO		y
Segment 2-2022-23	Charles Yeung Executive Director Interregional Affairs	Southwest Power Pool		y
Segment 3-2022-23	Kent Feliks Manager NERC Reliability Assurance – Strategic Initiatives	American Electric Power Company, Inc.		y
Segment 3-2023-24	Vicki O’ Leary Director – Reliability, Compliance, and Implementation	Eversource Energy		y
Segment 4-2022-23	Marty Hostler Reliability Compliance Manager	Northern California Power Agency		y
Segment 4-2023-24	Patti Metro Senior Grid Operations & Reliability Director	National Rural Electric Cooperative Associate		y
Segment 5-2022-23	Terri Pyle Utility Operational Compliance and NERC Compliance Office	Oklahoma Gas and Electric		y
Segment 5-2023-24	Jim Howell Markets Compliance Manager	Southern Company Generation		y

Segment and Terms	Representative	Organization	Proxy	Present (Member or Proxy)
Segment 6-2022-23	Sarah Snow* Manager of Reliability Compliance	Cooperative Energy		y
Segment 6-2023-24	Justin Welty Senior Manager, NERC Reliability Standards	NextEra Energy		y
Segment 7-2022-23	Kristine Martz Industry Specialist, Power & Utilities	Amazon Web Services		y
Segment 7-2023-24	Venona Greaff* Senior Energy Analyst	Occidental Chemical Corporation		y
Segment 8-2022-23	Robert Blohm ¹ Managing Director	Keen Resources Ltd.		y
Segment 8-2023-24	Philip Winston Retired (Southern Company)	Independent		y
Segment 9-2022-23	Sarosh Muncherji ¹ Cyber Security Specialist	British Columbia Utilities Commission		y
Segment 9-2023-24	William Chambliss General Counsel	Virginia State Corporation Commission		y
Segment 10-2022-23	Tony Purgar Senior Manager, Operational Analysis & Awareness	ReliabilityFirst		y
Segment 10-2023-24	Steven Rueckert Director of Standards	WECC		y

¹ Serving as Canadian Representative

*Denotes SC Executive Committee Member

2024 Standards Committee Executive Committee

Action

Elect representatives to the Standards Committee Executive Committee

Background

In accordance with the Standards Committee (SC) Charter, the Standards Committee Executive Committee (SCEC) shall have a SCEC consisting of five members, including the SC officers, plus three segment members elected by the SC. The segment members may not represent the same industry segments the SC officers previously represented, nor can any two of the segment members be from the same segment. The SCEC will be elected annually at the January SC meeting. The SCEC shall meet when necessary between regularly scheduled SC meetings to conduct SC business. Current SC officers include:

- SC Chair: Todd Bennett, AECl, formerly representing segment 3
- SC Vice Chair: Troy Brumfield, American Transmission Company, LLC., formerly representing segment 1

The SC secretary solicited nominees from December 13, 2023 – January 8, 2024. The nominees were sent under separate cover to the SC and will be reviewed at the meeting. The election will be conducted electronically. Standards Committee members can join at [slido.com](#) with #SCEC2024, at this [link](#), or with the QR code below.



Standards Committee Process Subcommittee and Standards Process Stakeholder Engagement Group Document Revisions

Action

- Approve the Drafting Team Nomination Form
- Approve the Drafting Team Reference Manual
- Approve Reliability Standard Acceptance Criteria
- Approve the Drafting Team Form Questions

Background

The Standards Committee Process Subcommittee (SCPS) was given four tasks from the Standards Process Stakeholder Engagement Group (SPSEG) Process Improvement Work Plan that was approved by the Standards Committee (SC) at its March 22, 2023 meeting. The SCPS was assigned the following four tasks from the work plan regarding reviewing certain documents that the SCPS has control over. These four tasks were:

- Appoint a single drafting team (DT) to address both the Standard Authorization Request (SAR) and standard development phases
- Provide guidance to DT on the role of the SAR in the standards development process
- Implement changes in the administration of SARs for projects posted for formal comment as follows:
 - SC questions regarding technical support should be referred to the Reliability and Security Technical Committee or posted for comment consistent with the Standard Processes Manual
 - Provide guidance to DT to assess if a project has sufficient stakeholder support, including developing a list of uniform questions to be used during comment periods for that purpose
 - The SC should revise its guidance for DT with respect to:
 - DT guidance materials to provide drafting teams with flexibility on whether they will develop any implementation guidance during standards development
 - Encourage drafting teams to work closely with NERC staff on the development of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs)

The SCPS solicited volunteers and created two subgroups:

- Reviewed applicable precedent and examined specific resource documents
- Acceptance Criteria of Reliability Standard Quality Objectives
- Adequate Level of Reliability Definition (informational filing)

- Appendix 4B of the Rules of Procedure (ROP) Sanction Guidelines
- Appendix 5B of the ROP - Statement of Compliance Registry Criteria
- Compliance Bulletin #2011-001 Data Retention Requirements
- Drafting Team Nomination Form
- Drafting Team Nominee Selection Criteria
- Drafting Team Reference Manual
- FERC Order 18 CRF Part 39 - Rules Concerning Certification of Electric Reliability Organization
- FERC Order Conditionally Accepting New Enforcement Mechanisms and Requiring Compliance Filing
- FERC Order on VRFs
- FERC Criteria for Approving Reliability Standards from Order 672
- Market Principles
- NERC Reliability Standards Milestones
- NERC Antitrust Compliance Guidelines
- NERC Standards Numbering System
- Periodic Review Template
- Reliability Principles
- Results-based Standard
- Standards Independent Experts Review Project Report
- Ten Benchmarks of an Excellent Reliability Standard
- Time Horizons
- VRFs
- VSL Guidelines

The first SCPS subgroup recommended minor clarifying changes to; Drafting Team Nomination Form; Drafting Team Reference Manual; and Reliability Standard Acceptance Criteria. The changes include removing all SAR DT and SDT references and replacing them with DT.

The second SCPS subgroup documents had minor edits to the Drafting Team Reference Manual and created a new document titled SAR and Drafting Team Questions. It has a series of questions for DTs to use when reviewing SAR forms and Reliability Standards forms.

In addition, consistent with the changes approved by FERC in the November 28, 2023 [ROP Order](#), both subgroups propose limiting references to the American National Standards Institute (ANSI) processes in the Drafting Team Reference Manual. The SCPS and SPSEG subgroups did not recommend any changes to any other resource documents. This approval

closes out the 2022 recommendations from the SPSEG to improve the Reliability Standards process.

Unofficial Nomination Form

Project Number and Project/Drafting Team Name

Do not use this form for submitting nominations. Use the [electronic form] to submit nominations for [Project number and name] drafting team members by **8 p.m. Eastern, [Date]**. This unofficial version is provided to assist nominees in compiling the information necessary to submit the electronic form.

Additional information about this project is available on the [Project number and name w/link to project page] project page. If you have questions, contact [Title], [Developer name w/email link] (via email), or at [Phone number].

By submitting a nomination form, you are indicating your willingness and agreement to actively participate in face-to-face meetings and conference calls. Previous drafting or Standard review team experience is beneficial, but not required.

Project Information

Project Purpose

[Developer to include the purpose of this project]

Standards Affected

[Developer to list any known affected Reliability Standards]

Nominee Expertise Requested

[Developer to provide additional info here on expertise requested to meet the project needs]

Time Commitment Expectations

Time commitments for most projects include up to two face-to-face meetings per quarter (on average two full working days each meeting) with conference calls scheduled as needed. Team members can agree to individual or subgroup assignments, hold separate meetings, and present to the full drafting team for discussion and review. Another important component of quality reviews and drafting team efforts is outreach. Members of the team will be expected to conduct industry outreach during the development process to support a successful project outcome.

Project Priority

Each project will be developed according to that project's priority status. While each standard project addresses particular industry needs, some will be identified as a higher priority. A higher priority project can include a strict timeline, which may be needed to effectively respond to a FERC Directive or other factors determined by the NERC Board of Trustees. A higher priority project may also need to increase the frequency of meetings at any time throughout the development process to account for

project timeline needs. Similarly, lower priority projects may adjust to less frequent meetings to reallocate resources to high priority projects.

This project [has / has not] been identified as higher priority at this time.

Name:		
Organization:		
Address:		
Telephone:		
Email:		
Please briefly describe your experience and qualifications to serve on the requested Standard Drafting Team (Bio):		
<p>If you are currently a member of any NERC drafting team, please list each team here:</p> <p><input type="checkbox"/> Not currently on any active drafting team.</p> <p><input type="checkbox"/> Currently a member of the following drafting team(s):</p>		
<p>If you previously worked on any NERC drafting team, please identify the team(s):</p> <p><input type="checkbox"/> No prior NERC drafting team.</p> <p><input type="checkbox"/> Prior experience on the following team(s):</p>		
<p>Acknowledgement that the nominee has read and understands both the <i>NERC Participant Conduct Policy</i> and the <i>Standard Drafting Team Scope</i> documents, available on NERC Standards Resources.</p> <p><input type="checkbox"/> Yes, the nominee has read and understands these documents.</p>		
<p>Select each NERC Region in which you have experience relevant to the Project for which you are volunteering:</p>		
<input type="checkbox"/> MRO <input type="checkbox"/> NPCC <input type="checkbox"/> RF	<input type="checkbox"/> SERC <input type="checkbox"/> Texas RE <input type="checkbox"/> WECC	<input type="checkbox"/> NA – Not Applicable

Select each Industry Segment that you represent:

<input type="checkbox"/>	1 — Transmission Owners
<input type="checkbox"/>	2 — RTOs, ISOs
<input type="checkbox"/>	3 — Load-serving Entities
<input type="checkbox"/>	4 — Transmission-dependent Utilities
<input type="checkbox"/>	5 — Electric Generators
<input type="checkbox"/>	6 — Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/>	7 — Large Electricity End Users
<input type="checkbox"/>	8 — Small Electricity End Users
<input type="checkbox"/>	9 — Federal, State, and Provincial Regulatory or other Government Entities
<input type="checkbox"/>	10 — Regional Reliability Organizations and Regional Entities
<input type="checkbox"/>	NA — Not Applicable

Select each Function in which you have current or prior expertise:

<input type="checkbox"/> Balancing Authority	<input type="checkbox"/> Transmission Operator
<input type="checkbox"/> Compliance Enforcement Authority	<input type="checkbox"/> Transmission Owner
<input type="checkbox"/> Distribution Provider	<input type="checkbox"/> Transmission Planner
<input type="checkbox"/> Generator Operator	<input type="checkbox"/> Transmission Service Provider
<input type="checkbox"/> Generator Owner	<input type="checkbox"/> Purchasing-selling Entity
<input type="checkbox"/> Interchange Authority	<input type="checkbox"/> Reliability Coordinator
<input type="checkbox"/> Load-serving Entity	<input type="checkbox"/> Reliability Assurer
<input type="checkbox"/> Market Operator	<input type="checkbox"/> Resource Planner
<input type="checkbox"/> Planning Coordinator	

Provide the names and contact information for two references who could attest to your technical qualifications and your ability to work well in a group:

Name:		Telephone:	
Organization:		Email:	
Name:		Telephone:	
Organization:		Email:	

Provide the name and contact information of your immediate supervisor or a member of your management who can confirm your organization’s willingness to support your active participation.

Name:		Telephone:	
Title:		Email:	

Revision History

Version	Date	Revision Details
1.0	7/25/2023	Removed footnote to NERC Functional Model
2.0	8/22/2023	Updated to include project information headers, language regarding time commitments, and project priority
3.0	1/17/2024	Updated language to Drafting Team

Unofficial Nomination Form

Project Number and Project/Drafting Team Name

Do not use this form for submitting nominations. Use the [electronic form] to submit nominations for **[Project number and name]** drafting team members by **8 p.m. Eastern, [Date]**. This unofficial version is provided to assist nominees in compiling the information necessary to submit the electronic form.

Additional information about this project is available on the [Project number and name w/link to project page] project page. If you have questions, contact [Title], [Developer name w/email link] (via email), or at [Phone number].

By submitting a nomination form, you are indicating your willingness and agreement to actively participate in face-to-face meetings and conference calls. Previous drafting or Standard review team experience is beneficial, but not required.

Project Information

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[Developer to include the purpose of this project]

Standards Affected

[Developer to list any known affected Reliability Standards]

Nominee Expertise Requested

[Developer to provide additional info here on expertise requested to meet the project needs]

Time Commitment Expectations

Time commitments for most projects include up to two face-to-face meetings per quarter (on average two full working days each meeting) with conference calls scheduled as needed. Team members can agree to individual or subgroup assignments, hold separate meetings, and present to the full drafting team for discussion and review. Another important component of quality reviews and drafting team efforts is outreach. Members of the team will be expected to conduct industry outreach during the development process to support a successful project outcome.

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Each project will be developed according to that project's priority status. While each standard project addresses particular industry needs, some will be identified as a higher priority. A higher priority project can include a strict timeline, which may be needed to effectively respond to a FERC Directive or other factors determined by the NERC Board of Trustees. A higher priority project may also need to increase the frequency of meetings at any time throughout the development process to account for

project timeline needs. Similarly, lower priority projects may adjust to less frequent meetings to reallocate resources to high priority projects.

This project [has / has not] been identified as higher priority at this time.

Name:		
Organization:		
Address:		
Telephone:		
Email:		
Please briefly describe your experience and qualifications to serve on the requested Standard Drafting Team (Bio):		
<p>If you are currently a member of any NERC drafting team, please list each team here:</p> <p><input type="checkbox"/> Not currently on any active SAR or standard-drafting team.</p> <p><input type="checkbox"/> Currently a member of the following SAR or standard-drafting team(s):</p>		
<p>If you previously worked on any NERC drafting team, please identify the team(s):</p> <p><input type="checkbox"/> No prior NERC SAR or standard-drafting team.</p> <p><input type="checkbox"/> Prior experience on the following team(s):</p>		
<p>Acknowledgement that the nominee has read and understands both the <i>NERC Participant Conduct Policy</i> and the <i>Standard Drafting Team Scope</i> documents, available on NERC Standards Resources.</p> <p><input type="checkbox"/> Yes, the nominee has read and understands these documents.</p>		
<p>Select each NERC Region in which you have experience relevant to the Project for which you are volunteering:</p>		
<input type="checkbox"/> MRO <input type="checkbox"/> NPCC <input type="checkbox"/> RF	<input type="checkbox"/> SERC <input type="checkbox"/> Texas RE <input type="checkbox"/> WECC	<input type="checkbox"/> NA – Not Applicable

Select each Industry Segment that you represent:

<input type="checkbox"/>	1 — Transmission Owners
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<input type="checkbox"/>	7 — Large Electricity End Users
<input type="checkbox"/>	8 — Small Electricity End Users
<input type="checkbox"/>	9 — Federal, State, and Provincial Regulatory or other Government Entities
<input type="checkbox"/>	10 — Regional Reliability Organizations and Regional Entities
<input type="checkbox"/>	NA — Not Applicable

Select each Function in which you have current or prior expertise:

<input type="checkbox"/> Balancing Authority	<input type="checkbox"/> Transmission Operator
<input type="checkbox"/> Compliance Enforcement Authority	<input type="checkbox"/> Transmission Owner
<input type="checkbox"/> Distribution Provider	<input type="checkbox"/> Transmission Planner
<input type="checkbox"/> Generator Operator	<input type="checkbox"/> Transmission Service Provider
<input type="checkbox"/> Generator Owner	<input type="checkbox"/> Purchasing-selling Entity
<input type="checkbox"/> Interchange Authority	<input type="checkbox"/> Reliability Coordinator
<input type="checkbox"/> Load-serving Entity	<input type="checkbox"/> Reliability Assurer
<input type="checkbox"/> Market Operator	<input type="checkbox"/> Resource Planner
<input type="checkbox"/> Planning Coordinator	

Provide the names and contact information for two references who could attest to your technical qualifications and your ability to work well in a group:

Name:		Telephone:	
Organization:		Email:	
Name:		Telephone:	
Organization:		Email:	

Provide the name and contact information of your immediate supervisor or a member of your management who can confirm your organization’s willingness to support your active participation.

Name:		Telephone:	
Title:		Email:	

Revision History

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2.0	8/22/2023	Updated to include project information headers, language regarding time commitments, and project priority
<u>3.0</u>	<u>01/17/2023</u>	<u>Updated language to Drafting Team</u>

Drafting Team Reference Manual

Version 5

Reviewed by the Standards Committee
January 2024

RELIABILITY | RESILIENCE | SECURITY



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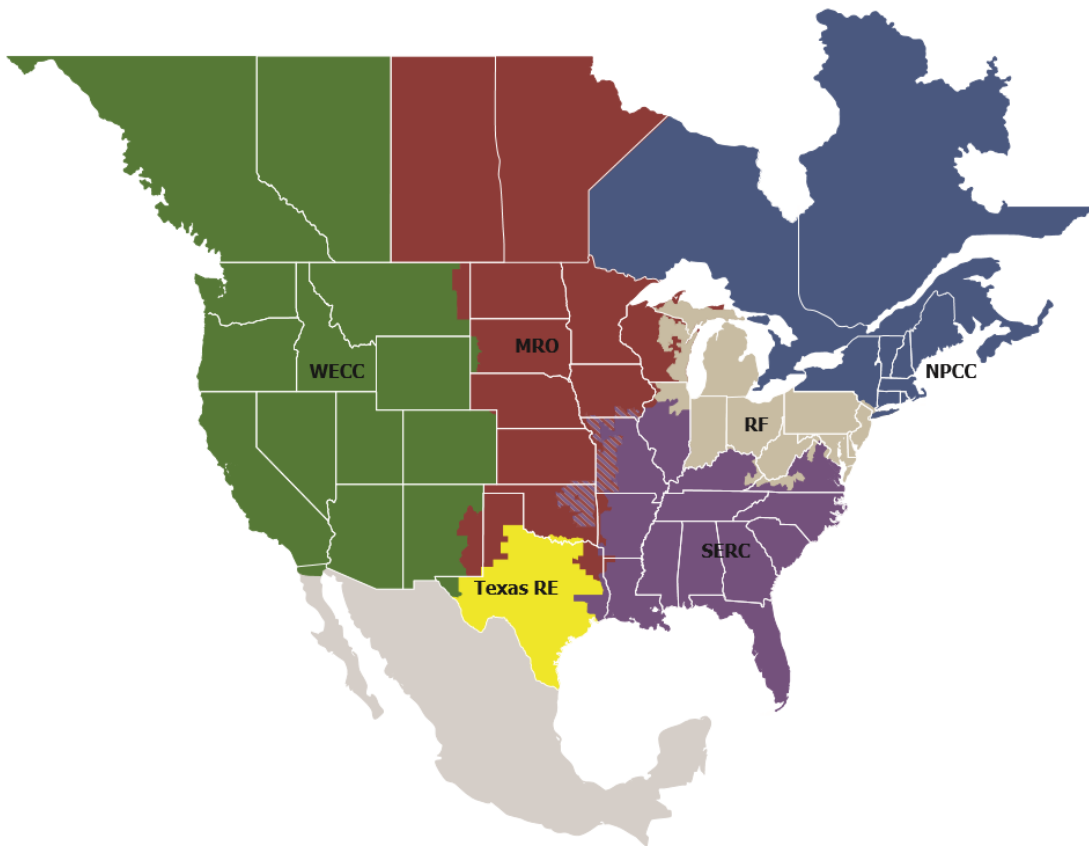
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one RE while associated Transmission Owners (TOs)/Operators (TOPs) participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	WECC

Introduction

Background and Purpose

A Drafting Team (DT) develops a Reliability Standards-related product as directed by the [Standards Committee \(SC\)](#). The product that is developed is typically a new or revised Reliability Standard, but could also be a definition, a reference document, a set of [Violation Risk Factors \(VRFs\)](#), a set of [Violation Severity Levels \(VSLs\)](#), an interpretation of a Reliability Standard, or the team could be appointed to refine a [Standard Authorization Request \(SAR\)](#).

Drafting Teams are the foundation of the NERC standard development process. This [Drafting Team Reference Manual](#) (DT Reference Manual) is a tool to assist DT's in drafting quality Reliability Standards and associated documents, and DT members are encouraged to review prior to starting their responsibilities and refer to this document during the development process. This DT Reference Manual provides information on informal development, standard authorization requests, and the roles and responsibilities of standard and interpretation DTs, with guidance on how to implement Appendix 3A of the NERC Rules of Procedure (Standard Processes Manual (SPM)).¹

¹The Standard Processes Manual is located here: [FINAL - ROP Appendix 3A SPM v5 \(nerc.com\)](#)

Chapter 1: Governing Documents

The DT Reference Manual does not supersede the currently approved SPM or [NERC Rules of Procedure](#) (ROP).² Links to the foundational documents provided in this DT Reference Manual used for any questions related to the processes are described herein. See Sections 4.1 and 4.2 in the SPM for detailed information, including Figure 4.1 for a detailed workflow of the Standard Development Process.

² The Rules of Procedure is located here: <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>

Chapter 2: Principles Supporting Reliability Standards Development

The North American Electric Reliability Corporation’s Reliability Standards Development Processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for certification as the Electric Reliability Organization under Section 215 of the Federal Power Act and Federal Energy Regulatory Commission (FERC) regulations.³ The same attributes, as well as transparency, consensus building, and timeliness, are also required under the [NERC Rules of Procedure Section 304](#) accreditation.

The following principles serve as a foundation for development of high quality, technically sound, results-based Reliability Standards:

Adequate Level of Reliability (ALR)

As defined by NERC, ALR “[i]s the state that the design, planning, and operation of the Bulk Electric System (BES) will achieve when the listed Reliability Performance Objectives are met. Further, Reliability Assessment Objectives included in the definition must be evaluated to assess reliability risk in support of an adequate level of reliability.”⁴

Results-based Requirements

Each requirement of a Reliability Standard should identify what Functional Entities shall do and under what conditions, to achieve a specific reliability objective; but not how that objective is achieved. There are categories of requirements, each with a different approach for measurement. Generally, each standard should employ a defense-in-depth strategy where each requirement in a NERC Reliability Standard has a role in prevention of harm. Defense-in-depth is created when there is an appropriate portfolio of performance-, risk-, and competency-based mandatory reliability requirements that complement and reinforce each other. Each requirement should identify a clear and measurable expected outcome, such as: a) a stated level of reliability performance, b) a reduction in a specified reliability risk (prevention), or c) a necessary competency, as below:

- Performance-based Requirements
- Risk-based Requirements
- Capability-based Requirements

Additionally, see Section 2.4 of the SPM for a detailed explanation of these three types of requirements.

Reliability Principles

NERC Reliability Standards are based on reliability principles that define the foundation of reliability for the North American BPS. See the document [Reliability Principles](#) on the NERC Resources page for detailed explanation of this principle.

³ 16 U.S.C. § 824o; see also 18 C.F.R. § 39.3(b)(2)(iv).

⁴ NERC filed its definition for “Adequate Level of Reliability” with the Commission on May 10, 2013. *Informational Filing on the Definition of “Adequate Level of Reliability”*, available at: http://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/Informational_Filing_Definition_Adequate_Level_Rel_iability_20130510.pdf.

Market Principles

Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Reliability Standards shall be written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets. See the document [Market Principles](#) on the NERC Resources page for detailed explanation of this principle.

Ten Benchmarks of an Excellent Reliability Standard

NERC Reliability Standards should meet the principles outlined in the *Ten Benchmarks of an Excellent Reliability Standard* and conform to the acceptance criteria contained in FERC Order 672 as outlined in the document [Acceptance Criteria of a Reliability Standard](#).

Chapter 3: Orientation

Prior to, or at the first meeting of the DT members, the Standards Developer or another NERC Standards staff member will provide an orientation session that may include the tasks identified below.

Read and Review:

- [NERC's Antitrust Compliance Guidelines](#)
- [NERC Participant Conduct Policy](#)

NOTE: Additional documents referenced in this manual are located on the NERC Standards Resources web page unless otherwise noted. Commonly referenced documents and additional resources are centrally located on the NERC site. Refer to **Attachment A: Verbs** in this document for references to Reliability Standard verbs and their associated definitions.

Understand Work Obligations:

- Review the applicable SAR;
- Review the applicable proposed Reliability Standard;
- Review applicable FERC orders and/or directive(s);
 - Develop a consensus of how the DT will respond to stakeholder comments with the intent of revising work products to reflect the consensus view of stakeholders;
 - Understand the Quality Review (QR) work as required under Section 4.6 of the SPM, [including the criteria specified in NERC's Ten Benchmarks of an Excellent Reliability Standard](#);
 - Develop a project schedule in accordance with SC expectations or Reliability Standards Development Plan (RSDP) requirements;
 - Provide the project schedule to the SC or its designee for review and approval;
 - Understand the function and role of the Project Management & Oversight Subcommittee (PMOS) DT liaison;
 - Review the current cost effectiveness process and understand how it relates to the project; and
 - Continue with standard development until the conclusion of the project through either rejection or approval by the applicable governmental authorities.⁵

⁵ A DT may be formally disbanded by the SC under certain circumstances as described in the Standards Process Manual, Section 3.4: Standards Committee.

Chapter 4: Drafting Team Types and Meetings

The SPM contemplates two types of DTs who perform the Reliability Standards-related activities depending on the project focus.

Reliability Standard Drafting Team (RSDT):

With regards to the SAR, the RSDT assists the SAR submitter to achieve stakeholder consensus on whether a standard is required to address a reliability-related need, and develop the scope of the project to address the identified need. The role of the RSDT when working with the SAR is to evaluate and respond to industry comments on the technical justification, background information, potential for industry consensus, and associated cost impact analysis information to determine the level of support and scope of a standard. The DT presents the SAR and a recommendation to the SC, and the SC determines whether to pursue a standard development project.

If the SC determines that a standard development project will be pursued, the RSDT then shifts to focus on developing the new or modified Reliability Standards or definitions. The DT is encouraged to consult the developmental history of the Reliability Standards under revision on Archived Reliability Standards under Development. Generally, the role of the DT is to: (i) develop a project schedule and timeline in accordance with SC expectations or RSDP requirements that may include collaboration with the PMOS; and (ii) draft a Reliability Standard or definition within the scope of the SAR. The DT develops an implementation plan to propose an effective date or dates for the associated Reliability Standard(s) or definitions. This implementation plan should identify the factors supporting the DT's proposal. Additionally, the DT develops a set of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria established by NERC and Applicable Governmental Authorities. Further, the DT will collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. Finally, the DT may make revisions to the proposed Reliability Standard that will improve the quality, clarity, or enforceability of that Reliability Standard based on stakeholder comments.

Interpretation Drafting Team (IDT):

The IDT develops an Interpretation as outlined in [Section 7.0 of the SPM](#). An Interpretation may only clarify or interpret the Requirements of an approved Reliability Standard, including, if applicable, any attachment to such Requirement. An approved Interpretation appends the existing approved Reliability Standard to which it applies until a future revision of the Reliability Standard incorporates the Interpretation, or the Interpretation is retired due to a future modification of the applicable Requirement. In general, Interpretations may not change the Reliability Standard, address a weakness or gap in the Reliability Standard, address any element of a Reliability Standard other than a Requirement or an attachment referenced in a Requirement, or provide an opinion on whether a particular approach would achieve compliance with the Reliability Standard.

IDTs are encouraged to review past history of the Reliability Standard's development by assessing the full record including, but not limited to, past comments and responses. Also, if a potential reliability issue or gap exists or is determined during the interpretation process, the team should document suggested revisions, develop a SAR to revise the Reliability Standard accordingly, and submit the SAR to NERC staff.

Team Meetings:

DT meetings shall be open to all interested parties. Meeting notices and agendas shall be publicly posted on the NERC website at least five business days prior to the meeting. Notices shall describe the purpose of meetings and shall identify a readily available source for further information. All who wish to attend a DT meeting must pre-register via the NERC Calendar web page to ensure that there are sufficient resources to accommodate guests and DT members.

An observer is any industry individual who wishes to attend a DT meeting. A guest is a subject matter expert that the DT may decide to invite to one or more of the DT meetings to respond to the team's questions. The chair or the coordinator shall extend invitations to guests. It is expected that all members, observers, and guests attending drafting team meetings adhere to the *NERC Participant Conduct Policy* and conduct themselves in a professional manner at all times.

A quorum requires two-thirds of the DT voting members. DT action should only occur when a quorum is present during the meeting. While the DT members are encouraged to arrive at decisions through consensus, on the rare occasions when this is not possible, team members assigned by the SC have the right to vote. Voting may take place during formal meetings or may take place through electronic means. Approval of any action of a DT through a vote requires a two-thirds majority of the DT member votes cast. Guests and observers shall not have the right to vote unless an informal straw poll is taken at the request of or by the DT Chair. A DT member may not appoint a proxy to represent the member during team meetings.

The chair may limit the participation of guests and observers to ensure that the DT accomplishes its assigned tasks or to permit discussions pertaining to Critical Energy Infrastructure Information (CEII), Cyber Security, or other "sensitive" issues. Such decisions shall be documented in meeting minutes.

Meeting minutes should be posted to the NERC website as soon as is practicable following each meeting.

Chapter 5: Areas of Responsibilities

Drafting Teams:

Collectively, a DT (i.e., Reliability Standard Drafting Team), following NERC's standard development process, has responsibility for developing new Reliability Standards and revising existing Reliability Standards. The mission of each DT is to develop excellent, technically correct Reliability Standards that provide for an adequate level of BES reliability. The members of a DT consist of a DT Chair, DT Vice Chair, DT members, and supported by NERC staff and other industry SMEs as identified in this section.

Some drafting teams work to modify already approved Reliability Standards, with modifications aimed at addressing specific directives of the applicable governmental authorities, or to address reliability issues not directed by the applicable governmental authorities. Other drafting teams work to develop new Reliability Standards that are not associated with any directives from an applicable governmental authority. In all cases, DT members are selected from industry volunteers to provide the DT with sufficient technical expertise from diverse industry perspectives to ensure development of Reliability Standards that, when approved, demonstrate broad industry consensus. DTs are selected by, and report to, the SC.

During the SAR process the DT has primary responsibilities to:

- Revise or refine the SAR, and propose the SAR for industry comment;
- Participate in industry forums, as needed, to help build industry consensus on the SAR;
- Consider and respond to comments, and attempt to resolve objections;⁶
- Identify and consider potential regional variances to be incorporated in the proposed new or revised standard; and
- Provide advice, as needed or appropriate, on the decision to continue with the development of a SAR.

During the drafting process, the DT has primary responsibilities to:

- Follow the standard development process as outlined in NERC's Rules of Procedure, including:
 - Developing results-based Reliability Standards that contain requirements that are clear and unambiguous from a compliance and implementation perspective;
 - Draft new or revised Reliability Standards that provide for an ALR, addresses the full scope contained in the SAR, and achieves the objectives delineated in the SAR;
 - Work in conjunction with other DTs to consider and reconcile impacts from concurrent Reliability Standard development projects;
 - Consider Standard Efficiency Review efforts in drafting new or modified requirement language;
 - Consider previously approved requirement language when developing new requirement language;
- Revise approved Reliability Standards to address relevant directives from one or more applicable governmental authorities;
- Provide an initial set of violation risk factors and violation severity levels for new or modified Reliability Standards;
- Ensure the proposed Reliability Standards meet the statutory or regulatory criteria for approval in each relevant jurisdiction

⁶ When a SAR is posted only for an informal comment period, there is no obligation to respond in writing to industry comments.

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- Meet with applicable governmental authority staff, as requested, to present and discuss the DT's approach to meet a regulatory directive, including any alternative approaches;
 - Document the technical justification associated with each proposal for a new or modified requirement, and for each proposal to retire a requirement, in a Technical Rationale document;
 - Consider and respond to all posted comments submitted during a formal commenting period;
 - Develop an implementation plan to support the proposed Reliability Standards;
 - Identify the need for field testing proposed technical requirements and, where a field test is needed, reviewing, and analyzing the associated data;
 - Recommend to the SC when a proposed standard is ready for balloting;
 - Respond to observations from a quality review of a proposed standard and associated implementation plan;
 - Engage stakeholders during Reliability Standards development to help build industry consensus;
 - Identify and consider variances to proposed Reliability Standards;
 - Report progress to the SC, as needed;
 - Develop or support development of supporting documents to supplement Reliability Standards; and,
 - Provide technical input, as needed, to NERC staff during preparation of regulatory documents, including:
 - Work status updates or similar filing(s);
 - Submitting the proposed standard(s) for approval;
 - Responding to questions raised in a notice of proposed rule-making or other regulatory proceedings;
 - Preparation of a request for clarification or rehearing following the issuance of the rule or order addressing a proposed standard filed for approval; and
 - Preparing requests for extensions of time when a regulatory imposed deadline for Reliability Standards development cannot be achieved.
 - Notify chair and NERC Standards Developer if team member cannot fulfill team responsibilities.

The DT Chair and Vice Chair have additional responsibilities to:

- Facilitate DT discussions such that the team may reach consensus on proposed standard(s) that will achieve the SAR objectives and DT responsibilities described above;
- Conduct the meetings in a responsible, timely and efficient manner;
- Represent the drafting team before the SC in reporting on team progress in implementing the scope of the SAR and in addressing directives from an applicable governmental authority;
- Represent the drafting team in discussions with applicable governmental authority staff on how the proposed Reliability Standards address the applicable directives;
- Lead the drafting team in the effective dispatch of its Reliability Standards development obligations; and
- Assist the NERC staff to provide technical input to:
 - Draft filings for submission to the applicable governmental authorities for approval of the proposed standard(s);
 - Respond to questions raised in a notice of proposed rule-making or other regulatory proceedings;

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- Prepare a request for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; and
 - Respond to directives from applicable governmental authorities that are determined to be detrimental to reliability.

DT Subject Matter Expert (SME):

Compliance, Legal, Technical Support, and other Individuals with specific expertise applicable to the project may participate in the development process on an as needed basis to provide input. While not formal team members, they may participate in discussions.

NERC Standards Developer:

The NERC Standards Developer is a NERC Standards staff member assigned to facilitate and assist DTs to ensure consistency and quality in the development of standard products. The Standards Developer keeps the project on track and informs the SC of progress. The NERC Standards Developer has the following primary responsibilities in support of and collaboration with a DT:

- Ensure the DTs adhere to the integrity of the standard development process as defined in NERC’s Rules of Procedure;
- Ensures the quality of documents submitted for posting, balloting, and adoption;
- Develops and posts the record of proceedings (e.g., draft Reliability Standards, minutes, etc.) for the meetings;
- Facilitates the logistics for meetings, telephone and online conference calls, and virtual discussions;
- Coordinates the scheduling of DT meetings with NERC staff and the appropriate applicable governmental authority staff to discuss proposed standards, including the approach taken by the team to address directives;
- Monitors the participation of regulatory staff members, industry stakeholders, and other observers in drafting team activities to ensure proper business meeting decorum is maintained;
- Documents and includes in the standards development record the informal advice and feedback provided by applicable governmental authority staff participants concerning directives that are offered in a non-public meeting with drafting team members;
- Coordinates the DT’s technical input into:
 - Draft filings to the applicable governmental authorities for approval of the proposed standard(s);
 - Responses to questions raised in a notice of proposed rule-making or concerns raised by commenters in regulatory proceedings;
 - Requests for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; or
 - Responses to directives from an applicable governmental authority that are determined to be detrimental to reliability or lack a clear reliability benefit;
- Reports to the DT chair, other NERC standards staff, and upon request, the SC as to the team’s progress; and
- Requests filling of vacant positions or supplemental expertise as needed.

The NERC Standards Developer is responsible for facilitating the work of the DT in completing its obligations as outlined in this document and the standard development process. In this regard, the NERC Standards Developer *may* support the drafting teams with respect to the following:

- Ensure that applicable governmental authority directives and the entirety of the rule(s) or order(s) relating to the standard(s) under development are available and understood;
- Propose language for the drafting team to consider, or assign drafting team members to propose language to:
 - Capture the essence of the team discussions of proposed Reliability Standards;
 - Ensure consistency of style and format of proposed Reliability Standards with other approved Reliability Standards;
 - Ensure compliance obligations are clear in the proposed Reliability Standard;
 - Assist in developing supporting documents to support industry understanding and implementation of proposed Reliability Standards;
 - Assist in developing written technical justification for each proposed new or revised requirement and for each proposal to retire a requirement;
 - Assist in developing written technical justification describing the drafting team’s approach to addressing regulatory authority directives where a drafting team determines that an alternative approach should be pursued; and
 - Help demonstrate that the proposed Reliability Standards meet statutory and regulatory authority criteria for approval in each relevant jurisdiction;
- Assisting the drafting team regarding the degree to which the team:
 - Sufficiently addresses the full scope of the approved SAR;
 - Proposes revised Reliability Standards that provide for an ALR;
 - Completely addresses each regulatory directive applicable to the Reliability Standards under development; and,
 - Address each observation made during the quality review of the team’s proposed standard and associated implementation plan.

NERC Staff Working with DTs:

Collectively, NERC staff, working with the SC, prepares the materials submitted to the NERC Board of Trustees (Board) regarding adoption of a proposed Reliability Standard that achieved the requisite industry consensus for approval. In providing this recommendation, NERC staff includes a discussion on the development of the standard through the balloting process, adherence to the Reliability Standard development procedure, key issues and an overview of stakeholder comments, how the team addressed the comments and issues, identification of any significant unresolved minority views, and, where applicable, how the proposed standard addresses associated directives from an applicable governmental authority. The NERC Board must adopt the proposed Reliability Standards and authorize the filing of a proposed standard with the applicable governmental authorities.

Chapter 6: Additional DT Guidance

NERC Email Lists

NERC staff will assign each DT a unique list server. The list server allows drafting team members, and any others on that list, to simultaneously send a message to all members of the DT. NERC staff will also assign an expanded (DT-plus) list server to include other interested individuals who are not members of the team (Observers, Guests, etc.). The drafting team should use the “plus” list as the primary communication tool. The “team only” list should be used only when sensitive information is discussed. Additional guidelines are outlined in the [NERC Participant Conduct Policy](#).

Hyperlinks and Citations

Avoid including hyperlinks in mandatory and enforceable elements of Reliability Standards. For hyperlinks used in other documents (e.g., Technical Rationale, Implementation Guidance, etc.), each hyperlink should be accompanied by a full citation in APA Style format. When citing a document within the body of a text the document’s title is italicized (e.g., [Appendix 3A of the NERC Rules of Procedure Standard Processes Manual](#)).

Submission of Final Work Product for Approval

When the balloting process indicates sufficient industry consensus, the DT provides a recommendation to the SC that may include the following:

- For a SAR: a statement indicating the DT believes there is stakeholder consensus on the following: a reliability-related need for the proposed Reliability Standard action and the appropriate scope of the requirements;
- For a Reliability Standard or Definition: a summary listing of the work of the DT to achieve stakeholder consensus including:
 - Dates each draft of the Reliability Standard product was posted for comment;
 - Link to the associated Reliability Standards Development web page; and
 - Link to redline version of the final Reliability Standard product to show changes from the last version of the Reliability Standard product posted for comment;
- An analysis of the diversity of stakeholder participation in the comment periods;
- Identification of any strong minority views that were not satisfied during the revisions made to the Reliability Standard product and pertinent cost impact information collected during the comment period(s).

Quality Review

Although Section 4.6 of the SPM requires a QR prior to any initial ballot and formal comment period, the DT Chair may ask, at any time, the NERC Standards Developer to request for a QR which may be conducted depending on available resources. The QR will evaluate whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The DT may consider the results of the QR, decide upon appropriate changes, and recommend to the SC whether the documents are ready for formal posting and balloting.

Supplemental SAR (if needed)

If stakeholder comments indicate the existing scope of the approved SAR should be expanded, the DT may consider, and if necessary, submit a request to expand the scope of the SAR to the SC. If approved for posting, the DT can continue to work on the proposed Reliability Standard while it collects stakeholder’s support on the expanded scope of the project. Consideration should be made to avoid concurrent drafts of a proposed Reliability Standard by consolidating the drafting to a single project incorporating any subsequent related SARs.

DT Develops Proposed New or Revised Defined Term(s) (if necessary)

Section 5 of the SPM addresses the process for developing a defined term used in one or more NERC Reliability Standards. Please refer to that section for additional information regarding development and posting of such documents.

DT Develops an Implementation Plan

Section 4.4.3 of the SPM requires each DT to develop an implementation plan that informs responsible entities of the actions (compliance obligations) required once the Reliability Standard becomes effective. Please refer to that section for additional information regarding development and posting of such documents.

Supporting Document(s) (if necessary)

Section 11 of the SPM describes the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard, but do not themselves contain mandatory Requirements subject to compliance review. Please refer to that section for additional information regarding development and posting of such documents.

Implementation Guidance

Implementation Guidance is an additional type of supporting document that may be developed by the standard drafting team. The Implementation Guidance policy was created by the Board and documented in the compliance guidance policy document dated November 25, 2015. Per the policy:

Implementation Guidance provides a means for registered entities to develop examples or approaches to illustrate how registered entities could comply with a standard that are vetted by industry and endorsed by the ERO Enterprise. The examples provided in the Implementation Guidance are not exclusive, as there are likely other methods for implementing a standard. The ERO Enterprise's endorsement of an example means the ERO Enterprise CMEP staff will give these examples deference when conducting compliance monitoring activities. Registered entities can rely upon the example and be reasonably assured that compliance requirements will be met with the understanding that compliance determinations depend on facts, circumstances, and system configurations.

The DT should be aware that Implementation Guidance drafted during the standards development process may not be vetted and approved after a purposed standard has gone to ballot.

Chapter 7: Addressing Regulatory Directives

FERC or another applicable governmental authority may issue an order directing NERC, as the Electric Reliability Organization (ERO), to address specific issues or concerns. Even if some stakeholders indicate they do not support the directive, the ERO has an obligation to address the directive. The SC and the DTs are responsible for addressing directives that require new or modified requirements using the standard development process. Ultimately, all proposed Reliability Standards require NERC Board adoption.

FERC, or another applicable governmental authority, may assign one or more staff to work as an observer with each DT and to communicate staff views and concerns to the team. Each team may seek input from the staff of the applicable governmental authority regarding whether the work of the DT addresses the intent of any directives from the applicable governmental authority. If applicable governmental authority staff offers advice on issues outside the scope of the directives, the DT should consider this advice in the same manner that it considers advice from any other source.

Applicable governmental authority directives vary in the level of detail provided – most directives identify a reliability objective that the directive should achieve and then identify a proposed method of achieving that objective. When an applicable governmental authority issues a directive that requires new or modified standard requirements, the optimal course of action is for NERC and stakeholders to participate in the proceeding, especially if concerns exist with the directive. In the United States, for example, FERC has generally proposed directives first through a notice of proposed rulemaking (NOPR), considered any comments that are submitted on the proposed directive(s) by interested parties, and then issued the directive(s) in a final rule. If a concern exists on a particular directive when a final rule is issued, NERC or stakeholders may seek rehearing or clarification of the final rule as provided under FERC’s Rules of Practice and Procedure, or, if outside the United States, the relevant rules of the applicable governmental authority issuing the directive.

At such time that the applicable governmental authority’s directive is considered “final”, NERC, through its SC and the DT, has the responsibility to address it. When addressing a directive, a DT has the following courses of action available based on its consideration of the directive and the reliability objective associated with the directive:

Drafting Team Agrees with the Reliability Objective and Directive as Presented

- The DT agrees with the reliability objective that is defined by the regulatory authority directive.
- The DT addresses the directive by incorporating the appropriate language in the proposed standard.
- The DT develops a written explanation that discusses how the team’s approach addressed the directive. This information will then be included in the filing of the standard, if industry approves it, and adopted by the NERC Board.

Drafting Team Agrees with the Reliability Objective but Elects to Employ an Equivalent Alternative Approach to Implement the Directive

- The DT agrees with the reliability objective that is defined by the directive.
- The DT does not agree with addressing the directive as presented in the order of the applicable governmental authority.⁷
- The DT incorporates language in the proposed standard that addresses the reliability objective or proposes achieving the reliability objective through another mechanism.

⁷ In the United States, FERC permits an equivalent alternative approach provided the alternative approach addresses the FERC’s underlying concern or goal as efficiently and effectively as the FERC proposal.

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- The DT develops a written explanation that discusses how the team’s approach is equally efficient and effective in meeting the reliability objective of the directive. The DT posts this explanation when posting the standard for stakeholder comment. This information will then be included in the filing of the standard, if it is approved by industry, and adopted by the NERC Board.
 - If requested, or as needed, the DT, or representatives thereof as determined by the team, shall discuss its approach with applicable regulatory authorities, the SC, and NERC staff.

Drafting Team Agrees with the Reliability Objective but Believes the Directive as Presented is Detrimental to Reliability

- The DT agrees with the reliability objective but does not agree with the directive because it is detrimental to reliability.
- The DT includes the reliability objective and directive in materials issued for an industry comment period to obtain stakeholder input on the impact of implementing the directive as presented.
- The DT develops an approach that achieves the reliability objective desired by the directive but in a manner not detrimental to reliability.
- The DT develops a written explanation that describes how the directive, if implemented as directed, would cause adverse reliability impacts. The DT articulates its alternate approach that better achieves the desired reliability objective.
- The written explanation is provided to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
- The NERC executive management will lead the effort in coordination with the chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive.
- If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its concerns and proposed alternate approach with the applicable governmental authority, the SC, and NERC staff.

Drafting Team Disagrees with the Reliability Objective and Believes the Directive, as Presented, Lacks a Clear Reliability Benefit

- The DT does not agree with the reliability objective associated with a directive because it is unsupported by a reliability need.
- The DT develops a written explanation that describes how the objective, if implemented as directed, does not support a reliability need.
- The DT implements the directive as presented by incorporating appropriate language in the proposed standard and posts this for stakeholder comment. At the same time, the DT posts its concerns regarding the perceived lack of reliability benefit of the directive and the reliability objective it is attempting to achieve. If stakeholder comments support the DT’s position, the DT provides its concerns and stakeholder comments to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
- The NERC executive management will lead the effort in coordination with the Chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive, that may include submission of a request for clarification to the applicable governmental authority or a request to process the proposed standard and associated directive language through the balloting process so there is full evidence of consensus, or lack thereof.
- If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its concerns with the applicable governmental authority, the SC, and NERC staff.

Where an applicable governmental authority directs NERC to “consider” a proposal, issue, recommendation, or other matter, the drafting team may implement the proposal, offer an alternative proposal, or explain why the proposal should not be adopted. The drafting team must seek stakeholder input on its consideration of these directives using the standard development process and must document its conclusions. NERC will submit this documentation with its request for standard approval to the applicable governmental authorities.

Response to Applicable Governmental Authority Staff Involvement in Standard Drafting Team Activities

Because the standard development process is an open process, NERC cannot preclude applicable governmental authority staff from involvement in its standard development activities. To that end, the NERC Board provided the following policy guidance⁸ to guide DTs’ responses to regulatory authority staff involvement in standard drafting activities:

- The DT has sole responsibility for drafting and approving the language in the proposed Reliability Standards that are presented to the SC for ballot.
- NERC and its SC support the involvement of applicable governmental authority staff in all DT activities, where permitted by law.
- NERC recognizes that applicable governmental authority staff does not speak for the regulatory authority itself and, as such, the input they provide is considered advice.
- In the event applicable governmental authority staff does choose to participate in drafting team activities, they should be treated as any non-voting observer or participant.⁹
- DT members should seek out the opinion of applicable governmental authority staff, consider the staff input on its technical merits,¹⁰ and respond to written comments offered during a public posting period as it would seek opinions from, consider the technical merits of, and respond to comments offered by other industry stakeholders.
- To the extent that applicable governmental authority staff advice is offered to the drafting team (or members thereof) in a forum that is not public and open to all industry participants, the DT should consider the input as advice.
- If the team chooses to act on applicable governmental authority staff advice offered in a non-public forum, the DT chair should either:
 - Request the applicable governmental authority staff to provide the advice during an open meeting or conference call of the DT; or
 - Document his/her understanding of the issues or advice presented, and include the information in an open industry comment period with the accompanying changes to the proposed Reliability Standards.

By doing so the tenets in the ROP are satisfied.

In the U.S., federal law prohibits FERC from authoring language for Reliability Standard requirements; rather, they can identify specific issues to be addressed by drafting teams.

⁸ Policy guidance was approved at the October 29, 2008, meeting of the NERC Board.

⁹ DT members are responsible for performing the roles and responsibilities as outlined in this document and are held accountable for developing standards that achieve the objectives in the approved standards authorization request. Observers and non-voting participants to the standard development process may opine on the issues at the discretion of the drafting team chair during DT meetings but they have no official voice in the final determination of the proposed standard language, except through participation in public comment periods, the Registered Ballot Body, and the balloting process associated with the proposed standard.

¹⁰ The DT may elect to seek regulatory authority staff opinion on a proposed standard’s ability to meet a regulatory authority directive or order, to clarify the regulatory authority staff’s interpretation of a directive, or may discuss a technical opinion not necessarily associated with a regulatory authority directive or order.

See **Attachment B** for further discussion on FERC's role to approve Reliability Standards in the United States.

Chapter 8: Informal Development

The DT may participate in activities outside the formal standard development process. The intent of informal development activities are to identify issues associated with the project and determine whether there are solutions on which to build consensus, thereby reducing the time needed during the formal Reliability Standards development process. The informal development activity does not circumvent the formal Reliability Standards development process and, rather, its purpose is to raise issues and build consensus outside of formal Reliability Standards development.

Informal consensus building activities include, but are not restricted to, the following tools to advance industry awareness and build support for the Reliability Standard as opportunities to educate and inform stakeholders:

- Conducting Webinars
- industry surveys
- in-person workshops
- in-person meetings open to the stakeholders
- straw polls
- Publishing announcements
- Leveraging existing venues such as Compliance Workshops
- Leveraging existing and historical technical committee work
- Using any applicable NERC communication plans
- FERC outreach

Chapter 9: Assessing Stakeholder Comments

NERC staff will provide DTs with a report containing all of the comments submitted during the comment period. The report consists of the following information:

Table of Commenters

The Table of Commenters is a list of stakeholders who complete comment forms and is organized to show the industry segments represented by each commenter.

Standards Balloting System (SBS) Comment Report

Drafting team members will receive a comment report containing all comments received from responses to the individual questions and the interactive comments including likes/dislikes selections.

Comments and Responses

The format of the Consideration of Comments report includes each submitter's name, company, segment, answer(s) to question(s), comments submitted in response to the associated question, and the appeals process statement. As required in Section 4.12 of the SPM, the DT is responsible to review and respond in writing to all comments received during formal comment periods. The Consideration of Comments report is posted on the associated project page.

Evaluation of Comments as an Indication of Potential Ballot Results

DTs are encouraged to evaluate whether the set of comments is representative of the industry or a subset of the industry and to consider the sources of the comments when determining what revisions may be necessary to gain industry support for the standard. From the comment form, the DT can determine if the comments represent: 1) an individual in a single industry segment; 2) an individual representing several industry segments; 3) an individual representing a group in a region or industry segment; 4) a group representing several entities; 5) a group on behalf of a single entity; 6) a group representing a region; and 7) a group from a technical committee with members across regions and industry segments.

One way of interpreting the comments is to determine how many ballots are represented by each comment and consider the following:

- A single commenter from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- A single commenter from an entity that is registered to vote in three industry segments may be considered to represent three potential ballots.
- Six commenters from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- Six commenters, each from different entities with each of these entities registered to vote in one industry segment, may be considered to represent six potential ballots or, if in multiple industry segments, may result in an even greater number of ballot positions.

Obligation to Respond to Comments

Proposed new or modified Reliability Standards require a formal comment period. The intent of the formal comment period is to solicit feedback on the final draft of the Reliability Standard and associated documents. A drafting team must respond in writing to every stakeholder's written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team and publicly posted.

There is no formal comment period concurrent with the Final Ballot, and no obligation for the drafting team to respond to any comments submitted during the Final Ballot. There is no requirement for a drafting team to respond in writing to comments submitted through an informal comment period.

Assessing Technical Merit of Comments

When reviewing the comments, the DT should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community, with the understanding that 100 percent agreement is likely unachievable.

The intent of any relevant cost evaluation document is to identify potential egregious costs associated with a new Reliability Standard. If a cost evaluation was conducted, results should be used only in the context of providing further information along with the SAR and should be provided to the SC.

Practical Tips for Addressing Comments

One approach to completing the Consideration of Comments report is for the DT to review all the comments submitted in response to a particular question and then have a discussion. Some DTs find it useful to create responses together, developing a draft response to each unique comment during the meeting. Other DTs prefer to divide the comments among team members allowing the assigned team member to prepare an initial draft response for team discussion at its meeting. In either case, review and discussion should support the DT's efforts to reach a stakeholder consensus.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during a formal comment period or concurrent ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the Revised Reliability Standard for another formal comment period and ballot. Prior to posting a revised Reliability Standard for an additional comment period, the DT must communicate to stakeholders that significant revisions to the Reliability Standard are necessary. This communication should note that the DT is not required to respond in writing to comments from the previous ballot.

Chapter 10: Guidance on Drafting a Result-Based Reliability Standard

The results-based NERC Reliability Standard template is organized by the sections identified below and contains the definitive information on format and requirements. Below is additional guidance, which is organized similarly to the template's corresponding section.

Section A – Introduction

Title

The title should be a brief descriptive phrase that identifies, in a clear and concise manner, the subject addressed by the Reliability Standard. The title should answer the following questions:

- What reliability-related topic does the title address?
- How should the topic be described, limited, or specified?

The title should not start with the word “to,” include the word “standard,” or be excessively wordy or vague. Reliability Standard titles should not be complete sentences.

Number

NERC staff assign the Reliability Standard number for a new Reliability Standard. The numbering convention has three parts:

- A three-letter acronym denoting the general topical area of the Reliability Standard
- The Reliability Standard number within that topical area, beginning with 1 and increasing sequentially
- The version of that Reliability Standard

If a Reliability Standard is being proposed for revision, the Reliability Standard is given a new version number. A detailed explanation is available in the [NERC Standards Numbering System](#).

Purpose

A clear statement that describes how the Reliability Standard contributes to the reliability of the BPS and should not contain actionable requirements. The purpose of a specific Reliability Standard will not necessarily be the same as the purpose on a SAR as some SARs have a purpose statement that addresses modification of a set of Reliability Standards.

Applicability

NERC's Reliability Standards apply to users, owners, and operators of the facilities that make up the BPS. The applicability section of a Reliability Standard should use entities found in the *Statement of Compliance Registry Criteria* (codified as *Appendix 5B of the NERC Rules of Procedure*) which is the FERC-approved vehicle by which NERC and the Regional Entities identify the entities responsible for compliance with NERC and Regional Reliability Standards. In a small number of cases, when a number of requirements are being developed that will apply to a large number of functional entities, the DT may work with NERC staff to define a term that is used within a particular standard or group of Reliability Standards to refer to that group of functional entities collectively.¹¹ In some cases, the DT will identify the need to limit the applicability of one or more requirements in a Reliability Standard to a subset of entities or facilities so that the applicability aligns with the reliability risk. In most cases, these limitations are identified in the

¹¹ See CIP-002-5.1a for an example: 4.1 Functional Entities: For the purpose of the requirements contained herein, the following list of functional entities will be collectively referred to as “Responsible Entities.”

applicability section of the Reliability Standard, rather than embedded in the requirements.¹²

Effective Date

The effective date section in the Reliability Standard refers to an associated implementation plan. The implementation plan sets forth the date or pre-conditions for determining when each Requirement becomes effective in each jurisdiction.

Section B – Requirements and Measures

Requirements

An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability- related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory. Some requirements may have “parts.” The parts of a requirement are numbered by using the number of the requirement, followed by a decimal number (e.g., Requirement R4 could have parts 4.1, 4.2, and 4.3).

Each requirement should:

- Include the name of the responsible functional entity or entities.
- Include the word “shall.”
- Be written in:
 - Active voice rather than the passive voice.
 - Concise, clear, measurable language. (Requirements that are not measurable or are subject to multiple interpretations are unacceptable.)
- Avoid use of ambiguous adjectives such as “sufficient” or “adequate” as these cannot be measured objectively. When a range of performance is acceptable, the range needs to be qualified and bounded by measurable conditions/parameters.
- Utilize currently approved Glossary of Terms within each requirement unless the SAR’s scope provides for a new or updated term.
- Achieve one objective. If a requirement achieves two objectives, such as developing a document and distributing that document, then each objective should be addressed in its own requirement.
 - Contribute to one or more reliability principles and the specific objective of the Reliability Standard. All parts of a requirement must contribute to the objective of the main requirement. If there is only one part that contributes to the objective of the main requirement, there should only be one main requirement and no parts.
 - Avoid more than one level of parts as it may reduce clarity.

Where practical, requirements should use language that is already familiar to the end users of NERC’s Reliability Standards. To that end, a list of ‘verbs’ already used in NERC Reliability Standards can be referred to in *Attachment A*.

In general, the language of a requirement should follow the format of:

[Entity X] shall perform [specific action] by [a specific time or frequency].

¹² For example, a Reliability Standard may limit applicability to certain facilities based on electric characteristics, such as transmission facilities energized at 200 kilovolts or greater. If no functional entity limitations are identified, the default is that the Reliability Standard applies to all identified listed functional entities – so that if the applicability identifies, “Transmission Operators”, then the Reliability Standard applies to all Transmission Operators that have registered in NERC’s Compliance Registry.

The DT should consider adding a time frame for measuring the required performance, as FERC has determined that unless the requirement includes a time period, each incidence of noncompliant performance must be assessed as a separate act of noncompliance, subject to an individual penalty or sanction. In addition, if performance results can be practically measured quantitatively, metrics should be provided within the requirement.

Measures

Each requirement must have at least one measure. A single measure can be used for more than one requirement. A measure provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.

Section C – Compliance

Data/Evidence Retention

Evidence retention is included in Section C of the Reliability Standard under Compliance Monitoring Process. The evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance, and each requirement must have an Evidence Retention period following this format:

- The [applicable entity(ies)] shall keep data or evidence of Requirement [insert requirement number] for [insert retention period] calendar days/months/years. **(Add requirements as appropriate for this standard. This section is only for those requirements that do not have the default data retention.)**

Violation Severity Levels (VSLs)

VSLs are included in section C of the Reliability Standard in a table format. The VSLs provide guidance on the way that NERC will enforce the Requirements of the proposed Reliability Standard. To assist the DT in the development of VSLs, refer to the *Violation Severity Level Guidelines*. These guidelines outline the criteria and attributes for developing VSLs.

Violation Risk Factors (VRFs)

Each requirement must also have a Violation Risk Factor associated with it. The risk factor is one of several elements used to determine an appropriate sanction when the associated requirement is violated. The VRF assesses the impact to reliability of violating a specific requirement and shall be categorized as a high, medium or low risk. The criteria for categorizing a VRF, which has been filed with FERC as part of the ERO's *Sanction Guidelines* (codified as Appendix 4B of the NERC Rules of Procedure), along with the five guidelines that FERC uses to determine whether to approve the VRFs submitted for approval⁶¹³ are documented in *VRFs*.

If a requirement has parts, and some of the parts are much more critical to reliability than others, then the DT should consider subdividing the requirement into separate requirements and assigning a VRF to each of the individual requirements.

Time Horizons

Each Reliability Standard requirement must also have an associated time horizon to differentiate requirements that involve shorter and narrower time frames (e.g., real-time operations) from those that involve longer and broader time frames (e.g., long-term planning).

Section D – Regional Variances

Most Reliability Standards can be written so that they apply on a continent-wide basis without the need for a variance.

¹³ In its *May 18, 2007 Order on Violation Risk Factors*, FERC identified five “guidelines” it uses to determine whether to approve the VRFs submitted for approval.

FERC accepts that a variance may be needed under the following conditions (Order No. 672¹⁴):

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential and in the public interest, as required under the statute:

(1) a regional difference that is more stringent than the continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not; and

(2) a Regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.

Regional variances are generally identified during the SAR stage, but may be identified later in the process. They are specified and requested by the Region that wants the variance. While both the DT and Regions must ask stakeholders if they see a need for a regional variance, the DTs do not have primary responsibility for writing these variances — writing a variance is the primary responsibility of the entity that requests the variance, or their designee. If a DT receives a variance as it is developing a Reliability Standard, the team will post the variance for comment along with the proposed Reliability Standard, and will ask stakeholders if they support the variance.

If stakeholders do not support the variance as proposed, the entity that wants the variance may modify the variance and post it again for another comment period, or the entity may withdraw its request for the variance. The entity requesting the variance is responsible for working with the DT to respond to each comment submitted in response to the proposed variance.

Section E – Associated Documents

This section should include a reference to the Implementation Plan, Technical Rationale if developed, and other important associated documents.

Version History

Update the version history of the Reliability Standard as appropriate. All version history content is carried over to the subsequent version. The ‘Action’ column should include the project number followed by the action completed. The ‘Change Tracking’ column should include (as applicable): New, Errata, Revisions, Addition, Interpretation, etc.

Standards Attachments

Documents that should appear in this section are attachments or other documents (Interpretations, etc.), if any.

¹⁴ Order No. 672, *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, FERC Stats. & Regs. ¶ 31,204, at P 291.

Attachment A: Verbs

To achieve the highest degree of consistency between Reliability Standards, a DT should use terms previously defined or applied in existing Reliability Standards. The following verbs and definitions are not in the official [NERC Glossary of Terms](#); however, existing Reliability Standards contain references to the following verbs and definitions and should serve as a reference for DTs, where applicable, to minimize the introduction of new terms.

Acquire — To obtain something new, such as a trait, ability or characteristic; to get as one's own; to locate and hold.

Activate — To make active; to start development of

Address — To communicate directly, spoken, written or otherwise; to direct one's attention to

Adhere — To give support or bind oneself to observance

Agree — To concur in, as an opinion; to settle on by comment consent

Alert — To give warning or notice, or to call to a state of readiness; to make clearly aware of

Analyze — To review elements and critically examine

Apply — To make use or put to use

Appoint — To fix a place or time; to place in office or post

Approve — To give one's consent to

Arrange — To put in a proper order, sequence, or relationship; to prepare for; to bring about an agreement or understanding

Assemble — To put together all relevant pieces

Assess — To make a determination, evaluation, or estimate; to critic and judge

Begin — To do or initiate the first part of an action or process

Calculate — To make a mathematical computation; to solve or probe the meaning of; to design or adapt for a purpose

Calibrate — To determine, rectify or mark the graduations of; to standardize by determining the deviation from the standard; to adjust precisely for a particular function

Check — To test, compare or examine to determine if something is as it should be

Collect — To gather information from multiple sources

Communicate — To receive or distribute, to convey or make known information via personal, written or electronic methods

Comply — To execute, conform, adapt, or complete

Compute — To determine, often mathematically, an answer or sum

Conduct — To act as a leader, supervisor or to director as leader the performance or action

Confirm — To prove the truth, validity or authenticity of something

Consider — To give intelligent thought to a situation

Contact — To reach someone through a communication device (telephone, radio, etc.)

Control — To exercise restraining or directing influence over

Cooperate — To work together or among others; to act in compliance; to associate with other(s) for mutual benefit

Coordinate — To mediate the exchange of data between at least two people

Correct — To alter or adjust so as to meet some standard or required condition

Cover — To treat or include information with; to guard, protect, prevent observation or knowledge of

Create — To produce or bring into existence

Curtail — To cause an action to stop

Define — To mark the limits of with clarity and authority; to specify instruction and interpretation

Demonstrate — To point out, show clearly the existence of; illustrate or explain

Describe — To give an account or represent in words, figure, model or picture

Destroy — To ruin the structure, condition or existence

Detect — To discover or determine the existence, fact or presence

Determine — To analyze

Develop — To set forth or make clear by degrees or in detail; to work out the possibilities

Direct — To use an authoritative voice to tell another individual to perform an action

Disable — To make incapable or ineffective; to deprive a right, qualification, capacity

Disconnect — To sever or terminate a connection of or between

Discuss — To investigate or talk about using reason or argument; to present in detail for consideration or examination

Disperse — To cause to break up or become spread widely, to distribute

Display — To exhibit or make evident for viewing

Disseminate — To spread broadly

Distribute — To divide among several or many; to give out or deliver

Document — To make a printed record of something

Enable — To make possible or able by providing means or opportunity; to give legal power, capacity or sanction

Ensure — To make sure, certain or safe

Enter — To depress keys on a keyboard so as to have information sent to a computer system

Establish — To institute permanently by enactment or agreement; to make firm, stable

Evaluate — To appraise the worth of; to determine or fix the value, significance, condition or worth of

Exchange — To part with, give or transfer while receiving something as an equivalent; to part with for a substitute; to give and receive reciprocally

Execute — To put into effect; to carry out what is required

Exercise — To perform a function or carrying out the terms of an agreement; regular or repeated use or practice in order to develop, improve or display specific capabilities or skills

Explain — To make known, plain, or understandable; to give a reason for a cause

Flag — To signal, mark or identify

Focus — To direct toward a particular point or purpose

Follow — To go, proceed, or come after; to be or act in accordance with; to pursue in an effort; to seek or attain

Give — To administer, guide or direct; to execute or deliver; to offer or furnish; to perform

Have — To hold, maintain or possess something or a privilege; to stand in a certain relationship to

Hold — To have possession or ownership; to have as a privilege or position of responsibility

Identify — To recognize, establish the identity of, ascertain the origin, nature, or definitive characteristics of

Implement — To carry out or fulfill

Include — To make a part of a whole, group, or class

Increase — To make greater, larger in size, amount, number or intensity

Indicate — To point out, state or express briefly, to serve as a sign

Inform — To provide information or make aware

Initiate — To cause or facilitate the start of

Install — To establish in an indicated place, to set prepare, or position for use

Issue — To distribute, put forth, or make available

Keep — To take notice of by appropriate conduct; to retain possession of; to store

Know — To have direct cognition of; to have experience; to be acquainted or familiar with

Limit — To restrict, curtail or reduce in quantity or extent

List — To make a list of, itemize

Maintain — To control to specified limits

Attachment A: Verbs

Make — To cause to exist or happen; to institute or establish; to put together from components	Request — To ask permission from someone of higher authority
Manage — To handle, direct, control or conduct with a degree of skill, to	Require — To impose a compulsion or command, to demand as necessary
Meet — To conform with or fulfill	Resolve — To deal with successfully, to clear up, to reach a firm decision about
Modify — To make an adjustment	Respect — To consider worthy of high regard, to have reference to; to refrain from interfering with
Monitor — To actively scan various information sources	Respond — To provide a reply to some request for information
Notify — To inform someone of some activity	Restore — To return equipment to a specified state
Offset — To serve as a counterbalance	Resynchronize — To re-establish synchronicity
Open — To perform actions that will cause a device to physically separate from the electric system	Retain — To keep possession of, to hold secure or intact
Operate — To cause to function or work	Return — To go back or come back to a practice or condition or specified measure
Participate — To take part or share in something	Review — To look at available data
Pay — (Attention) — To give, offer	Sample — To test or example by a sample
Perform — To carry out an action	Serve — To meet requirements, to work, prepare, provide
Place — To put in a particular position; to direct to a desired spot	Share — To participate in, use or experience jointly or in turns
Plan — To arrange or formulate information for a specific intention	Shed — To repel without allowing penetration
Post — To publish, announce or advertise	Sign — To place a signature on a document Specify — To state explicitly or in detail
Prepare — To make ready in advance	Staff — To provide a staff of workers or assistants
Protect — To cover or shield from exposure, injury, damage or destruction	Stipulate - To specify or make conditions or requirements for an agreement
Provide — To furnish or supply, make available	Submit — To yield authority; to present or put forward an opinion, information, or idea
Publish — To prepare and issue printed information for public distribution or access	Take — To possess and hold
Record — To enter	Terminate — To end
Re-evaluate — To revise or renew	Test — To use a procedure to measure or determine something
Reference — To supply or cite a source or make a notation	Track — To follow, pursue, or plot a moving path
Release — To relinquish control over a piece of equipment	Train — To instruct, drill or shape by discipline or precept
Render — To cause to be or become	Update — To bring up to date
Repeat — To perform one or more actions another time	
Report — To give a formal or informal account	

Attachment A: Verbs

Use — To put into service, employ; to practice

Utilize — To find or make a practical use for

Verify — To prove to be correct by investigation or comparison with a standard or reference

Wait — To curtail actions until some criteria is reached

Work — To physically or mentally make effort or activity toward production or accomplishment

Attachment B: Additional Discussion on FERC's Role

The Energy Policy Act of 2005 gave FERC certain jurisdiction over the development, approval, and enforcement of electric Reliability Standards applicable to users, owners, and operators of the bulk power system in the United States. It authorizes FERC to approve Reliability Standards, to remand Reliability Standards that do not meet its criteria for approval as outlined in Order No. 672, and to direct modifications to address specific issues. Through various orders and rules, FERC has approved a set of Reliability Standards developed by the industry through NERC's Standard Processes Manual that establish the baseline for ensuring reliable operation of the bulk power system in North America. Only FERC-approved Reliability Standards are mandatory and enforceable within the United States.

In the Energy Policy Act of 2005, Congress added Section 215 to the Federal Power Act to outline the scope of FERC's authority with respect to Reliability Standards. This statute provides, in relevant part:

The Commission shall have jurisdiction, within the United States, over the ERO certified by the Commission under subsection (c), any regional entities, and all users, owners and operators of the bulk-power system, including but not limited to the entities described in section 201(f), for purposes of approving reliability standards established under this section and enforcing compliance with this section. All users, owners and operators of the bulk-power system shall comply with reliability standards that take effect under this section... (16 U.S.C. § 824o(b)(1)).

The Commission may approve, by rule or order, a proposed reliability standard or modification to a reliability standard if it determines that the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission shall give due weight to the technical expertise of the Electric Reliability Organization with respect to the content of a proposed standard or modification to a reliability standard and to the technical expertise of a regional entity organized on an Interconnection-wide basis with respect to a reliability standard to be applicable within that Interconnection, but shall not defer with respect to the effect of a standard on competition. A proposed standard or modification shall take effect upon approval by the Commission. (16 U.S.C. § 824o(d)(2)).

The Commission, upon its own motion or upon complaint, may order the Electric Reliability Organization to submit to the Commission a proposed reliability standard or a modification to a reliability standard that addresses a specific matter if the Commission considers such a new or modified reliability standard appropriate to carry out this section. (16 U.S.C. § 824o(d)(5)).

The Commission's regulations implementing Section 215 of the Federal Power Act are contained in 18 C.F.R. part 39.

Consistent with Section 215 of the Federal Power Act and implementing regulations, NERC has been certified by FERC to be the U.S. ERO. Not all jurisdictions in Canada have the necessary legal structures to name an ERO; however, all have recognized NEC as an electric reliability standards-setting organization and have committed to supporting NERC in its standards setting and oversight role as the North American ERO. Currently, Reliability Standards are mandatory and enforceable in the U.S., in the Canadian provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan, and on international power lines subject to the jurisdiction of the Canadian Energy Regulator

NERC, in one of its key roles as the ERO, develops Reliability Standards. NERC's standard development process has been approved by FERC. Reliability Standards that have been developed by stakeholders through NERC's open and inclusive process and adopted by the NERC Board are then submitted to regulatory authorities, as specified in the laws or regulations in effect in each jurisdiction. NERC's standards development process provides reasonable notice and opportunity for public comment, due process, openness, and balance among the various interests in support of developing quality Reliability Standards.

Attachment B: Additional Discussion on FERC's Role

FERC is not permitted by law to explicitly write standard requirements. FERC may, however, direct the ERO to submit a proposed new or revised Reliability Standard that “addresses a specific matter.” (See 16 U.S.C. § 824o(d)(5)). As stated earlier, FERC must give due weight to the technical expertise of the ERO with respect to the specific content of a proposed Reliability Standard (see 16 U.S.C. § 824o(d)(2)). This technical expertise is embodied in the DTs and other stakeholders participating in the standard development process and is reflected in the comments received from industry stakeholders during the SAR and standard development process and by the Registered Ballot Body participants that vote on a proposed standard as part of the ballot pool.

NERC has an obligation, under applicable laws and regulations, to address directives issued by the applicable governmental authority regarding Reliability Standards. Through its SC, NERC charges its DTs to fully address each directive.

NERC staff serve an important role in assessing to what degree the DT has addressed each applicable directive and informing the SC when it appears that further work may be required to fully address a directive. The NERC Board of Trustees may exercise special procedures when a ballot pool has failed to approve, or a drafting team has failed to develop, a Reliability Standard that addresses an applicable directive. (See NERC Rules of Procedure Section 321, Special Rule to Address Certain Regulatory Directives).

In Order No. 693, FERC provided guidance as to how NERC and the DTs should view the FERC directives:

“185. With regard to the many commenters that raise concerns about the prescriptive nature of the Commission’s proposed modifications, the Commission agrees that a direction for modification should not be so overly prescriptive as to preclude the consideration of viable alternatives in the ERO’s Reliability Standards development process. However, in identifying a specific matter to be addressed in a modification to a Reliability Standard, it is important that the Commission provide sufficient guidance so that the ERO understands the Commission’s concerns and an appropriate, but not necessarily exclusive, outcome to address those concerns. Without such direction and guidance, a Commission proposal to modify a Reliability Standard might be so vague that the ERO would not know how to adequately respond.”

“186. Thus, in some instances, while we provide specific details regarding the Commission’s expectations, we intend by doing so to provide useful guidance to assist in the Reliability Standards development process, not to impede it. We find that this is consistent with statutory language that authorizes the Commission to order the ERO to submit a modification “that addresses a specific matter” if the Commission considers it appropriate to carry out section 215 of the FPA. In the Final Rule, we have considered commenters’ concerns and, where a directive for modification appears to be determinative of the outcome, the Commission provides flexibility by directing the ERO to address the underlying issue through the Reliability Standards development process without mandating a specific change to the Reliability Standard. Further, the Commission clarifies that, where the Final Rule identifies a concern and offers a specific approach to address the concern, we will consider an equivalent alternative approach provided that the ERO demonstrates that the alternative will address the Commission’s underlying concern or goal as efficiently and effectively as the Commission’s proposal.”

“187. Consistent with section 215 of the FPA and our regulations, any modification to a Reliability Standard, including a modification that addresses a Commission directive, must be developed and fully vetted through NERC’s Reliability Standard development process. The Commission’s directives are not intended to usurp or supplant the Reliability Standard development procedure. Further, this allows the ERO to take into consideration the international nature of Reliability Standards and incorporate any modifications requested by our counterparts in Canada and Mexico. Until the Commission approves NERC’s proposed modification to a Reliability Standard, the preexisting Reliability Standard will remain in effect.”

Attachment B: Additional Discussion on FERC's Role

“188. We agree with NERC’s suggestion that the Commission should direct NERC to address NOPR comments suggesting specific new improvements to the Reliability Standards, and we do so here. We believe that this approach will allow for a full vetting of new suggestions raised by commenters for the first time in the comments on the NOPR and will encourage interested entities to participate in the ERO Reliability Standards development process and not wait to express their views until a proposed new or modified Reliability Standard is filed with the Commission. As noted throughout the standard-by-standard analysis that follows, various commenters provide specific suggestions to improve or otherwise modify a Reliability Standard that address issues not raised in the NOPR. In such circumstances, the Commission directs the ERO to consider such comments as it modifies the Reliability Standards during the three-year review cycle contemplated by NERC’s Work Plan through the ERO Reliability Standards development process. The Commission, however, does not direct any outcome other than that the comments receive consideration.”

Version History

Version	Date	Change Tracking
1	October 29, 2013	New Revision to SDT Guidelines – changed to DT Reference Manual. Updated entire content.
2	January 7, 2014	Corrected Errata to SC Reviewed version 1.
2.1	May 19, 2014	Updated by Standards Information Staff to Coordinate with NERC Drafting Team Resources posting.
3	September 14, 2016	Periodic review by Standards Committee Process Subcommittee and associated changes incorporated.
4	November 2021	Updated to reformat, new design and deletion of redundancies with governing documents. Combine with Roles and Resp. document
5	January 2024	Updated language to reflect deliverables from SC SPCEG.

Drafting Team Reference Manual

Version 54

Reviewed by the Standards Committee

~~November 2021~~ January 2024

RELIABILITY | RESILIENCE | SECURITY



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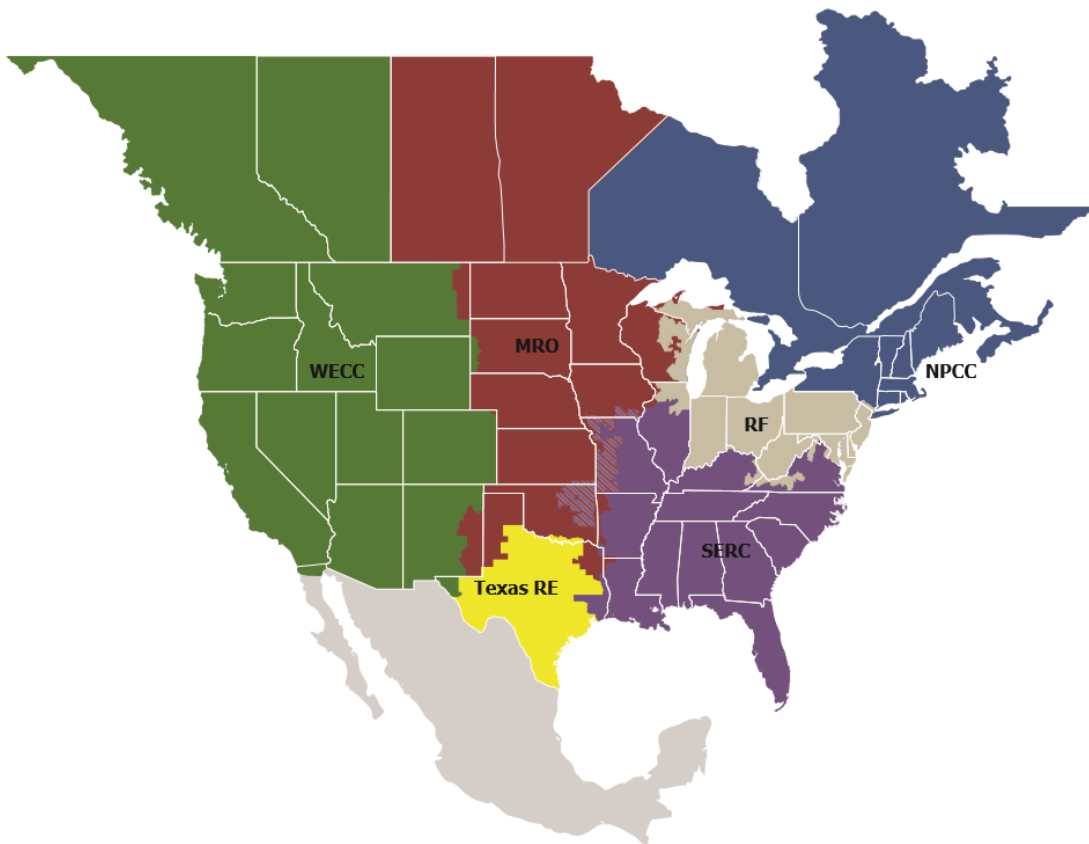
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one RE while associated Transmission Owners (TOs)/Operators (TOPs) participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	WECC

Introduction

Background and Purpose

A Drafting Team (DT) develops a Reliability Standards-related product as directed by the [Standards Committee \(SC\)](#). The product that is developed is typically a new or revised Reliability Standard, but could also be a definition, a reference document, a set of [Violation Risk Factors \(VRFs\)](#), a set of [Violation Severity Levels \(VSLs\)](#), an interpretation of a Reliability Standard, or the team could be appointed to refine a [Standard Authorization Request \(SAR\)](#).

Drafting Teams are the foundation of the NERC standard development process. This [Drafting Team Reference Manual](#) (DT Reference Manual) is a tool to assist DT's in drafting quality Reliability Standards and associated documents, and DT members are encouraged to review prior to starting their responsibilities and refer to this document during the development process. This DT Reference Manual provides information on informal development, standard authorization requests, and the roles and responsibilities of standard and interpretation DTs, with guidance on how to implement Appendix 3A of the NERC Rules of Procedure (Standard Processes Manual (SPM)).¹

¹The Standard Processes Manual is located here:

https://www.nerc.com/comm/SC/Documents/Appendix_3A_StandardsProcessesManual.pdf

Chapter 1: Governing Documents

The DT Reference Manual does not supersede the currently approved SPM or [NERC Rules of Procedure](#) (ROP).² Links to the foundational documents provided in this DT Reference Manual ~~and~~ used for any questions related to the processes are described herein. See Sections 4.1 and 4.2 in the SPM for detailed information, including Figure 4.1 for a detailed workflow of the Standard Development Process.

² The Rules of Procedure is located here: <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>

Chapter 2: Principles Supporting Reliability Standards Development

The North American Electric Reliability Corporation's ~~(NERC)~~ Reliability Standards Development Processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for certification as the Electric Reliability Organization under Section 215 of the Federal Power Act and Federal Energy Regulatory Commission (FERC) regulations.³ The same attributes, as well as transparency, consensus building, and timeliness, are also required under the ~~NERC Rules of Procedure Section 304, and criteria for American National Standards Institute ("ANSI") accreditation.~~

The following principles serve as a foundation for development of high quality, technically sound, results-based Reliability Standards:

Adequate Level of Reliability (ALR)

As defined by NERC, ALR "[i]s the state that the design, planning, and operation of the Bulk Electric System (BES) will achieve when the listed Reliability Performance Objectives are met. Further, Reliability Assessment Objectives included in the definition must be evaluated to assess reliability risk in support of an adequate level of reliability."⁴

Results-based Requirements

Each requirement of a Reliability Standard should identify what Functional Entities shall do and under what conditions, to achieve a specific reliability objective; but not how that objective is achieved. There are categories of requirements, each with a different approach for measurement. Generally, each standard should employ a defense-in-depth strategy where each requirement in a NERC Reliability Standard has a role in prevention of harm. Defense-in-depth is created when there is an appropriate portfolio of performance-, risk-, and competency-based mandatory reliability requirements that complement and reinforce each other. Each requirement should identify a clear and measurable expected outcome, such as: a) a stated level of reliability performance, b) a reduction in a specified reliability risk (prevention), or c) a necessary competency, as below:

- Performance-based Requirements
- Risk-based Requirements
- Capability-based Requirements

Additionally, see Section 2.4 of the SPM for a detailed explanation of these three types of requirements.

Reliability Principles

NERC Reliability Standards are based on reliability principles that define the foundation of reliability for the North American BPS. See the document [Reliability Principles](#) on the NERC Resources page for detailed explanation of this principle.

³ 16 U.S.C. § 824o; see also 18 C.F.R. § 39.3(b)(2)(iv).

⁴ NERC filed its definition for "Adequate Level of Reliability" with the Commission on May 10, 2013. *Informational Filing on the Definition of "Adequate Level of Reliability"*, available at: http://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/Informational_Filing_Definition_Adequate_Level_Rel_iability_20130510.pdf.

Market Principles

Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Reliability Standards shall be written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets. See the document [Market Principles](#) on the NERC Resources page for detailed explanation of this principle.

Ten Benchmarks of an Excellent Reliability Standard

NERC Reliability Standards should meet the principles outlined in the *Ten Benchmarks of an Excellent Reliability Standard* and conform to the acceptance criteria contained in FERC Order 672 as outlined in the document [Acceptance Criteria of a Reliability Standard](#).

Chapter 3: Orientation

Prior to, or at the first meeting of the DT members, the Standards Developer or another NERC Standards staff member will provide an orientation session that may include the tasks identified below.

Read and Review:

- [NERC's Antitrust Compliance Guidelines](#)
- [NERC Participant Conduct Policy](#)

NOTE: Additional documents referenced in this manual are located on the NERC Standards Resources web page unless otherwise noted. Commonly referenced documents and additional resources are centrally located on the NERC site. Refer to **Attachment A: Verbs** in this document for references to Reliability Standard verbs and their associated definitions.

Understand Work Obligations:

- Review the applicable ~~Standard Authorization Request (SAR)~~;
- Review the applicable proposed Reliability Standard;
- Review applicable ~~Federal Energy Regulatory Commission (FERC)~~ orders and/or directive(s);
 - Develop a consensus of how the DT will respond to stakeholder comments with the intent of revising work products to reflect the consensus view of stakeholders;
 - Understand the Quality Review (QR) work as required under Section 4.6 of the SPM, [including the criteria specified in NERC's Ten Benchmarks of an Excellent Reliability Standard](#);
 - Develop a project schedule in accordance with SC expectations or Reliability Standards Development Plan (RSDP) requirements;
 - Provide the project schedule to the SC or its designee for review and approval;
 - Understand the function and role of the Project Management & Oversight Subcommittee (PMOS) DT liaison;
 - Review the current cost effectiveness process and understand how it relates to the project; and
 - Continue with standard development until the conclusion of the project through either rejection or approval by the applicable governmental authorities.⁵

⁵ A DT may be formally disbanded by the SC under certain circumstances as described in the Standards Process Manual, Section 3.4: Standards Committee.

Chapter 4: Drafting Team Types and Meetings

The SPM contemplates ~~two~~^{three} types of DTs who perform the Reliability Standards-related activities depending on the project focus.

Reliability Standard Drafting Team (RSDT):

~~With regards to the SAR, the RSDT assists the SAR submitter to achieve stakeholder consensus on whether a standard is required to address a reliability-related need, and develop the scope of the project to address the identified need. The role of the RSDT when working with the SAR is to evaluate and respond to industry comments on the technical justification, background information, potential for industry consensus, and associated cost impact analysis information to determine the level of support and scope of a standard. The DT presents the SAR and a recommendation to the SC, and the SC determines whether to pursue a standard development project.~~

~~If the SC determines that a standard development project will be pursued, the RSDT then shifts to focus on developing the new or modified Reliability Standards or definitions. The DT is encouraged to consult the developmental history of the Reliability Standards under revision on Archived Reliability Standards under Development. Generally, the role of the DT is to: (i) develop a project schedule and timeline in accordance with SC expectations or {RSDP} requirements that may include collaboration with the PMOS; and (ii) draft a Reliability Standard or definition within the scope of the SAR. The DT develops an implementation plan to propose an effective date or dates for the associated Reliability Standard(s) or definitions. This implementation plan should identify the factors supporting the DT's proposal. Additionally, the DT develops a set of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria established by NERC and Applicable Governmental Authorities. Further, the DT will collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. Finally, the DT may make revisions to the proposed Reliability Standard that will improve the quality, clarity, or enforceability of that Reliability Standard based on stakeholder comments. Standards Authorization Request Team (SAR-DT):~~

~~The SAR-DT, as may be appointed by the SC, assists the SAR submitter to achieve stakeholder consensus on whether a standard is required to address a reliability-related need, and develop the scope of the project to address the identified need. The role of the SAR-DT is to evaluate and respond to industry comments on the technical justification, background information, potential for industry consensus, and associated cost impact analysis information to determine the level of support and scope of a standard. The SAR-DT presents the SAR and a recommendation to the SC; and the SC determines whether to pursue a standard development project.~~

Standards Drafting Team (SDT):

~~The SDT develops new or modified Reliability Standards or definitions. The DT is encouraged to consult the developmental history of the Reliability Standards under revision on Archived Reliability Standards under Development.⁶ Generally, the role of the SDT is to: (i) develop a project schedule and timeline in accordance with SC expectations or Reliability Standards Development Plan (RSDP) requirements that may include collaboration with the PMOS; and (ii) draft a Reliability Standard or definition within the scope of the SAR. The SDT develops an implementation plan to propose an effective date or dates for the associated Reliability Standard(s) or definitions; this implementation plan should identify the factors supporting the DT's proposal. Additionally, the SDT develops a set of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria established by NERC and Applicable Governmental Authorities. Further, the SDT will collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. Finally, the SDT may make revisions to proposed Reliability Standard that will~~

⁶ <http://www.nerc.com/pa/Stand/Pages/Archived-Projects.aspx>

~~improve the quality, clarity, or enforceability of that Reliability Standard based on stakeholder comments.~~

Interpretation Drafting Team (IDT):

The IDT develops an Interpretation as outlined in [Section 7.0 of the SPM](#). An Interpretation may only clarify or interpret the Requirements of an approved Reliability Standard, including, if applicable, any attachment to such Requirement. An approved Interpretation appends the existing approved Reliability Standard to which it applies until a future revision of the Reliability Standard incorporates the Interpretation, or the Interpretation is retired due to a future modification of the applicable Requirement. In general, Interpretations may not change the Reliability Standard, address a weakness or gap in the Reliability Standard, address any element of a Reliability Standard other than a Requirement or an attachment referenced in a Requirement, or provide an opinion on whether a particular approach would achieve compliance with the Reliability Standard.

IDTs are encouraged to review past history of the Reliability Standard's development by assessing the full record including, but not limited to, past comments and responses. Also, if a potential reliability issue or gap exists or is determined during the interpretation process, the team should document suggested revisions, develop a SAR to revise the Reliability Standard accordingly, and submit the SAR to NERC staff.

Team Meetings:

DT meetings shall be open to all interested parties. Meeting notices and agendas shall be publicly posted on the NERC website at least five business days prior to the meeting. Notices shall describe the purpose of meetings and shall identify a readily available source for further information. All who wish to attend a DT meeting must pre-register via the NERC Calendar web page to ensure that there are sufficient resources to accommodate guests and DT members.

An observer is any industry individual who wishes to attend a DT meeting. A guest is a subject matter expert that the DT may decide to invite to one or more of the DT meetings to respond to the team's questions. The chair or the coordinator shall extend invitations to guests. It is expected that all members, observers, and guests attending drafting team meetings adhere to the *NERC Participant Conduct Policy* and conduct themselves in a professional manner at all times.

A quorum requires two-thirds of the DT voting members. DT action should only occur when a quorum is present during the meeting. While the DT members are encouraged to arrive at decisions through consensus, on the rare occasions when this is not possible, team members assigned by the SC have the right to vote. Voting may take place during formal meetings or may take place through electronic means. Approval of any action of a DT through a vote requires a two-thirds majority of the DT member votes cast. Guests and observers shall not have the right to vote unless an informal straw poll is taken at the request of or by the DT Chair. A DT member may not appoint a proxy to represent the member during team meetings.

The chair may limit the participation of guests and observers to ensure that the DT accomplishes its assigned tasks or to permit discussions pertaining to Critical Energy Infrastructure Information (CEII), Cyber Security, or other "sensitive" issues. Such decisions shall be documented in meeting minutes.

Meeting minutes should be posted to the NERC website as soon as is practicable following each meeting.

Chapter 5: Areas of Responsibilities

Drafting Teams:

Collectively, a DT (i.e., ~~SAR-DT or SDT~~ Reliability Standard Drafting Team), following NERC's standard development process, has responsibility for developing new Reliability Standards and revising existing Reliability Standards. The mission of each DT is to develop excellent, technically correct Reliability Standards that provide for an adequate level of BES reliability. The members of a DT consist of a DT Chair, DT Vice-Chair, DT members, and supported by NERC staff and other industry SMEs as identified in this section.

Some drafting teams work to modify already approved Reliability Standards, with modifications aimed at addressing specific directives of the applicable governmental authorities, or to address reliability issues not directed by the applicable governmental authorities. Other drafting teams work to develop new Reliability Standards that are not associated with any directives from an applicable governmental authority. In all cases, DT members are selected from industry volunteers to provide the DT with sufficient technical expertise from diverse industry perspectives to ensure development of Reliability Standards that, when approved, demonstrate broad industry consensus. DTs are selected by, and report to, the SC.

During the SAR process, ~~t~~The SAR-DT has primary responsibilities to:

- Revise or refine the SAR, and propose the SAR for industry comment;
- Participate in industry forums, as needed, to help build industry consensus on the SAR;
- Consider and respond to comments, and attempt to resolve objections;⁷
- Identify and consider potential regional variances to be incorporated in the proposed new or revised standard; and
- Provide advice, as needed or appropriate, on the decision to continue with the development of a SAR.

During the drafting process, ~~t~~The SDT has primary responsibilities to:

- Follow the standard development process as outlined in NERC's Rules of Procedure, including:
 - Developing results-based Reliability Standards that contain requirements that are clear and unambiguous from a compliance and implementation perspective;
 - Draft new or revised Reliability Standards that provide for an ALR, addresses the full scope contained in the SAR, and achieves the objectives delineated in the SAR;
 - Work in conjunction with other SDTs to consider and reconcile impacts from concurrent Reliability Standard development projects;
 - Consider Standard Efficiency Review efforts in drafting new or modified requirement language;
 - Consider previously approved requirement language when developing new requirement language;
- Revise approved Reliability Standards to address relevant directives from one or more applicable governmental authorities;
- Provide an initial set of violation risk factors and violation severity levels for new or modified Reliability Standards;
- Ensure the proposed Reliability Standards meet the statutory or regulatory criteria for approval in each relevant jurisdiction

⁷ When a SAR is posted only for an informal comment period, there is no obligation to respond in writing to industry comments.

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- Meet with applicable governmental authority staff, as requested, to present and discuss the SDT's approach to meet a regulatory directive, including any alternative approaches;
 - Document the technical justification associated with each proposal for a new or modified requirement, and for each proposal to retire a requirement, in a Technical Rationale document;
 - Consider and respond to all posted comments submitted during a formal commenting period;
 - Develop an implementation plan to support the proposed Reliability Standards;
 - Identify the need for field testing proposed technical requirements and, where a field test is needed, reviewing, and analyzing the associated data;
 - Recommend to the SC when a proposed standard is ready for balloting;
 - Respond to observations from a quality review of a proposed standard and associated implementation plan;
 - Engage stakeholders during Reliability Standards development to help build industry consensus;
 - Identify and consider variances to proposed Reliability Standards;
 - Report progress to the SC, as needed;
 - Develop or support development of supporting documents to supplement Reliability Standards; and,
 - Provide technical input, as needed, to NERC staff during preparation of regulatory documents, including:
 - Work status updates or similar filing(s);
 - Submitting the proposed standard(s) for approval;
 - Responding to questions raised in a notice of proposed rule-making or other regulatory proceedings;
 - Preparation of a request for clarification or rehearing following the issuance of the rule or order addressing a proposed standard filed for approval; and
 - Preparing requests for extensions of time when a regulatory imposed deadline for Reliability Standards development cannot be achieved.
 - Notify chair and NERC Standards Developer if team member cannot fulfill team responsibilities.

The SDT Chair and Vice-Chair have additional responsibilities to:

- Facilitate SDT discussions such that the team may reach consensus on proposed standard(s) that will achieve the SAR objectives and SDT responsibilities described above;
 - Conduct the meetings in a responsible, timely and efficient manner;
 - Represent the drafting team before the SC in reporting on team progress in implementing the scope of the SAR and in addressing directives from an applicable governmental authority;
 - Represent the drafting team in discussions with applicable governmental authority staff on how the proposed Reliability Standards address the applicable directives;
 - Lead the drafting team in the effective dispatch of its Reliability Standards development obligations; and
 - Assist the NERC staff to provide technical input to:
 - Draft filings for submission to the applicable governmental authorities for approval of the proposed standard(s);
 - Respond to questions raised in a notice of proposed rule-making or other regulatory proceedings;
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- Prepare a request for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; and
 - Respond to directives from applicable governmental authorities that are determined to be detrimental to reliability.

DT Subject Matter Expert (SME):

Compliance, Legal, Technical Support, and other Individuals with specific expertise applicable to the project may participate in the development process on an as needed basis to provide input. While not formal team members, they may participate in discussions.

NERC Standards Developer:

The NERC Standards Developer is a NERC Standards staff member assigned to facilitate and assist DTs to ensure consistency and quality in the development of standard products. The Standards Developer keeps the project on track and informs the SC of progress. The NERC Standards Developer has the following primary responsibilities in support of and collaboration with a DT:

- Ensure the DTs adhere to the integrity of the standard development process as defined in NERC's Rules of Procedure;
- Ensures the quality of documents submitted for posting, balloting, and adoption;
- Develops and posts the record of proceedings (e.g., draft Reliability Standards, minutes, etc.) for the meetings;
- Facilitates the logistics for meetings, telephone and online conference calls, and virtual discussions;
- Coordinates the scheduling of DT meetings, with NERC staff and the appropriate applicable governmental authority –staff to discuss proposed standards, including the approach taken by the team to address directives;
- Monitors the participation of regulatory staff members, industry stakeholders, and other observers in drafting team activities to ensure proper business meeting decorum is maintained;
- Documents and includes in the standards development record the informal advice and feedback provided by applicable governmental authority staff participants concerning directives that are offered in a non-public meeting with drafting team members;
- Coordinates the DT's technical input into:
 - Draft filings to the applicable governmental authorities for approval of the proposed standard(s);
 - Responses to questions raised in a notice of proposed rule-making or concerns raised by commenters in regulatory proceedings;
 - Requests for clarification or rehearing following the issuance of the rule or order addressing the proposed standard filed for approval; or
 - Responses to directives from an applicable governmental authority that are determined to be detrimental to reliability or lack a clear reliability benefit;
- Reports to the DT chair, other NERC standards staff, and upon request, the SC as to the team's progress; and
- Requests filling of vacant positions or supplemental expertise as needed.

The NERC Standards Developer is responsible for facilitating the work of the DT in completing its obligations as outlined in this document and the standard development process. In this regard, the NERC Standards Developer *may* support the drafting teams with respect to the following:

- Ensure that applicable governmental authority directives and the entirety of the rule(s) or order(s) relating to the standard(s) under development are available and understood;
- Propose language for the drafting team to consider, or assign drafting team members to propose language to:
 - Capture the essence of the team discussions of proposed Reliability Standards;
 - Ensure consistency of style and format of proposed Reliability Standards with other approved Reliability Standards;
 - Ensure compliance obligations are clear in the proposed Reliability Standard;
 - Assist in developing supporting documents to support industry understanding and implementation of proposed Reliability Standards;
 - Assist in developing written technical justification for each proposed new or revised requirement and for each proposal to retire a requirement;
 - Assist in developing written technical justification describing the drafting team’s approach to addressing regulatory authority directives where a drafting team determines that an alternative approach should be pursued; and
 - Help demonstrate that the proposed Reliability Standards meet statutory and regulatory authority criteria for approval in each relevant jurisdiction;
- Assisting the drafting team regarding the degree to which the team:
 - Sufficiently addresses the full scope of the approved SAR;
 - Proposes revised Reliability Standards that provide for an ALR;
 - Completely addresses each regulatory directive applicable to the Reliability Standards under development; and,
 - Address each observation made during the quality review of the team’s proposed standard and associated implementation plan.

NERC Staff Working with DTs:

Collectively, NERC staff, working with the SC, prepares the materials submitted to the NERC Board of Trustees (Board) regarding adoption of a proposed Reliability Standard that achieved the requisite industry consensus for approval. In providing this recommendation, NERC staff includes a discussion on the development of the standard through the balloting process, adherence to the Reliability Standard development procedure, key issues and an overview of stakeholder comments, how the team addressed the comments and issues, identification of any significant unresolved minority views, and, where applicable, how the proposed standard addresses associated directives from an applicable governmental authority. The NERC Board must adopt the proposed Reliability Standards and authorize the filing of a proposed standard with the applicable governmental authorities.

Chapter 6: Additional DT Guidance

NERC Email Lists

NERC staff will assign each DT a unique list server. The list server allows drafting team members, and any others on that list, to simultaneously send a message to all members of the DT. NERC staff will also assign an expanded (DT-plus) list server to include other interested individuals who are not members of the team (Observers, Guests, etc.). The drafting team should use the “plus” list as the primary communication tool. The “team only” list should be used only when sensitive information is discussed. Additional guidelines are outlined in the [NERC Participant Conduct Policy](#).

Hyperlinks and Citations

Avoid including hyperlinks in mandatory and enforceable elements of Reliability Standards. For hyperlinks used in other documents (e.g., Technical Rationale, Implementation Guidance, etc.), each hyperlink should be accompanied by a full citation in APA Style format. When citing a document within the body of a text the document’s title is italicized (e.g., *[Appendix 3A of the NERC Rules of Procedure Standard Processes Manual](#)*).

Submission of Final Work Product for Approval

When the balloting process indicates sufficient industry consensus, the DT provides a recommendation to the SC that may include the following:

- For a SAR: a statement indicating the SAR-DT believes there is stakeholder consensus on the following: a reliability-related need for the proposed Reliability Standard action and the appropriate scope of the requirements;
- For a Reliability Standard or Definition: a summary listing of the work of the DT to achieve stakeholder consensus including:
 - Dates each draft of the Reliability Standard product was posted for comment;
 - Link to the associated Reliability Standards Development web page; and
 - Link to redline version of the final Reliability Standard product to show changes from the last version of the Reliability Standard product posted for comment;
- An analysis of the diversity of stakeholder participation in the comment periods;
- Identification of any strong minority views that were not satisfied during the revisions made to the Reliability Standard product and pertinent cost impact information collected during the comment period(s).

Quality Review

Although Section 4.6 of the SPM requires a QR prior to any initial ballot and formal comment period, the DT Chair may ask, at any time, the NERC Standards Developer to request for a QR which may be conducted depending on available resources. The QR will evaluate whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The DT may consider the results of the QR, decide upon appropriate changes, and recommend to the SC whether the documents are ready for formal posting and balloting.

Supplemental SAR (if needed)

If stakeholder comments indicate the existing scope of the approved SAR should be expanded, the DT may consider, and if necessary, submit a request to expand the scope of the SAR to the SC. If approved for posting, the DT can continue to work on the proposed Reliability Standard while it collects stakeholder’s support on the expanded scope of the project. Consideration should be made to avoid concurrent drafts of a proposed Reliability Standard by consolidating the drafting to a single project incorporating any subsequent related SARs.

DT Develops Proposed New or Revised Defined Term(s) (if necessary)

Section 5 of the SPM addresses the process for developing a definition of terms/defined term used in one or more NERC Reliability Standards. Please refer to that section for additional information regarding development and posting of such documents.

DT Develops an Implementation Plan

Section 4.4.3 of the SPM requires each DT to develop an implementation plan that informs responsible entities of the actions (compliance obligations) required once the Reliability Standard becomes effective. Please refer to that section for additional information regarding development and posting of such documents.

Supporting Document(s) (if necessary)

Section 11 of the SPM describes the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard but do not themselves contain mandatory Requirements subject to compliance review. Please refer to that section for additional information regarding development and posting of such documents.

Implementation Guidance

Implementation Guidance is an additional type of supporting document that may be developed by the drafting team. The Implementation Guidance policy was created by the Board of Trustees and documented in the compliance guidance policy document dated November 25, 2015. Per the policy:

Implementation Guidance provides a means for registered entities to develop examples or approaches to illustrate how registered entities could comply with a standard that are vetted by industry and endorsed by the ERO Enterprise. The examples provided in the Implementation Guidance are not exclusive, as there are likely other methods for implementing a standard. The ERO Enterprise's endorsement of an example means the ERO Enterprise CMEP staff will give these examples deference when conducting compliance monitoring activities. Registered entities can rely upon the example and be reasonably assured that compliance requirements will be met with the understanding that compliance determinations depend on facts, circumstances, and system configurations.

The DT should be aware that Implementation Guidance drafted during the standards development process may not be vetted and approved after a proposed standard has gone to ballot.

Chapter 7: Addressing Regulatory Directives

FERC or another applicable governmental authority may issue an order directing NERC, as the Electric Reliability Organization (ERO), to address specific issues or concerns. Even if some stakeholders indicate they do not support the directive, the ERO has an obligation to address the directive. The SC and the DTs are responsible for addressing directives that require new or modified requirements using the standard development process. Ultimately, all proposed Reliability Standards require NERC Board adoption.

FERC, or another applicable governmental authority, may assign one or more staff to work as an observer with each DT and to communicate staff views and concerns to the team. Each team may seek input from the staff of the applicable governmental authority regarding whether the work of the DT addresses the intent of any directives from the applicable governmental authority. If applicable governmental authority staff offers advice on issues outside the scope of the directives, the DT should consider this advice in the same manner that it considers advice from any other source.

Applicable governmental authority directives vary in the level of detail provided – most directives identify a reliability objective that the directive should achieve and then identify a proposed method of achieving that objective. When an applicable governmental authority issues a directive that requires new or modified standard requirements, the optimal course of action is for NERC and stakeholders to participate in the proceeding, especially if concerns exist with the directive. In the United States, for example, FERC has generally proposed directives first through a notice of proposed rulemaking (NOPR), considered any comments that are submitted on the proposed directive(s) by interested parties, and then issued the directive(s) in a final rule. If a concern exists on a particular directive when a final rule is issued, NERC or stakeholders may seek rehearing or clarification of the final rule as provided under FERC’s Rules of Practice and Procedure, or, if outside the United States, the relevant rules of the applicable governmental authority issuing the directive.

At such time that the applicable governmental authority’s directive is considered “final”, NERC, through its SC and the DT, has the responsibility to address it. When addressing a directive, a DT has the following courses of action available based on its consideration of the directive and the reliability objective associated with the directive:

Drafting Team Agrees with the Reliability Objective and Directive as Presented

- The DT agrees with the reliability objective that is defined by the regulatory authority directive.
- The DT addresses the directive by incorporating the appropriate language in the proposed standard.
- The DT develops a written explanation that discusses how the team’s approach addressed the directive. This information will then be included in the filing of the standard, if industry approves it, and ~~it is~~ adopted by the NERC Board.

Drafting Team Agrees with the Reliability Objective but Elects to Employ an Equivalent Alternative Approach to Implement the Directive

- The DT agrees with the reliability objective that is defined by the directive.
- The DT does not agree with addressing the directive as presented in the order of the applicable governmental authority.⁸
- The DT incorporates language in the proposed standard that addresses the reliability objective or proposes achieving the reliability objective through another mechanism.

⁸ In the United States, FERC permits an equivalent alternative approach provided the alternative approach addresses the FERC’s underlying concern or goal as efficiently and effectively as the FERC proposal.

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- The DT develops a written explanation that discusses how the team’s approach is equally efficient and effective in meeting the reliability objective of the directive. The DT posts this explanation when posting the standard for stakeholder comment. This information will then be included in the filing of the standard, if it is approved by industry and adopted by the NERC Board.
 - If requested, or as needed, the DT, or representatives thereof as determined by the team, shall discuss its approach with applicable regulatory authorities, the SC, and NERC staff.

Drafting Team Agrees with the Reliability Objective but Believes the Directive as Presented is Detrimental to Reliability

- The DT agrees with the reliability objective but does not agree with the directive because it is detrimental to reliability.
- The DT includes the reliability objective and directive in materials issued for an industry comment period to obtain stakeholder input on the impact of implementing the directive as presented.
- The DT develops an approach that achieves the reliability objective desired by the directive but in a manner not detrimental to reliability.
- The DT develops a written explanation that describes how the directive, if implemented as directed, would cause adverse reliability impacts. The DT articulates its alternate approach that better achieves the desired reliability objective.
- The written explanation is provided to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
- The NERC executive management will lead the effort in coordination with the chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive.
- If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its concerns and proposed alternate approach with the applicable governmental authority, the SC, and NERC staff.

Drafting Team Disagrees with the Reliability Objective and Believes the Directive, as Presented, Lacks a Clear Reliability Benefit

- The DT does not agree with the reliability objective associated with a directive because it is unsupported by a reliability need.
 - The DT develops a written explanation that describes how the objective, if implemented as directed, does not support a reliability need.
 - The DT implements the directive as presented by incorporating appropriate language in the proposed standard and posts this for stakeholder comment. At the same time, the DT posts its concerns regarding the perceived lack of reliability benefit of the directive and the reliability objective it is attempting to achieve. If stakeholder comments support the DT’s position, the DT provides its concerns and stakeholder comments to the NERC Standard Developer, and ultimately, the NERC executive management, as well as the SC.
 - The NERC executive management will lead the effort in coordination with the Chair of the DT, the chair of the SC, and others as appropriate to determine an appropriate course of action regarding the directive, that may include submission of a request for clarification to the applicable governmental authority or a request to process the proposed standard and associated directive language through the balloting process so there is full evidence of consensus, or lack thereof.
 - If requested or as needed, the DT, or representatives thereof as determined by the DT, shall discuss its concerns with the applicable governmental authority, the SC, and NERC staff.
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Where an applicable governmental authority directs NERC to “consider” a proposal, issue, recommendation, or other matter, the drafting team may implement the proposal, offer an alternative proposal, or explain why the proposal should not be adopted. The drafting team must seek stakeholder input on its consideration of these directives using the standard development process and must document its conclusions. NERC will submit this documentation with its request for standard approval to the applicable governmental authorities.

Response to Applicable Governmental Authority Staff Involvement in Standard Drafting Team Activities

Because the standard development process is an open process, NERC cannot preclude applicable governmental authority staff from involvement in its standard development activities. To that end, the NERC Board provided the following policy guidance⁹ to guide SDTs’ responses to regulatory authority staff involvement in standard drafting activities:

- The SDT has sole responsibility for drafting and approving the language in the proposed Reliability Standards that are presented to the SC for ballot.
- NERC and its SC support the involvement of applicable governmental authority staff in all SDT activities, where permitted by law.
- NERC recognizes that applicable governmental authority staff does not speak for the regulatory authority itself and, as such, the input they provide is considered advice.
- In the event applicable governmental authority staff does choose to participate in drafting team activities, they should be treated as any non-voting observer or participant.¹⁰
- SDT members should seek out the opinion of applicable governmental authority staff, consider the staff input on its technical merits,¹¹ and respond to written comments offered during a public posting period as it would seek opinions from, consider the technical merits of, and respond to comments offered by other industry stakeholders.
- To the extent that applicable governmental authority staff advice is offered to the drafting team (or members thereof) in a forum that is not public and open to all industry participants, the SDT should consider the input as advice.
- If the team chooses to act on applicable governmental authority staff advice offered in a non-public forum, the SDT chair should either:
 - Request the applicable governmental authority staff to provide the advice during an open meeting or conference call of the SDT; or
 - Document his/her understanding of the issues or advice presented, and include the information in an open industry comment period with the accompanying changes to the proposed Reliability Standards.

By doing so, ~~the ANSI essential requirement for openness and~~ the tenets in the ROP are satisfied.

In the U.S., federal law prohibits FERC from authoring language for Reliability Standard requirements; rather, they can identify specific issues to be addressed by drafting teams.

⁹ Policy guidance was approved at the October 29, 2008, meeting of the NERC Board.

¹⁰ SDT members are responsible for performing the roles and responsibilities as outlined in this document and are held accountable for developing standards that achieve the objectives in the approved standards authorization request. Observers and non-voting participants to the standard development process may opine on the issues at the discretion of the drafting team chair during SDT meetings but they have no official voice in the final determination of the proposed standard language, except through participation in public comment periods, the Registered Ballot Body, and the balloting process associated with the proposed standard.

¹¹ The SDT may elect to seek regulatory authority staff opinion on a proposed standard’s ability to meet a regulatory authority directive or order, to clarify the regulatory authority staff’s interpretation of a directive, or may discuss a technical opinion not necessarily associated with a regulatory authority directive or order.

See **Attachment B** for further discussion on FERC's role to approve Reliability Standards in the United States.

Chapter 8: Informal Development

The DT may participate in activities outside the formal standard development process. The intent of informal development activities are to identify issues associated with the project and determine whether there are solutions on which to build consensus, thereby reducing the time needed during the formal Reliability Standards development process. The informal development activity does not circumvent the formal Reliability Standards development process and, rather, its purpose is to raise issues and build consensus outside of formal Reliability Standards development.

Informal consensus building activities include, but are not restricted to, the following tools to advance industry awareness and build support for the Reliability Standard as opportunities to educate and inform stakeholders:

- Conducting Webinars
- industry surveys
- in-person workshops
- in-person meetings open to the stakeholders
- straw polls
- Publishing announcements
- Leveraging existing venues such as Compliance Workshops
- Leveraging existing and historical technical committee work
- Using any applicable NERC communication plans
- FERC outreach

Chapter 9: Assessing Stakeholder Comments

NERC staff will provide DTs with a report containing all of the comments submitted during the comment period. The report consists of the following information:

Table of Commenters

The Table of Commenters is a list of stakeholders who complete comment forms and is organized to show the industry segments represented by each commenter.

Standards Balloting System (SBS) Comment Report

Drafting team members will receive a comment report containing all comments received from responses to the individual questions and the interactive comments including likes/dislikes selections.

Comments and Responses

The format of the Consideration of Comments report includes each submitter's name, company, segment, answer(s) to question(s), comments submitted in response to the associated question, and the appeals process statement. As required in Section 4.12 of the SPM, the DT is responsible to review and respond in writing to all comments received during formal comment periods. The Consideration of Comments report is posted on the associated project page.

Evaluation of Comments as an Indication of Potential Ballot Results

DTs are encouraged to evaluate whether the set of comments is representative of the industry or a subset of the industry and to consider the sources of the comments when determining what revisions may be necessary to gain industry support for the standard. From the comment form, the DT can determine if the comments represent: 1) an individual in a single industry segment; 2) an individual representing several industry segments; 3) an individual representing a group in a region or industry segment; 4) a group representing several entities; 5) a group on behalf of a single entity; 6) a group representing a region; and 7) a group from a technical committee with members across regions and industry segments.

One way of interpreting the comments is to determine how many ballots are represented by each comment and consider the following:

- A single commenter from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- A single commenter from an entity that is registered to vote in three industry segments may be considered to represent three potential ballots.
- Six commenters from an entity that is registered to vote in one industry segment may be considered to represent a single potential ballot.
- Six commenters, each from different entities with each of these entities registered to vote in one industry segment, may be considered to represent six potential ballots or, if in multiple industry segments, may result in an even greater number of ballot positions.

Obligation to Respond to Comments

Proposed new or modified Reliability Standards require a formal comment period. The intent of the formal comment period is to solicit feedback on the final draft of the Reliability Standard and associated documents. A drafting team must respond in writing to every stakeholder's written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team and publicly posted.

There is no formal comment period concurrent with the Final Ballot, and no obligation for the drafting team to respond to any comments submitted during the Final Ballot. There is no requirement for a drafting team to respond in writing to comments submitted through an informal comment period.

Assessing Technical Merit of Comments

When reviewing the comments, the DT should first determine whether the comment has technical merit, and then determine whether the suggestion is likely to receive widespread support from the stakeholder community, with the understanding that 100 percent agreement is likely unachievable.

The intent of any relevant cost evaluation document is to identify potential egregious costs associated with a new Reliability Standard. If a cost evaluation was conducted, results should be used only in the context of providing further information along with the SAR and should be provided to the SC.

Practical Tips for Addressing Comments

One approach to completing the Consideration of Comments report is for the DT to review all the comments submitted in response to a particular question and then have a discussion. Some DTs find it useful to create responses together, developing a draft response to each unique comment during the meeting. Other DTs prefer to divide the comments among team members allowing the assigned team member to prepare an initial draft response for team discussion at its meeting. In either case, review and discussion should support the DT's efforts to reach a stakeholder consensus.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during a formal comment period or concurrent ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the Revised Reliability Standard for another formal comment period and ballot. Prior to posting a revised Reliability Standard for an additional comment period, the DT must communicate to stakeholders that significant revisions to the Reliability Standard are necessary. This communication should note that the DT is not required to respond in writing to comments from the previous ballot.

Chapter 10: Guidance on Drafting a Result-Based Reliability Standard

The results-based NERC Reliability Standard template is organized by the sections identified below and contains the definitive information on format and requirements. Below is additional guidance, which is organized similarly to the template’s corresponding section.

Section A – Introduction

Title

The title should be a brief descriptive phrase that identifies, in a clear and concise manner, the subject addressed by the Reliability Standard. The title should answer the following questions:

- What reliability-related topic does the title address?
- How should the topic be described, limited, or specified?

The title should not start with the word “to,” include the word “standard,” or be excessively wordy or vague. Reliability Standard titles should not be complete sentences.

Number

NERC staff assign the Reliability Standard number for a new Reliability Standard. The numbering convention has three parts:

- A three-letter acronym denoting the general topical area of the Reliability Standard
- The Reliability Standard number within that topical area, beginning with 1 and increasing sequentially
- The version of that Reliability Standard

If a Reliability Standard is being proposed for revision, the Reliability Standard is given a new version number. A detailed explanation is available in the [NERC Standards Numbering System](#).

Purpose

A clear statement that describes how the Reliability Standard contributes to the reliability of the BPS and should not contain actionable requirements. The purpose of a specific Reliability Standard will not necessarily be the same as the purpose on a SAR as some SARs have a purpose statement that addresses modification of a set of Reliability Standards.

Applicability

NERC’s Reliability Standards apply to users, owners, and operators of the facilities that make up the BPS. The applicability section of a Reliability Standard should use entities found in the *Statement of Compliance Registry Criteria* (codified as *Appendix 5B of the NERC Rules of Procedure*) which is the FERC-approved vehicle by which NERC and the Regional Entities identify the entities responsible for compliance with NERC and Regional Reliability Standards. In a small number of cases, when a number of requirements are being developed that will apply to a large number of functional entities, the DT may work with NERC staff to define a term that is used within a particular standard or group of Reliability Standards to refer to that group of functional entities collectively.¹² In some cases, the DT will identify the need to limit the applicability of one or more requirements in a Reliability Standard to a subset of entities or facilities so that the applicability aligns with the reliability risk. In most cases, these limitations are identified in the

¹² See CIP-002-5.1a for an example: 4.1 Functional Entities: For the purpose of the requirements contained herein, the following list of functional entities will be collectively referred to as “Responsible Entities.”

applicability section of the Reliability Standard, rather than embedded in the requirements.¹³

Effective Date

The effective date section in the Reliability Standard refers to an associated implementation plan. The implementation plan sets forth the date or pre-conditions for determining when each Requirement becomes effective in each jurisdiction.

Section B – Requirements and Measures

Requirements

An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability- related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory. Some requirements may have “parts.” The parts of a requirement are numbered by using the number of the requirement, followed by a decimal number (e.g., Requirement R4 could have parts 4.1, 4.2, and 4.3).

Each requirement should:

- Include the name of the responsible functional entity or entities.
- Include the word “shall.”
- Be written in:
 - Active voice rather than the passive voice.
 - Concise, clear, measurable language. (Requirements that are not measurable or are subject to multiple interpretations are unacceptable.)
- Avoid use of ambiguous adjectives such as “sufficient” or “adequate” as these cannot be measured objectively. When a range of performance is acceptable, the range needs to be qualified and bounded by measurable conditions/parameters.
- Utilize currently approved Glossary of Terms within each requirement unless the SAR’s scope provides for a new or updated term.
- Achieve one objective. If a requirement achieves two objectives, such as developing a document and distributing that document, then each objective should be addressed in its own requirement.
 - Contribute to one or more reliability principles and the specific objective of the Reliability Standard. All parts of a requirement must contribute to the objective of the main requirement. If there is only one part that contributes to the objective of the main requirement, there should only be one main requirement and no parts.
 - Avoid more than one level of parts as it may reduce clarity.

Where practical, requirements should use language that is already familiar to the end users of NERC’s Reliability Standards. To that end, a list of ‘verbs’ already used in NERC Reliability Standards can be referred to in *Attachment A*.

In general, the language of a requirement should follow the format of:

[Entity X] shall perform [specific action] by [a specific time or frequency].

¹³ For example, a Reliability Standard may limit applicability to certain facilities based on electric characteristics, such as transmission facilities energized at 200 kilovolts or greater. If no functional entity limitations are identified, the default is that the Reliability Standard applies to all identified listed functional entities – so that if the applicability identifies, “Transmission Operators”, then the Reliability Standard applies to all Transmission Operators that have registered in NERC’s Compliance Registry.

The DT should consider adding a time frame for measuring the required performance, as FERC has determined that unless the requirement includes a time period, each incidence of noncompliant performance must be assessed as a separate act of noncompliance, subject to an individual penalty or sanction. In addition, if performance results can be practically measured quantitatively, metrics should be provided within the requirement.

Measures

Each requirement must have at least one measure. A single measure can be used for more than one requirement. A measure provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.

Section C – Compliance

Data/Evidence Retention

Evidence retention is included in Section C of the Reliability Standard under Compliance Monitoring Process. The evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance, and each requirement must have an Evidence Retention period following this format:

- The [applicable entity(ies)] shall keep data or evidence of Requirement [insert requirement number] for [insert retention period] calendar days/months/years. **(Add requirements as appropriate for this standard. This section is only for those requirements that do not have the default data retention.)**

Violation Severity Levels (VSLs)

VSLs are included in section C of the Reliability Standard in a table format. The VSLs provide guidance on the way that NERC will enforce the Requirements of the proposed Reliability Standard. To assist the DT in the development of VSLs, refer to the *Violation Severity Level Guidelines*. These guidelines outline the criteria and attributes for developing VSLs.

Violation Risk Factors (VRFs)

Each requirement must also have a Violation Risk Factor associated with it. The risk factor is one of several elements used to determine an appropriate sanction when the associated requirement is violated. The VRF assesses the impact to reliability of violating a specific requirement and shall be categorized as a high, medium or low risk. The criteria for categorizing a VRF, which has been filed with FERC as part of the ERO's *Sanction Guidelines* (codified as Appendix 4B of the NERC Rules of Procedure), along with the five guidelines that FERC uses to determine whether to approve the VRFs submitted for approval⁶¹⁴ are documented in *VRFs*.

If a requirement has parts, and some of the parts are much more critical to reliability than others, then the DT should consider subdividing the requirement into separate requirements and assigning a VRF to each of the individual requirements.

Time Horizons

Each Reliability Standard requirement must also have an associated time horizon to differentiate requirements that involve shorter and narrower time frames (e.g., real-time operations) from those that involve longer and broader time frames (e.g., long-term planning).

Section D – Regional Variances

Most Reliability Standards can be written so that they apply on a continent-wide basis without the need for a variance.

¹⁴ In its *May 18, 2007 Order on Violation Risk Factors*, FERC identified five “guidelines” it uses to determine whether to approve the VRFs submitted for approval.

FERC accepts that a variance may be needed under the following conditions (Order No. 672¹⁵):

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential and in the public interest, as required under the statute:

(1) a regional difference that is more stringent than the continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not; and

(2) a Regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.

Regional variances are generally identified during the SAR stage, but may be identified later in the process. They are specified and requested by the Region that wants the variance. While both the DT and Regions must ask stakeholders if they see a need for a regional variance, the DTs do not have primary responsibility for writing these variances — writing a variance is the primary responsibility of the entity that requests the variance, or their designee. If a DT receives a variance as it is developing a Reliability Standard, the team will post the variance for comment along with the proposed Reliability Standard, and will ask stakeholders if they support the variance.

If stakeholders do not support the variance as proposed, the entity that wants the variance may modify the variance and post it again for another comment period, or the entity may withdraw its request for the variance. The entity requesting the variance is responsible for working with the DT to respond to each comment submitted in response to the proposed variance.

Section E – Associated Documents

This section should include a reference to the Implementation Plan, Technical Rationale if developed, and other important associated documents.

Version History

Update the version history of the Reliability Standard as appropriate. All version history content is carried over to the subsequent version. The ‘Action’ column should include the project number followed by the action completed. The ‘Change Tracking’ column should include (as applicable): New, Errata, Revisions, Addition, Interpretation, etc.

Standards Attachments

Documents that should appear in this section are attachments or other documents (Interpretations, etc.), if any.

¹⁵ Order No. 672, *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards*, FERC Stats. & Regs. ¶ 31,204, at P 291.

Attachment A: Verbs

To achieve the highest degree of consistency between Reliability Standards, a DT should use terms previously defined or applied in existing Reliability Standards. The following verbs and definitions are not in the official [NERC Glossary of Terms](#); however, existing Reliability Standards contain references to the following verbs and definitions and should serve as a reference for DTs, where applicable, to minimize the introduction of new terms.

Acquire — To obtain something new, such as a trait, ability or characteristic; to get as one's own; to locate and hold.

Activate — To make active; to start development of

Address — To communicate directly, spoken, written or otherwise; to direct one's attention to

Adhere — To give support or bind oneself to observance

Agree — To concur in, as an opinion; to settle on by comment consent

Alert — To give warning or notice, or to call to a state of readiness; to make clearly aware of

Analyze — To review elements and critically examine

Apply — To make use or put to use

Appoint — To fix a place or time; to place in office or post

Approve — To give one's consent to

Arrange — To put in a proper order, sequence, or relationship; to prepare for; to bring about an agreement or understanding

Assemble — To put together all relevant pieces

Assess — To make a determination, evaluation, or estimate; to critic and judge

Begin — To do or initiate the first part of an action or process

Calculate — To make a mathematical computation; to solve or probe the meaning of; to design or adapt for a purpose

Calibrate — To determine, rectify or mark the graduations of; to standardize by determining the deviation from the standard; to adjust precisely for a particular function

Check — To test, compare or examine to determine if something is as it should be

Collect — To gather information from multiple sources

Communicate — To receive or distribute, to convey or make known information via personal, written or electronic methods

Comply — To execute, conform, adapt, or complete

Compute — To determine, often mathematically, an answer or sum

Conduct — To act as a leader, supervisor or to director as leader the performance or action

Confirm — To prove the truth, validity or authenticity of something

Consider — To give intelligent thought to a situation

Contact — To reach someone through a communication device (telephone, radio, etc.)

Control — To exercise restraining or directing influence over

Cooperate — To work together or among others; to act in compliance; to associate with other(s) for mutual benefit

Coordinate — To mediate the exchange of data between at least two people

Correct — To alter or adjust so as to meet some standard or required condition

Cover — To treat or include information with; to guard, protect, prevent observation or knowledge of

Create — To produce or bring into existence

Curtail — To cause an action to stop

Define — To mark the limits of with clarity and authority; to specify instruction and interpretation

Demonstrate — To point out, show clearly the existence of; illustrate or explain

Describe — To give an account or represent in words, figure, model or picture

Destroy — To ruin the structure, condition or existence

Attachment A: Verbs

Detect — To discover or determine the existence, fact or presence

Determine — To analyze

Develop — To set forth or make clear by degrees or in detail; to work out the possibilities

Direct — To use an authoritative voice to tell another individual to perform an action

Disable — To make incapable or ineffective; to deprive a right, qualification, capacity

Disconnect — To sever or terminate a connection of or between

Discuss — To investigate or talk about using reason or argument; to present in detail for consideration or examination

Disperse — To cause to break up or become spread widely, to distribute

Display — To exhibit or make evident for viewing

Disseminate — To spread broadly

Distribute — To divide among several or many; to give out or deliver

Document — To make a printed record of something

Enable — To make possible or able by providing means or opportunity; to give legal power, capacity or sanction

Ensure — To make sure, certain or safe

Enter — To depress keys on a keyboard so as to have information sent to a computer system

Establish — To institute permanently by enactment or agreement; to make firm, stable

Evaluate — To appraise the worth of; to determine or fix the value, significance, condition or worth of

Exchange — To part with, give or transfer while receiving something as an equivalent; to part with for a substitute; to give and receive reciprocally

Execute — To put into effect; to carry out what is required

Exercise — To perform a function or carrying out the terms of an agreement; regular or repeated use or practice in order to develop, improve or display specific capabilities or skills

Explain — To make known, plain, or understandable; to give a reason for a cause

Flag — To signal, mark or identify

Focus — To direct toward a particular point or purpose

Follow — To go, proceed, or come after; to be or act in accordance with; to pursue in an effort; to seek or attain

Give — To administer, guide or direct; to execute or deliver; to offer or furnish; to perform

Have — To hold, maintain or possess something or a privilege; to stand in a certain relationship to

Hold — To have possession or ownership; to have as a privilege or position of responsibility

Identify — To recognize, establish the identity of, ascertain the origin, nature, or definitive characteristics of

Implement — To carry out or fulfill

Include — To make a part of a whole, group, or class

Increase — To make greater, larger in size, amount, number or intensity

Indicate — To point out, state or express briefly, to serve as a sign

Inform — To provide information or make aware

Initiate — To cause or facilitate the start of

Install — To establish in an indicated place, to set prepare, or position for use

Issue — To distribute, put forth, or make available

Keep — To take notice of by appropriate conduct; to retain possession of; to store

Know — To have direct cognition of; to have experience; to be acquainted or familiar with

Limit — To restrict, curtail or reduce in quantity or extent

List — To make a list of, itemize

Maintain — To control to specified limits

Attachment A: Verbs

Make — To cause to exist or happen; to institute or establish; to put together from components	Request — To ask permission from someone of higher authority
Manage — To handle, direct, control or conduct with a degree of skill, to	Require — To impose a compulsion or command, to demand as necessary
Meet — To conform with or fulfill	Resolve — To deal with successfully, to clear up, to reach a firm decision about
Modify — To make an adjustment	Respect — To consider worthy of high regard, to have reference to; to refrain from interfering with
Monitor — To actively scan various information sources	Respond — To provide a reply to some request for information
Notify — To inform someone of some activity	Restore — To return equipment to a specified state
Offset — To serve as a counterbalance	Resynchronize — To re-establish synchronicity
Open — To perform actions that will cause a device to physically separate from the electric system	Retain — To keep possession of, to hold secure or intact
Operate — To cause to function or work	Return — To go back or come back to a practice or condition or specified measure
Participate — To take part or share in something	Review — To look at available data
Pay — (Attention) — To give, offer	Sample — To test or example by a sample
Perform — To carry out an action	Serve — To meet requirements, to work, prepare, provide
Place — To put in a particular position; to direct to a desired spot	Share — To participate in, use or experience jointly or in turns
Plan — To arrange or formulate information for a specific intention	Shed — To repel without allowing penetration
Post — To publish, announce or advertise	Sign — To place a signature on a document Specify — To state explicitly or in detail
Prepare — To make ready in advance	Staff — To provide a staff of workers or assistants
Protect — To cover or shield from exposure, injury, damage or destruction	Stipulate - To specify or make conditions or requirements for an agreement
Provide — To furnish or supply, make available	Submit — To yield authority; to present or put forward an opinion, information, or idea
Publish — To prepare and issue printed information for public distribution or access	Take — To possess and hold
Record — To enter	Terminate — To end
Re-evaluate — To revise or renew	Test — To use a procedure to measure or determine something
Reference — To supply or cite a source or make a notation	Track — To follow, pursue, or plot a moving path
Release — To relinquish control over a piece of equipment	Train — To instruct, drill or shape by discipline or precept
Render — To cause to be or become	Update — To bring up to date
Repeat — To perform one or more actions another time	
Report — To give a formal or informal account	

Attachment A: Verbs

Use — To put into service, employ; to practice

Utilize — To find or make a practical use for

Verify — To prove to be correct by investigation or comparison with a standard or reference

Wait — To curtail actions until some criteria is reached

Work — To physically or mentally make effort or activity toward production or accomplishment

Attachment B: Additional Discussion on FERC's Role

The Energy Policy Act of 2005 gave FERC certain jurisdiction over the development, approval, and enforcement of electric Reliability Standards applicable to users, owners, and operators of the bulk power system in the United States. It authorizes FERC to approve Reliability Standards, to remand Reliability Standards that do not meet its criteria for approval as outlined in Order No. 672, and to direct modifications to address specific issues. Through various orders and rules, FERC has approved a set of Reliability Standards developed by the industry through NERC's Standard Processes Manual that establish the baseline for ensuring reliable operation of the bulk power system in North America. Only FERC-approved Reliability Standards are mandatory and enforceable within the United States.

In the Energy Policy Act of 2005, Congress added Section 215 to the Federal Power Act to outline the scope of FERC's authority with respect to Reliability Standards. This statute provides, in relevant part:

The Commission shall have jurisdiction, within the United States, over the ERO certified by the Commission under subsection (c), any regional entities, and all users, owners and operators of the bulk-power system, including but not limited to the entities described in section 201(f), for purposes of approving reliability standards established under this section and enforcing compliance with this section. All users, owners and operators of the bulk-power system shall comply with reliability standards that take effect under this section... (16 U.S.C. § 824o(b)(1)).

The Commission may approve, by rule or order, a proposed reliability standard or modification to a reliability standard if it determines that the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission shall give due weight to the technical expertise of the Electric Reliability Organization with respect to the content of a proposed standard or modification to a reliability standard and to the technical expertise of a regional entity organized on an Interconnection-wide basis with respect to a reliability standard to be applicable within that Interconnection, but shall not defer with respect to the effect of a standard on competition. A proposed standard or modification shall take effect upon approval by the Commission. (16 U.S.C. § 824o(d)(2)).

The Commission, upon its own motion or upon complaint, may order the Electric Reliability Organization to submit to the Commission a proposed reliability standard or a modification to a reliability standard that addresses a specific matter if the Commission considers such a new or modified reliability standard appropriate to carry out this section. (16 U.S.C. § 824o(d)(5)).

The Commission's regulations implementing Section 215 of the Federal Power Act are contained in 18 C.F.R. part 39.

Consistent with Section 215 of the Federal Power Act and implementing regulations, NERC has been certified by FERC to be the U.S. ERO. Not all jurisdictions in Canada have the necessary legal structures to name an ERO; however, all have recognized NEC as an electric reliability standards-setting organization and have committed to supporting NERC in its standards setting and oversight role as the North American ERO. Currently, Reliability Standards are mandatory and enforceable in the U.S., in the Canadian provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec, and Saskatchewan, and on international power lines subject to the jurisdiction of the Canadian Energy Regulator

NERC, in one of its key roles as the ERO, develops Reliability Standards. NERC's standard development process has been approved by FERC ~~and is been accredited by ANSI~~. Reliability Standards that have been developed by stakeholders through NERC's open and inclusive process and adopted by the NERC Board ~~of Trustees~~ are then submitted to regulatory authorities, as specified in the laws or regulations in effect in each jurisdiction. NERC's ~~ANSI-accredited~~ standards development process provides reasonable notice and opportunity for public comment, due process, openness, and balance among the various interests in support of developing quality Reliability Standards.

Attachment B: Additional Discussion on FERC's Role

FERC is not permitted by law to explicitly write standard requirements. FERC may, however, direct the ERO to submit a proposed new or revised Reliability Standard that “addresses a specific matter.” (See 16 U.S.C. § 824o(d)(5)). As stated earlier, FERC must give due weight to the technical expertise of the ERO with respect to the specific content of a proposed Reliability Standard (see 16 U.S.C. § 824o(d)(2)). This technical expertise is embodied in the SDTs and other stakeholders participating in the standard development process and is reflected in the comments received from industry stakeholders during the SAR and standard development process and by the Registered Ballot Body participants that vote on a proposed standard as part of the ballot pool.

NERC has an obligation, under applicable laws and regulations, to address directives issued by the applicable governmental authority regarding Reliability Standards. Through its SC, NERC charges its SDTs to fully address each directive.

NERC staff serve an important role in assessing to what degree the SDT has addressed each applicable directive and informing the SC when it appears that further work may be required to fully address a directive. The NERC Board of Trustees may exercise special procedures when a ballot pool has failed to approve, or a drafting team has failed to develop, a Reliability Standard that addresses an applicable directive. (See NERC Rules of Procedure Section 321, Special Rule to Address Certain Regulatory Directives).

In Order No. 693, FERC provided guidance as to how NERC and the SDTs should view the FERC directives:

“185. With regard to the many commenters that raise concerns about the prescriptive nature of the Commission’s proposed modifications, the Commission agrees that a direction for modification should not be so overly prescriptive as to preclude the consideration of viable alternatives in the ERO’s Reliability Standards development process. However, in identifying a specific matter to be addressed in a modification to a Reliability Standard, it is important that the Commission provide sufficient guidance so that the ERO understands the Commission’s concerns and an appropriate, but not necessarily exclusive, outcome to address those concerns. Without such direction and guidance, a Commission proposal to modify a Reliability Standard might be so vague that the ERO would not know how to adequately respond.”

“186. Thus, in some instances, while we provide specific details regarding the Commission’s expectations, we intend by doing so to provide useful guidance to assist in the Reliability Standards development process, not to impede it. We find that this is consistent with statutory language that authorizes the Commission to order the ERO to submit a modification “that addresses a specific matter” if the Commission considers it appropriate to carry out section 215 of the FPA. In the Final Rule, we have considered commenters’ concerns and, where a directive for modification appears to be determinative of the outcome, the Commission provides flexibility by directing the ERO to address the underlying issue through the Reliability Standards development process without mandating a specific change to the Reliability Standard. Further, the Commission clarifies that, where the Final Rule identifies a concern and offers a specific approach to address the concern, we will consider an equivalent alternative approach provided that the ERO demonstrates that the alternative will address the Commission’s underlying concern or goal as efficiently and effectively as the Commission’s proposal.”

“187. Consistent with section 215 of the FPA and our regulations, any modification to a Reliability Standard, including a modification that addresses a Commission directive, must be developed and fully vetted through NERC’s Reliability Standard development process. The Commission’s directives are not intended to usurp or supplant the Reliability Standard development procedure. Further, this allows the ERO to take into consideration the international nature of Reliability Standards and incorporate any modifications requested by our counterparts in Canada and Mexico. Until the Commission approves NERC’s proposed modification to a Reliability Standard, the preexisting Reliability Standard will remain in effect.”

Attachment B: Additional Discussion on FERC's Role

“188. We agree with NERC’s suggestion that the Commission should direct NERC to address NOPR comments suggesting specific new improvements to the Reliability Standards, and we do so here. We believe that this approach will allow for a full vetting of new suggestions raised by commenters for the first time in the comments on the NOPR and will encourage interested entities to participate in the ERO Reliability Standards development process and not wait to express their views until a proposed new or modified Reliability Standard is filed with the Commission. As noted throughout the standard-by-standard analysis that follows, various commenters provide specific suggestions to improve or otherwise modify a Reliability Standard that address issues not raised in the NOPR. In such circumstances, the Commission directs the ERO to consider such comments as it modifies the Reliability Standards during the three-year review cycle contemplated by NERC’s Work Plan through the ERO Reliability Standards development process. The Commission, however, does not direct any outcome other than that the comments receive consideration.”

Version History

Version	Date	Change Tracking
1	October 29, 2013	New Revision to SDT Guidelines – changed to DT Reference Manual. Updated entire content.
2	January 7, 2014	Corrected Errata to SC Reviewed version 1.
2.1	May 19, 2014	Updated by Standards Information Staff to Coordinate with <i>NERC Drafting Team Resources</i> posting.
3	September 14, 2016	Periodic review by Standards Committee Process Subcommittee and associated changes incorporated.
4	November 2021	Updated to reformat, new design and deletion of redundancies with governing documents. Combine with Roles and Resp. document
<u>5</u>	<u>January 2024</u>	<u>Updated language to reflect deliverables from SC SPCEG.</u>

- Each requirement should establish an objective that is reasonably determined to be the best approach for Bulk-Power System reliability, taking account of the costs and benefits of implementing the proposal.
- To the maximum extent possible, the requirement should be designed to apply throughout the interconnected North American Bulk-Power System.
- Each requirement should identify which functional entity shall do what, under what conditions, for what reliability benefit.
- Each requirement should be aimed at achieving one objective at a time.

It is permissible to include prescriptive, documentation, and commercial requirements within the Reliability Standard; however, these types of requirements should be justified in the record and limited in number in light of Paragraph 81 Criteria.⁴

Reliability Standards should not contain:

- Requirements that prescribe commercial business practices which do not contribute directly to reliability.
- Requirements that duplicate or conflict with one another.

⁴ In 2012, the Commission invited NERC to propose for retirement those Reliability Standards and requirements that provide little protection for Bulk Power System reliability or may be redundant. *See N. American Electric Reliability Corp.*, 138 FERC ¶ 61,193 at P 81, *order on reh'g and clarification*, 139 FERC ¶ 61,168 (2012). In response to this order, NERC developed criteria for a Reliability Standard to be retired or modified: (1) Criterion A: an overarching criteria designed to determine that there is no reliability gap created by the proposed retirement; (2) Criterion B: consists of seven separate identifying criteria designed to recognize requirements appropriate for retirement (administrative; data collection/data retention; documentation; reporting; periodic updates; commercial or business practice; and redundant); and (3) Criterion C: consists of seven separate questions designed to assist an informed decision whether requirements are appropriate to propose for retirement.

**Order No. 672 Criterion:
Must be designed to achieve a specified reliability goal**

321. The proposed Reliability Standard must address a reliability concern that falls within the requirements of section 215 of the FPA. That is, it must provide for the reliable operation of bulk power system facilities. It may not extend beyond reliable operation of such facilities or apply to other facilities. Such facilities include all those necessary for operating an interconnected electric energy transmission network, or any portion of that network, including control systems. The proposed Reliability Standard may apply to any design of planned additions or modifications of such facilities that is necessary to provide for reliable operation. It may also apply to Cybersecurity protection.

324. The proposed Reliability Standard must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve this goal. Although any person may propose a topic for a Reliability Standard to the E[lectric] R[eliability] O[rganization], in the ERO’s process, the specific proposed Reliability Standard should be developed initially by persons within the electric power industry and community with a high level of technical expertise and be based on sound technical and engineering criteria. It should be based on actual data and lessons learned from past operating incidents, where appropriate. The process for ERO approval of a proposed Reliability Standard should be fair and open to all interested persons.

**Order No. 672 Criterion:
Must be designed to apply throughout North America to the maximum extent achievable with a single reliability standard while not favoring one area or approach**

331. A proposed Reliability Standard should be designed to apply throughout the interconnected North American Bulk-Power System; to the maximum extent this is achievable with a single Reliability Standard. The proposed Reliability Standard should not be based on a single geographic or regional model but should take into account geographic variations in grid characteristics, terrain, weather, and other such factors; it should also take into account regional variations in the organizational and corporate structures of transmission owners and operators, variations in generation fuel type and ownership patterns, and regional variations in market design if these affect the proposed Reliability Standard.

**Order No. 672 Criterion:
Should achieve a reliability goal effectively and efficiently—but does not necessarily have to reflect “best practices” without regard to implementation cost**

328. The proposed Reliability Standard does not necessarily have to reflect the optimal method, or “best practice,” for achieving its reliability goal without regard to implementation cost or historical regional infrastructure design. It should however achieve its reliability goal effectively and efficiently.

**Order No. 672 Criterion:
Cannot be “lowest common denominator,” i.e., cannot reflect a compromise that does not adequately protect bulk power system reliability**

329. The proposed Reliability Standard must not simply reflect a compromise in the ERO’s Reliability Standard development process based on the least effective North American practice—the so-called “lowest common denominator”—if such practice does not adequately protect Bulk-Power System reliability. Although the Commission will give due weight to the technical expertise of the ERO, we will not hesitate to remand a proposed Reliability Standard if we are convinced it is not adequate to protect reliability.

**Order No. 672 Criterion:
Balance with other vital public interests**

335. Finally, we understand that at times development of a proposed Reliability Standard may require that a particular reliability goal must be balanced against other vital public interests, such as environmental, social and other goals. We expect the ERO to explain any such balancing in its application for approval of a proposed Reliability Standard.

**Order No. 672 Criterion:
No undue negative effect on competition or restriction of the grid**

332. As directed by section 215 of the FPA, the Commission itself will give special attention to the effect of a proposed Reliability Standard on competition. The ERO should attempt to develop a proposed Reliability Standard that has no undue negative effect on competition. Among other possible considerations, a proposed Reliability Standard should not unreasonably restrict available transmission capability on the Bulk-Power System beyond any restriction necessary for reliability and should not limit use of the Bulk-Power System in an unduly preferential manner. It should not create an undue advantage for one competitor over another.

- 4. Measurability** — Each requirement should be stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement. Each requirement should have one or more associated measures used to objectively evaluate compliance with the requirement. If specific results can be practically measured quantitatively, metrics should be provided within the requirement to indicate satisfactory performance.
- Words and phrases such as “sufficient,” “adequate,” “be ready,” “be prepared,” “consider,” etc. should not be used.
 - When an exact level of performance cannot be specified, the required performance should be bounded by measurable conditions/parameters.

Order No. 672 Criterion:

Must identify clear and objective criterion or measure for compliance, so that it can be enforced in a consistent and non-preferential manner

327. There should be a clear criterion or measure of whether an entity is in compliance with a proposed Reliability Standard. It should contain or be accompanied by an objective measure of compliance so that it can be enforced and so that enforcement can be applied in a consistent and non-preferential manner.

5. **Technical Basis in Engineering and Operations** — Each Reliability Standard should be based upon sound engineering and operating judgment and the collective experience of the Drafting Team members. Analysis of data collection activities, field test results, and the comments received from industry experts should also be utilized in the development of each Reliability Standard.
6. **Completeness** — Each Reliability Standard should be complete and self-contained. A standard should not depend on external information to determine the required level of performance.
7. **Consequences for Noncompliance** — Each Reliability Standard shall establish a combination of elements (identified below) that will serve as guidelines for the determination of penalties and sanctions when assessing the consequences of violating a standard.
 - **Time Horizon** — Each requirement shall have an associated Time Horizon to identify the time frame an entity would have to correct a violation of the requirement. Time Horizons are used as a factor in determining the size of a penalty or sanction for noncompliance with a requirement.
 - **Violation Risk Factor** — Each requirement shall have an associated Violation Risk Factor (VRF). The VRF is a factor in determining the size of a penalty or sanction for noncompliance with a requirement.
 - **Violation Severity Levels** — Each requirement shall have an associated set of Violation Severity Levels (VSLs) that identify degrees of noncompliance with the associated requirement.

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Must include clear and understandable consequences and a range of penalties (monetary and/or non-monetary) for a violation

326. The possible consequences, including range of possible penalties, for violating a proposed Reliability Standard should be clear and understandable by those who must comply.

8. **Clear Language** — Each Reliability Standard should be stated using clear and unambiguous language. Responsible entities, using reasonable judgment and in keeping with good utility practices, should be able to arrive at a consistent understanding of the required performance.
9. **Practicality** — Each Reliability Standard should establish requirements that can be practically implemented by the assigned responsible entities within the specified effective date and thereafter.

Order No. 672 Criterion:

Costs to be considered for smaller entities but not at consequence of less than excellence in operating system reliability

330. A proposed Reliability Standard may take into account the size of the entity that must comply with the Reliability Standard and the cost to those entities of implementing the proposed Reliability Standard. However, the ERO should not propose a “lowest common denominator” Reliability Standard that would achieve less than excellence in operating system reliability solely to protect against reasonable expenses for supporting this vital national infrastructure. For example, a small owner or operator of the Bulk-Power System must bear the cost of complying with each Reliability Standard that applies to it.

**Order No. 672 Criterion:
Implementation time**

333. In considering whether a proposed Reliability Standard is just and reasonable, the Commission will consider also the timetable for implementation of the new requirements, including how the proposal balances any urgency in the need to implement it against the reasonableness of the time allowed for those who must comply to develop the necessary procedures, software, facilities, staffing or other relevant capability.

10. **Consistent Terminology** — Each Reliability Standard should use a set of standard terms and definitions that were developed and approved through the NERC Reliability Standards Development Process.⁵
11. **Regulatory Directives** — Drafting Teams should adequately address all applicable FERC regulatory directives when revising or developing Reliability Standards.
12. **Adherence to Standard Processes Manual** — DTs are charged with adhering to all applicable processes set forth in the NERC Standard Processes Manual, [Appendix 3A to the NERC Rules of Procedure](#). DTs should be responsive to all comments received during the formal comment periods and to the formal comments received during the initial ballot periods. Appropriate technical

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justification should be provided by the DT for each response to the comments and stakeholder issues.

**Order No. 672 Criterion:
Whether the Reliability Standard process was open and fair**

334. Further, in considering whether a proposed Reliability Standard meets the legal standard of review, we will entertain comments about whether the ERO implemented its Commission-approved Reliability Standard development process for the development of the particular proposed Reliability Standard in a proper manner, especially whether the process was open and fair. However, we caution that we will not be sympathetic to arguments by interested parties that choose, for whatever reason, not to participate in the ERO’s Reliability Standard development process if it is conducted in good faith in accordance with

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SCPS SPCEG Subgroup 2

Questions developed by SCPS SPCEG Subgroup 2

SAR Form Questions

Does the title align with the project scope and do both adequately address the intent of the SAR?

Do you agree that the scope addresses the reliability gaps or risks?

Does the SAR describe a significant reliability gap or risk and define the appropriate scope that addresses the gap or risk?

- Yes
- Yes, but needs additional clarity.
- No

Are the identified reliability gaps sufficiently significant to support the intent of the SAR?

Are there any potential Regional or Interconnection Variances that need to be addressed in the SAR or the impacted standards?

Do you agree the scope will provide the drafting team with the necessary discretion to address the reliability gaps or risks?

Is there a more appropriate way, other than a reliability standard, to address the reliability gaps or risks?

Reliability Standards Form Questions

Do the proposed new or revised standards address the reliability gaps or risks identified in the SAR? [FERC directives in order XXX]

Is the proposed standard practicable to:

- Be implementable?
 - Yes
 - No
- Is the proposed standard auditable?
 - Yes
 - No
- Able to comply with?
 - Yes
 - No

Does the proposed approach provide an effective way to achieve the stated reliability or security benefit? In your response, please provide any information that supports your answer.

Project 2023-04 Modifications to CIP-003

Action

Appoint chair and supplemental members to the Project 2023-04 Modifications to CIP-003 drafting team (DT), as recommended by NERC staff.

Background

Project 2023-04 will address the CIP-003 revision recommendations outlined by the Low Impact Criteria Review Team (LICRT) report dated October 2022.¹ The LICRT report documents the analysis and results of the degrees of risk presented by facilities that meet the criteria for low impact Bulk Electric System (BES) Cyber Assets and recommends actions to address those risks. The LICRT recognizes that low impact BES Cyber Systems may introduce BES reliability risks of a higher impact where distributed low impact BES Cyber Systems are used for a coordinated attack. In response, the LICRT recommended enhancing the existing low impact category to mitigate the coordinated attack risk further. The NERC Board of Trustees accepted the LICRT report at its November 16, 2022 meeting and asked that the recommendations in the report be initiated through the NERC Standards Development Process.

At its March 22, 2023 meeting, the Standards Committee (SC) accepted the SAR and authorized soliciting for members of the DT. The formal comment period for the SAR and the solicitation for the DT member period ran from March 31 – May 15, 2023. At its June 21, 2023 meeting, the SC appointed a chair, vice-chair, and ten additional members to the DT. The DT held meetings in July to review industry comments, revise the SAR as necessary, and provide a response to industry comments. On July 24, 2023, by an action without a meeting, the SC accepted the revised SAR and authorized drafting revisions to CIP-003-9. From July to September 2023, the DT conducted several meetings to revise the standard language, associated Implementation Plan, and Violation Risk Factors and Violation Severity Levels.

Additionally, the DT lost two DT members, including the DT chair, in September and December 2023, resulting in nine remaining members.

Summary

A solicitation for supplemental DT members ran from October 24 – December 7, 2023. NERC received four nominations from industry. NERC staff recommends three individuals for appointment to the DT, as they all have the requisite background, experience, and skills necessary for membership.

The current DT roster is available below:

1. Jay Cribb (vice chair) | Southern Company Services | SERC
2. Monica Jain | Southern California Edison | WECC

¹ https://www.nerc.com/pa/comp/SupplyChainRiskMitigationProgramDL/NERC_LICRT_White_Paper_clean.pdf

3. Clayton Whitacre | Great River Energy | MRO
4. Barry Jones | Western Area Power Administration | MRO, SERC, WECC
5. Robert Montgomery | Duke Energy | MRO, RF, SERC, Texas RE, WECC
6. Peggy McDannald | Associated Electric Cooperative, Inc. | SERC
7. Josef Chesney | Powder River Energy Corp | WECC
8. Sean Randles | Leeward Renewable Energy, LLC | MRO, NPCC, RF, SERC, Texas RE, WECC
9. Lemon Williams | Pine Gate Renewables | SERC, Texas RE, WECC

NERC Project 2023-06 – CIP-014 Risk Assessment Refinement

Action

- Accept the revised Project 2023-06 – CIP-014 Risk Assessment Refinement Standard Authorization Request (SAR);
- Authorize drafting new or modified Reliability Standard(s) as identified in the Project 2023-06 CIP-014 Risk Assessment Refinement SAR.

Background

On April 14, 2023 NERC filed with FERC a report (Report)¹ in response to a FERC directive² to evaluate whether the physical security protection requirements in NERC's Reliability Standards are adequate to address the risks associated with physical attacks on bulk power systems (BPS) Facilities, including the adequacy of the required risk assessment in CIP-014-3 Requirement R1. The Report identified inconsistent approaches to performing risk assessments to identify critical infrastructure by registered entities under CIP-014-3 appropriately.

The Report found that CIP-014-3 required revision to ensure an adequate and consistent approach in evaluating instability and identifying infrastructure critical to the operation of the BPS.

At the June 21, 2023 meeting, the Standards Committee (SC) accepted the SAR submitted by NERC staff. The SC appointed the drafting team at its October 18, 2023 meeting.

The drafting team held multiple meetings during November - December. The drafting team reviewed and responded to all comments during the posting of the SAR. Revisions were made to the SAR to clarify the scope of work and ensure consistent usage of terminology throughout technical studies and expectations.

Summary

NERC staff recommends the SC accept the revised Project 2023-06 – CIP-014 Risk Assessment Refinement SAR and authorize drafting new or modified Reliability Standard(s) as identified in the Project 2023-06 CIP-014 Risk Assessment Refinement SAR.

¹ <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC%20Report%20on%20CIP-014-3.pdf>; April 14, 2023

² Due to an increase in reports of physical attacks on electric substations, the Federal Energy Regulatory Commission issued the December 2022 Order in Docket No. RD23-2-000 directing NERC to evaluate the effectiveness of the Physical Security Reliability Standard CIP-014-3 in mitigating the risks to the Bulk-Power System ("BPS") associated with physical attacks.

Standard Authorization Request (SAR)

Complete and submit this form, with attachment(s) to the [NERC Help Desk](#). Upon entering the Captcha, please type in your contact information, and attach the SAR to your ticket. Once submitted, you will receive a confirmation number which you can use to track your request.

The North American Electric Reliability Corporation (NERC) welcomes suggestions to improve the reliability of the bulk power system through improved Reliability Standards.

Requested information			
SAR Title:	CIP-014-3 Risk Assessment Refinement		
Date Submitted:	05/18/23 (Revised 12/15/2023)		
SAR Requester			
Name:	Jamie Calderon, NERC J.P. Skeath, NERC (Revised by the 2023-06 Drafting Team)		
Organization:	NERC		
Telephone:	Jamie – 404-406-9647 J.P – 404-446-9630	Email:	Jamie – Jamie.Calderon@nerc.net J.P. – John.Skeath@nerc.net
SAR Type (Check as many as apply)			
<input type="checkbox"/>	New Standard	<input type="checkbox"/>	Imminent Action/ Confidential Issue (SPM Section 10)
<input checked="" type="checkbox"/>	Revision to Existing Standard	<input type="checkbox"/>	Variance development or revision
<input type="checkbox"/>	Add, Modify or Retire a Glossary Term	<input type="checkbox"/>	Other (Please specify)
<input type="checkbox"/>	Withdraw/retire an Existing Standard		
Justification for this proposed standard development project (Check all that apply to help NERC prioritize development)			
<input checked="" type="checkbox"/>	Regulatory Initiation	<input type="checkbox"/>	NERC Standing Committee Identified
<input type="checkbox"/>	Emerging Risk (Reliability Issues Steering Committee) Identified	<input type="checkbox"/>	Enhanced Periodic Review Initiated
<input type="checkbox"/>	Reliability Standard Development Plan	<input type="checkbox"/>	Industry Stakeholder Identified
Industry Need (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):			
In the NERC report ¹ filed in response to a FERC directive ² , NERC staff identified continuing inconsistency in registered entity CIP-014-3 risk assessments to most appropriately identify critical infrastructure. The Commission directed NERC to evaluate whether the physical security protection requirements in NERC's Reliability Standards are adequate to address the risks associated with physical attacks on Bulk Electric System (BES) Facilities, including the adequacy of the required risk assessment in CIP-014-3 Requirement R1. In the report, NERC found that CIP-014-3 required revision to assure adequate and			

¹ <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC%20Report%20on%20CIP-014-3.pdf>; April 14, 2023

² Due to an increase in reports of physical attacks on electric substations, the Federal Energy Regulatory Commission issued the December 2022 Order in Docket No. RD23-2-000 directing NERC to evaluate the effectiveness of the Physical Security Reliability Standard CIP-014-3 in mitigating the risks to the Bulk-Power System ("BPS") associated with physical attacks.

Requested information

consistent approach in evaluating instability as well as the identification of infrastructure critical to the operation of the BPS.

As detailed in the report, NERC found that the CIP-014-3 risk assessment should be refined to ensure that entities conduct effective risk assessments of their applicable substations. The report indicates that while the overall objective of the risk assessment is sound, there are inconsistent approaches to performing the risk assessment. The requirement language within CIP-014-3 does not prescribe a specific method for how each risk assessment shall be performed. As such, specific components that comprise any supporting analytics are neither defined nor listed. As written, CIP-014-3 provides intentional flexibility for various approaches to the risk assessment due to expected differences in each registered entity’s facts and circumstances.³ However, NERC finds that flexibility does not alter the intent of CIP-014-3’s that each risk assessment must be “designed to identify” which applicable Transmission station(s) and Transmission substation(s), that if rendered inoperable or damaged, could result in instability, uncontrolled separation, or Cascading within an Interconnection. Registered entities may implement different approaches to complete this objective, but the approach must be able to accomplish the fundamental obligation of the requirement through effectively assessing all required adverse system conditions with sufficient supporting technical analyses.

Further, the ERO Enterprise has observed that, in certain instances, registered entities failed to provide sufficient technical studies or justification for study decisions; resulting in risk assessments that did not demonstrate effective evaluations for instability, uncontrolled separation, or Cascading within an Interconnection. In other instances, registered entities argued against adequately studying for instability for all applicable sites in the risk assessment while citing the language of CIP-014-3 Requirement R1 and the lack of specificity regarding dynamic studies. NERC determined that inconsistent approaches in performing risk assessments is largely due to a lack of specificity in the requirement language as to the nature and parameters of the risk assessment.

Purpose or Goal (How does this proposed project provide the reliability-related benefit described above?):

As the intent of CIP-014-3 is to identify and physically protect those Transmission stations, Transmission substations, and their associated primary control centers that are critical to the reliable and secure operation of the BPS, registered entity approaches for the risk assessment must be reasonably consistent and substantiated with sufficient technically based rationale. As highlighted in the report, there continues to be confusion within industry as to how to adequately evaluate instability. Therefore, this SAR proposes refinement of the risk assessment to assure critical sites are identified and physically protected.

The goal of this SAR is for the drafting team to modify risk assessment requirement(s) within CIP-014-3 to provide specificity regarding acceptable approaches to the risk assessment including appropriateness

³ NERC has provided guidance to Compliance Monitoring and Enforcement staff to aid in review of entity risk assessment methods due to the inherent flexibility. Available here: <https://www.nerc.com/pa/comp/guidance/CMEPPPracticeGuidesDL/CMEP%20Practice%20Guide%20CIP-014-3%20R1.pdf>.

Requested information

of models, study types, study parameters, documentation of criteria, and documentation of supporting technical rationale. These proposed revisions to CIP-014-3 will assure an adequate and consistent approach in evaluating instability and the identification of critical Transmission stations, Transmission substations, and their associated primary control centers.

Project Scope (Define the parameters of the proposed project):

The DT should revise CIP-014-3 R1 to:

1. Clarify the risk assessment methods for studying instability, uncontrolled separation, and Cascading within an Interconnection. The methods should account for dynamic studies.
2. Clarify the case(s) used for the risk assessment to be tailored to the Requirement R1 in-service window and correct any discrepancies between the study period, frequency of study, and the base case(s) a Transmission Owner uses.
3. Assure the adequacy and consistent implementation of technically supported justification for study decisions. Clarity should include specificity regarding the documentation, and usage of criteria to identify instability, uncontrolled separation, or Cascading within an Interconnection occur as part of a risk assessment.
4. Clarify what study scenario(s) and other study assumptions are appropriate and reasonable considering the intent of CIP-014-3 and the potential range of issues during a physical attack. Simulations should incorporate the loss of station elements without the reliance on local system protection.
5. Clarify how to account for adjacent Transmission stations or Transmission substations of differing ownership as well as for those Transmission stations or Transmission substations within line-of-sight to each other.

Detailed Description (Describe the proposed deliverable(s) with sufficient detail for a drafting team to execute the project. If you propose a new or substantially revised Reliability Standard or definition, provide: (1) a technical justification⁴ which includes a discussion of the reliability-related benefits of developing a new or revised Reliability Standard or definition, and (2) a technical foundation document (e.g., research paper) to guide development of the Standard or definition):

Each item from the above proposed scope is substantiated further in the NERC report.⁵ The main details for each are outlined as follows:

1. **Clarity should be added to the risk assessment to assure that instability, uncontrolled separation, and Cascading within an Interconnection are studied, as appropriate to the purpose of CIP-014. The risk assessments should be based on best utility practices. As such, the revision should outline technical supporting expectations to clearly identify when an applicable substation has not demonstrated instability, uncontrolled separation, or Cascading within an Interconnection. At a minimum, this revision should include specificity regarding the inclusion of dynamic studies to evaluate instability, uncontrolled separation, and Cascading**

⁴ The NERC Rules of Procedure require a technical justification for new or substantially revised Reliability Standards. Please attach pertinent information to this form before submittal to NERC.

⁵ <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC%20Report%20on%20CIP-014-3.pdf>

Requested information

within an Interconnection. To ensure that a station is effectively identified as non-critical, registered entities need to have performed both steady-state and dynamic studies. However, revisions should also include that once a transmission station or transmission substation is identified as critical, additional analysis does not need to be performed for that site.

Power system stability is generally discussed as a singular concept but can be analyzed through multiple paradigms. Thus, stability can be broken down into distinct sub-categories on time frame (short-term and long-term) and types (frequency, rotor angle, and voltage stability).

2. **Revisions to the risk assessment should be made to only include transmission and generation projects that are appropriate to the periodicity of the entity's risk assessments.**

Determinations of appropriateness should be clarified to align study periods, frequency of studies, and the power flow models used.

For instance, an entity that had previously identified a CIP-014 critical site and the periodicity of the risk assessment is at least once every 30 months (per the current Standard), it might not be appropriate from a technical standpoint to include projects that will not be in service by the time the next risk assessment is scheduled to be performed. If this entity includes projects like new generation or new transmission lines that are not projected to be in service by the time of the next risk assessment, the risk assessment results may obscure how the system would electrically respond during the time period of the risk assessment.

3. **Assure the development and documentation of technically supported justification for study decisions to provide greater assurance of risk assessment adequacy and consistency. Risk Assessments must consist of a documented transmission analysis or transmission analyses designed to identify the Transmission station(s) and Transmission substation(s) that if rendered inoperable or damaged could result in instability, uncontrolled separation, or Cascading within an Interconnection.**

There is currently no requirement to include documentation of criteria, parameters, and study decisions or assumptions made that would demonstrate the consistent application of a study methodology.

4. **Clarify what study scenario(s) and other study assumptions (such as use of delayed clearing) are appropriate and reasonable considering the intent of CIP-014-3 and the potential range of issues during a physical attack. Clarify the how the terms "inoperable" and "damaged" should be reflected in the risk assessment.**

There is no specific threat or physical attack identified in the Standard to be evaluated against. Nor is there a timeline for such a physical event provided to be studied against, such as within dynamic studies. NERC has verified during multiple oversight activities that registered entities often do not study a more severe failure which introduces risk from attacks intentionally conducted during stressed periods. Many registered entities have found that the term "inoperable" includes the total loss of communication and protection equipment at the substation, necessitating delayed clearance from far-end relaying to isolate the event's impacts. However, the assumption of loss of local protection equipment is not consistently implemented.

Requested information

5. Provide clear expectations regarding the inclusion of physically adjacent elements for the purpose of evaluating the impact from a physical attack.

The CIP-014-3 risk assessment differs from other transmission planning studies in that the registered entity must consider physical proximity regardless of electrical connection, as the risk assessment requires the entire transmission station to be considered as rendered inoperable or damaged as the result of physical attack rather than just particular elements electrically connected to a single electrical disturbance. There is no clarity on the scope of what physically adjacent elements shall be considered within the risk assessment. Some items that are commonly considered to outline this problem: line-of-sight between different substation yards for a single studied site, ease of access from a common public roadway that exists between all of the substation yards, if substation yards are in close enough proximity that a single event can impact both substations (e.g., the debris field from an incendiary device set off at one yard will impact the other yard), etc.

Cost Impact Assessment, if known (Provide a paragraph describing the potential cost impacts associated with the proposed project):

The cost impacts for the proposed changes to the CIP-014-3 risk assessment are expected to be minimal relevant to current CIP-014 risk assessment costs. The changes add clarity to the current Standard to bring consistency and clarify expectations for effectively evaluating for instability, uncontrolled separation, and Cascading within an Interconnection following a physical attack. The identification of additional transmission stations and transmission substations as critical to the Interconnection may result from revisions to R1, which may necessitate additional physical security measures.

Please describe any unique characteristics of the BES facilities that may be impacted by this proposed standard development project (e.g., Dispersed Generation Resources):

None.

To assist the NERC Standards Committee in appointing a drafting team with the appropriate members, please indicate to which Functional Entities the proposed standard(s) should apply (e.g., Transmission Operator, Reliability Coordinator, etc. See the most recent version of the NERC Functional Model for definitions):

Transmission Owners, Transmission Operators

Do you know of any consensus building activities⁶ in connection with this SAR? If so, please provide any recommendations or findings resulting from the consensus building activity.

None.

Are there any related standards or SARs that should be assessed for impact as a result of this proposed project? If so, which standard(s) or project number(s)?

Project 2021-03 SAR – Modifications to CIP-002 and CIP-014. Project 2021-03 is reviewing the applicability of Facilities identified by the RC as critical to the derivation of IROLs in CIP-014.

Are there alternatives (e.g., guidelines, white paper, alerts, etc.) that have been considered or could meet the objectives? If so, please list the alternatives.

⁶ Consensus building activities are occasionally conducted by NERC and/or project review teams. They typically are conducted to obtain industry inputs prior to proposing any standard development project to revise, or develop a standard or definition.

Requested information

None.

Reliability Principles

Does this proposed standard development project support at least one of the following Reliability Principles ([Reliability Interface Principles](#))? Please check all those that apply.

<input checked="" type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input checked="" type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input checked="" type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

Market Interface Principles

Does the proposed standard development project comply with all of the following [Market Interface Principles](#)?

Enter (yes/no)

1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Identified Existing or Potential Regional or Interconnection Variances

Region(s)/ Interconnection	Explanation
n/a	n/a

For Use by NERC Only

SAR Status Tracking (Check off as appropriate).	
<input type="checkbox"/> Draft SAR reviewed by NERC Staff <input type="checkbox"/> Draft SAR presented to SC for acceptance <input type="checkbox"/> DRAFT SAR approved for posting by the SC	<input type="checkbox"/> Final SAR endorsed by the SC <input type="checkbox"/> SAR assigned a Standards Project by NERC <input type="checkbox"/> SAR denied or proposed as Guidance document

Version History

Version	Date	Owner	Change Tracking
1	June 3, 2013		Revised
1	August 29, 2014	Standards Information Staff	Updated template
2	January 18, 2017	Standards Information Staff	Revised
2	June 28, 2017	Standards Information Staff	Updated template
3	February 22, 2019	Standards Information Staff	Added instructions to submit via Help Desk
4	February 25, 2020	Standards Information Staff	Updated template footer

Standard Authorization Request (SAR)

Complete and submit this form, with attachment(s) to the [NERC Help Desk](#). Upon entering the Captcha, please type in your contact information, and attach the SAR to your ticket. Once submitted, you will receive a confirmation number which you can use to track your request.

The North American Electric Reliability Corporation (NERC) welcomes suggestions to improve the reliability of the bulk power system through improved Reliability Standards.

Requested information			
SAR Title:	CIP-014-3 Risk Assessment Refinement		
Date Submitted:	05/18/23 <u>(Revised 12/15/2023)</u>		
SAR Requester			
Name:	Jamie Calderon, NERC J.P. Skeath, NERC <u>(Revised by the 2023-06 Drafting Team)</u>		
Organization:	NERC		
Telephone:	Jamie – 404-406-9647 J.P – 404-446-9630	Email:	Jamie – Jamie.Calderon@nerc.net J.P. – John.Skeath@nerc.net
SAR Type (Check as many as apply)			
<input type="checkbox"/> New Standard	<input type="checkbox"/> Imminent Action/ Confidential Issue (SPM Section 10)	<input type="checkbox"/> Add, Modify or Retire a Glossary Term	<input type="checkbox"/> Variance development or revision
<input checked="" type="checkbox"/> Revision to Existing Standard	<input type="checkbox"/> Other (Please specify)	<input type="checkbox"/> Withdraw/retire an Existing Standard	
Justification for this proposed standard development project (Check all that apply to help NERC prioritize development)			
<input checked="" type="checkbox"/> Regulatory Initiation	<input type="checkbox"/> NERC Standing Committee Identified	<input type="checkbox"/> Emerging Risk (Reliability Issues Steering Committee) Identified	<input type="checkbox"/> Enhanced Periodic Review Initiated
<input type="checkbox"/> Reliability Standard Development Plan	<input type="checkbox"/> Industry Stakeholder Identified		
Industry Need (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):			
In the NERC report ¹ filed in response to a FERC directive ² , NERC staff identified continuing inconsistency in registered entity CIP-014-3 risk assessments to most appropriately identify critical infrastructure. The Commission directed NERC to evaluate whether the physical security protection requirements in NERC's Reliability Standards are adequate to address the risks associated with physical attacks on Bulk Power <u>Electric</u> System (<u>BPSBES</u>) Facilities, including the adequacy of the required risk assessment in CIP-014-3 Requirement R1. In the report, NERC found that CIP-014-3 required revision to assure adequate			

¹ <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC%20Report%20on%20CIP-014-3.pdf>; April 14, 2023

² Due to an increase in reports of physical attacks on electric substations, the Federal Energy Regulatory Commission issued the December 2022 Order in Docket No. RD23-2-000 directing NERC to evaluate the effectiveness of the Physical Security Reliability Standard CIP-014-3 in mitigating the risks to the Bulk-Power System ("BPS") associated with physical attacks.

Requested information

and consistent approach in evaluating instability as well as the identification of infrastructure critical to the operation of the BPS.

As detailed in the report, NERC found that the CIP-014-3 risk assessment should be refined to ensure that entities conduct effective risk assessments of their applicable substations. The report indicates that while the overall objective of the risk assessment is sound, there are inconsistent approaches to performing the risk assessment. The requirement language within CIP-014-3 does not prescribe a specific method for how each risk assessment shall be performed. As such, specific components that comprise any supporting analytics are neither defined nor listed. As written, CIP-014-3 provides intentional flexibility for various approaches to the risk assessment due to expected differences in each registered entity’s facts and circumstances.³ However, NERC finds that flexibility does not alter the intent of CIP-014-3’s that each risk assessment must be “designed to identify” which applicable Transmission station(s) and Transmission substation(s), that if rendered inoperable or damaged, could result in instability, uncontrolled separation, or Cascading within an Interconnection. Registered entities may implement different approaches to complete this objective, but the approach must be able to accomplish the fundamental obligation of the requirement through effectively assessing all required adverse system conditions with sufficient supporting technical analyses.

Further, the ERO Enterprise has observed that, in certain instances, registered entities failed to provide sufficient technical studies or justification for study decisions; resulting in risk assessments that did not demonstrate effective evaluations for instability, uncontrolled separation, or Cascading- within an Interconnection. In other instances, registered entities argued against adequately studying for instability for all applicable sites in the risk assessment while citing the language of CIP-014-3 Requirement R1 and the lack of specificity regarding dynamic studies. NERC determined that inconsistent approaches in performing risk assessments is largely due to a lack of specificity in the requirement language as to the nature and parameters of the risk assessment.

Purpose or Goal (How does this proposed project provide the reliability-related benefit described above?):

As the intent of CIP-014-3 is to identify and physically protect those Transmission stations, Transmission substations, and their associated primary control centers that are critical to the reliable and secure operation of the BPS, registered entity approaches for the risk assessment must be reasonably consistent and substantiated with sufficient technically based rationale. As highlighted in the report, there continues to be confusion within industry as to how to adequately evaluate instability. Therefore, this SAR proposes refinement of the risk assessment to assure critical sites are identified and physically protected.

The goal of this SAR is for the drafting team to modify risk assessment requirement(s) within CIP-014-3 to provide specificity regarding acceptable approaches to the risk assessment including appropriateness

³ NERC has provided guidance to Compliance Monitoring and Enforcement staff to aid in review of entity risk assessment methods due to the inherent flexibility. Available here: <https://www.nerc.com/pa/comp/guidance/CMEPPPracticeGuidesDL/CMEP%20Practice%20Guide%20CIP-014-3%20R1.pdf>.

Requested information

of models, study types, study parameters, documentation of criteria, and documentation of supporting technical rationale. These proposed revisions to CIP-014-3 will assure an adequate and consistent approach in evaluating instability and the identification of critical Transmission stations, Transmission substations, and their associated primary control centers.

Project Scope (Define the parameters of the proposed project):

The ~~SDFDT~~ should revise CIP-014-3's R1 to:

1. Clarify the risk assessment methods for studying instability, uncontrolled separation, and Cascading- within an Interconnection. The methods should account for dynamic studies ~~evaluating the possibility of transient instability~~.
2. ~~Revise the risk assessment and clarify~~ Clarify the case(s) used for the risk assessment to be tailored to the Requirement R1 in-service window and correct any discrepancies between the study period, frequency of study, and the base case(s) a Transmission Owner uses.
3. ~~Revise the risk assessment to assure~~ Assure the adequacy and consistent implementation of technically ~~supportive rationales, supported~~ justification, ~~and for~~ study decisions. Clarity should include specificity regarding the documentation, ~~posting,~~ and usage of criteria to identify instability, uncontrolled separation, or Cascading within an Interconnection occur as part of a risk assessment.
4. ~~Revise the risk assessment to clarify~~ Clarify what study scenario(s) and other study assumptions are appropriate and reasonable considering the intent of CIP-014-3 and the potential range of issues during a physical attack. Simulations should incorporate the ~~complete~~-loss of ~~all~~-station elements without the reliance on local system protection.
5. ~~Revise the risk assessment and clarify~~ Clarify how to account for adjacent Transmission stations or Transmission substations of differing ownership as well as for those Transmission stations or Transmission substations within line-of-sight to each other.

Detailed Description (Describe the proposed deliverable(s) with sufficient detail for a drafting team to execute the project. If you propose a new or substantially revised Reliability Standard or definition, provide: (1) a technical justification⁴ which includes a discussion of the reliability-related benefits of developing a new or revised Reliability Standard or definition, and (2) a technical foundation document (e.g., research paper) to guide development of the Standard or definition):

Each item from the above proposed scope is substantiated further in the NERC report.⁵ The main details for each are outlined as follows:

1. **Clarity should be added to the risk assessment to assure that instability is fully studied and that professional judgment assumptions are based on investigation of instability. This revision should not preclude entities from only conducting an evaluation for long-term studies (e.g., steady-state) or from only conducting dynamic simulations in some instances (e.g., not requiring additional study types once a site is already identified as critical), uncontrolled**

⁴ The NERC Rules of Procedure require a technical justification for new or substantially revised Reliability Standards. Please attach pertinent information to this form before submittal to NERC.

⁵ <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/NERC%20Report%20on%20CIP-014-3.pdf>

Requested information

separation, and Cascading within an Interconnection are studied, as appropriate to the purpose of CIP-014. The risk assessments should be based on best utility practices. As such, the revision should outline technical supporting expectations to clearly identify when an ~~Applicable~~applicable substation has not demonstrated ~~any form of instability,~~ uncontrolled separation, or Cascading within an Interconnection. At a minimum, this revision should include specificity regarding the inclusion of ~~transient~~ dynamic studies to evaluate ~~conditions of the BPS,~~ instability, uncontrolled separation, and Cascading within an Interconnection. To ensure that a station is effectively identified as non-critical, registered entities need to have performed both steady-state and dynamic studies. However, revisions should also include that once a transmission station or transmission substation is identified as critical, additional analysis does not need to be performed for that site.

Power system stability is generally discussed as a singular concept but can be analyzed through multiple paradigms. Thus, stability can be broken down into distinct sub-categories on time frame (e.g., short-term ~~vs. and~~ long-term) ~~or and~~ types (e.g., frequency ~~or,~~ rotor angle). ~~To ensure that no instability occurs in simulation, registered entities can cover each broad type of, and voltage stability analysis via Contingency analysis, governor power flow analysis, and transient stability analysis.)~~

2. Revisions to the risk assessment should be made to only include transmission and generation projects that are appropriate to the periodicity of the entity's risk ~~assessment studies.~~assessments. Determinations of appropriateness should be clarified ~~and considered~~ to align study periods, frequency of studies, and the power flow models used.

For instance, an entity that had previously identified a CIP-014 critical site and the periodicity of the risk assessment is at least once every 30 months (per the current Standard), it ~~would~~might not be appropriate from a technical standpoint to include projects that will not be in service by the time the next risk assessment is scheduled to be performed. If this entity includes projects like new generation or new transmission lines that are not projected to be in service by the time of the next risk assessment, the risk assessment results may obscure how the system would electrically respond during the time period of the risk assessment.

- ~~3. Revisions to the risk assessment should be made to assure~~Assure the development and documentation of technically ~~supportive rationales,~~supported justification, ~~and for~~ study decisions to provide greater assurance of risk assessment adequacy and consistency. ~~Criteria should include defining "inoperable" or "damaged" substations such that the intent of the risk assessment is clear.~~

3. ~~The risk assessment~~Risk Assessments must consist of a documented transmission analysis or transmission analyses designed to identify the Transmission station(s) and Transmission substation(s) that if ~~completely lost,~~ rendered inoperable or damaged could result in instability, uncontrolled separation, or Cascading within an Interconnection. ~~However, there,~~ There is currently no requirement to include documentation of criteria, parameters, and study decisions or assumptions made that would demonstrate the consistent application of a study ~~method~~methodology.

Requested information

4. ~~The risk assessment should be revised to clarify~~Clarify what study scenario(s) and other study assumptions (such as use of delayed clearing) are appropriate and reasonable considering the intent of CIP-014-3 and the potential range of issues during a physical attack. Clarify the how the terms “inoperable” and “damaged” should be reflected in the risk assessment.

There is no specific threat or physical attack identified in the Standard to be evaluated against. Nor is there a timeline for such a physical event provided to be studied against, such as within dynamic studies. NERC has verified during multiple oversight activities that registered entities often do not study a more severe failure which introduces risk from attacks intentionally conducted during stressed periods. Many registered entities have found that the term “inoperable” includes the total loss of communication and protection equipment at the substation, necessitating delayed clearance from far-end relaying to isolate the event’s impacts. However, the assumption of loss of local protection equipment is not consistently implemented.

5. ~~The risk assessment should be revised to provide~~Provide clear expectations regarding the inclusion of physically adjacent elements for the purpose of evaluating the impact from a physical attack.

The CIP-014-3 risk assessment differs from other transmission planning studies in that the registered entity must consider physical proximity regardless of electrical connection, as the risk assessment requires the entire transmission station to be considered as rendered inoperable or damaged as the result of physical attack rather than just particular elements electrically connected to a single electrical disturbance. There is no clarity on the scope of what physically adjacent elements shall be considered within the risk assessment. Some items that are commonly considered to outline this problem: line-of-sight between different substation yards for a single studied site, ease of access from a common public roadway that exists between all of the substation yards, if substation yards are in close enough proximity that a single event can impact both substations (e.g., the debris field from an incendiary device set off at one yard will impact the other yard), etc.

Cost Impact Assessment, if known (Provide a paragraph describing the potential cost impacts associated with the proposed project):

The cost impacts for the proposed changes to the CIP-014-3 risk assessment are expected to be minimal relevant to current CIP-014 risk assessment costs. The changes add clarity to the current Standard to bring consistency and clarify expectations for effectively evaluating for instability, uncontrolled separation, and Cascading within an Interconnection following a physical attack. The ~~upper limit identification of cost added to entities is bounded due to no alteration of applicable additional transmission stations and transmission substations potentially receiving security control upgrades.~~ Rather, as critical to the cost incurred will be on the additions of study rigor Interconnection may result from revisions to R1, which ~~again are anticipated to be relatively minimal.~~ may necessitate additional physical security measures.

Please describe any unique characteristics of the BES facilities that may be impacted by this proposed standard development project (e.g., Dispersed Generation Resources):

None.

Requested information
To assist the NERC Standards Committee in appointing a drafting team with the appropriate members, please indicate to which Functional Entities the proposed standard(s) should apply (e.g., Transmission Operator, Reliability Coordinator, etc. See the most recent version of the NERC Functional Model for definitions):
Transmission Owners, Transmission Operators
Do you know of any consensus building activities ⁶ in connection with this SAR? If so, please provide any recommendations or findings resulting from the consensus building activity.
None.
Are there any related standards or SARs that should be assessed for impact as a result of this proposed project? If so, which standard(s) or project number(s)?
Project 2021-03 SAR – Modifications to CIP-002 and CIP-014. Project 2021-03 is reviewing the applicability of Facilities identified by the RC as critical to the derivation of IROLs in CIP-014.
Are there alternatives (e.g., guidelines, white paper, alerts, etc.) that have been considered or could meet the objectives? If so, please list the alternatives.
None.

Reliability Principles	
Does this proposed standard development project support at least one of the following Reliability Principles (Reliability Interface Principles)? Please check all those that apply.	
<input checked="" type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input checked="" type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input checked="" type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

⁶ Consensus building activities are occasionally conducted by NERC and/or project review teams. They typically are conducted to obtain industry inputs prior to proposing any standard development project to revise, or develop a standard or definition.

Market Interface Principles	
Does the proposed standard development project comply with all of the following Market Interface Principles ?	Enter (yes/no)
1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Identified Existing or Potential Regional or Interconnection Variances	
Region(s)/ Interconnection	Explanation
n/a	n/a

For Use by NERC Only

SAR Status Tracking (Check off as appropriate).	
<input type="checkbox"/> Draft SAR reviewed by NERC Staff	<input type="checkbox"/> Final SAR endorsed by the SC
<input type="checkbox"/> Draft SAR presented to SC for acceptance	<input type="checkbox"/> SAR assigned a Standards Project by NERC
<input type="checkbox"/> DRAFT SAR approved for posting by the SC	<input type="checkbox"/> SAR denied or proposed as Guidance document

Version History

Version	Date	Owner	Change Tracking
1	June 3, 2013		Revised
1	August 29, 2014	Standards Information Staff	Updated template
2	January 18, 2017	Standards Information Staff	Revised
2	June 28, 2017	Standards Information Staff	Updated template
3	February 22, 2019	Standards Information Staff	Added instructions to submit via Help Desk
4	February 25, 2020	Standards Information Staff	Updated template footer

Project 2022-03 Energy Assurance with Energy-Constrained Resources

Action

Authorize initial posting of proposed Reliability Standard BAL-007-1 and the associated Implementation Plan for a 45-day formal comment period, with ballot pools formed in the first 30 days and parallel initial ballots and non-binding polls on the Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs), conducted during the last 10 days of the comment period.

Background

Project 2022-03 has two assigned Standard Authorization Requests (SARs) that seek to enhance reliability by requiring entities to perform energy reliability assessments to evaluate energy assurance and develop Corrective Action Plan(s), Operating Plan(s), or other mitigating actions to address identified risks to each respective time horizons:

- Operations/operational planning time horizon (Operations SAR)
- Planning time horizon (Planning SAR)

The Standards Committee (SC) accepted the revised SARs at its January 25, 2023 meeting. At the same meeting, the SC authorized drafting the Reliability Standard (s) identified in the SARs. The SDT has focused on the Operations SAR, conducting several remote and in-person meetings and posting a draft standard for informal comment.

The Quality Review (QR) was performed November 3 - November 14, 2023. The QR Team consisted of Todd Bennett (AECI), William Shultz (Southern Co.), Daniel Baker (SPP), Shamai Elstein (NERC Legal), and Sarah Crawford (NERC Legal).

Summary

NERC staff recommends that the SC authorize a 45-day formal comment period, with ballot pools formed in the first 30 days and parallel initial ballots and non-binding polls on the VRFs and VSLs conducted during the last 10 days of the comment period.

Project 2022-03 Energy Assurance with Energy-Constrained Resources

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Standard Development Timeline

This section is maintained by the drafting team during the development of the standard and will be removed when the standard is adopted by the NERC Board of Trustees (Board).

Description of Current Draft

Completed Actions	Date
Standards Committee approved Standard Authorization Request (SAR) for posting	June 15, 2022
SAR posted for comment	June 22, 2022 – July 21, 2022

Anticipated Actions	Date
45-day formal or informal comment period with ballot	January 23, 2024 – March 7, 2024
Formal or informal comment period with additional ballot	May 2024
Final ballot	August 2024
Board adoption	December 2024

New or Modified Term(s) Used in NERC Reliability Standards

This section includes all new or modified terms used in the proposed standard that will be included in the *Glossary of Terms Used in NERC Reliability Standards* upon applicable regulatory approval. Terms used in the proposed standard that are already defined and are not being modified can be found in the *Glossary of Terms Used in NERC Reliability Standards*. The new or revised terms listed below will be presented for approval with the proposed standard. Upon Board adoption, this section will be removed.

Term(s):

Energy Reliability Assessment (ERA) - Evaluation of the resources that supply electrical energy and ancillary services for the Bulk Power System to reliably meet the expected demand during the associated time period. ERAs account for the impact of actions that occur sequentially throughout the assessment period, including the depletion and replenishment of finite upstream resources (e.g., fuel).

A. Introduction

1. **Title:** Energy Reliability Assessments
2. **Number:** BAL-007-1
3. **Purpose:** To assess and mitigate the risks of energy emergencies in the operations planning time horizon by analyzing the expected resource mix availability and the expected availability of fuel during the study period.
4. **Applicability:**
 - 4.1. **Functional Entities:**
 - 4.1.1. Balancing Authority
 - 4.1.2. Reliability Coordinator
5. **Effective Date:** See Implementation Plan
6. **Background:** See Project 2022-03 [project page](#)

B. Requirements and Measures

- R1.** Each Balancing Authority shall document and maintain a Reliability Coordinator-reviewed Energy Reliability Assessment (ERA) process, which shall be reviewed at least annually and updated, if necessary. The ERA process document shall: *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- 1.1.** Identify the frequency and duration of the ERAs with a corresponding rationale for each following time horizons:
- 1.1.1.** Near-term; and
- 1.1.1.1.** The end of the near-term assessment period shall be greater than five days and less than six weeks from the start of the assessment.
- 1.1.1.2.** Each subsequent near-term assessment period shall partially overlap the previous near-term assessment period.
- 1.1.2.** Seasonal;
- 1.1.2.1.** Seasonal ERAs shall be performed for a minimum of two seasons that is representative of seasonal risks for operations.
- 1.1.2.2.** Document a deadline for completing each seasonal ERA based on mitigation options for each seasonal ERA.
- 1.2.** Include a process for the development of the base case that includes but is not limited to the following up-to-date data:
- 1.2.1.** Time series demand;
- 1.2.2.** Demand response, as appropriate;
- 1.2.3.** Generator capability considering known constraints of:
- 1.2.3.1.** Availability, including planned outages, and flexibility;
- 1.2.3.2.** Fuel supply and inventory concerns;
- 1.2.3.3.** Fuel switching capabilities; and
- 1.2.3.4.** Environmental constraints.
- 1.2.4.** Documented energy transfer assumptions; and
- 1.2.5.** Energy storage capability.
- 1.3.** Include a documented rationale for the base case elements chosen in Requirement R1.2.
- M1.** Each Balancing Authority shall have evidence of a process document and maintained in accordance with Requirement R1.

BAL-007-1 – Energy Reliability Assessments

- R2.** Each Balancing Authority shall develop, document, and maintain a set of Reliability Coordinator-reviewed ERA scenarios for both the near-term and seasonal time horizons, as follows: *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- 2.1.** Each set of ERA scenarios shall include:
- 2.1.1.** Projected system load for the interval being studied with system normal (no contingency) conditions;
 - 2.1.2.** Projected system load for the interval being studied with an energy contingency as described in Attachment 1;
 - 2.1.3.** Projected system load for the interval being studied with fuel supply contingency as described in Attachment 1;
 - 2.1.4.** High load for the interval being studied with system normal (no contingency) conditions;
 - 2.1.5.** High load for the interval being studied with energy contingency as described in Attachment 1;
 - 2.1.6.** High load for the interval being studied with fuel supply contingency as described in Attachment 1; and
 - 2.1.7.** If appropriate for the seasonal time horizon, a scenario(s) with a likely event of occurring within the interval being studied that may include seasonally appropriate historical events, generation specific fuel or energy contingency scenarios, and weather events that are projected to occur if appropriate for the seasonal time horizon only.
- 2.2.** The Balancing Authority shall document the rationale for the scenarios identified in Requirement R2.1.
- M2.** Each Balancing Authority shall have evidence that scenarios were developed and maintained along with a documented rationale and criteria in accordance with Requirement R2. Such evidence could include but is not limited to e-mail records or review or revision history to indicate that the scenarios, rationale, and criteria have been documented.
- R3.** Each Balancing Authority shall develop, maintain, and document one or more Operating Plan(s) to mitigate unacceptable risk(s) associated with ERA scenario(s) with a likely event of occurring. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- M3.** Each Balancing Authority shall have evidence that it developed, maintained, and documented its Operating Plan(s) in accordance with Requirement R3. Such evidence could include but is not limited to a review or revision history to indicate that the Operating Plan(s) have been developed, maintained, and documented.
- R4.** The Balancing Authority shall submit the following information to its Reliability Coordinator for review on a mutually agreed-upon schedule: *[Violation Risk Factor: Low] [Time Horizon: Operations Planning]*
- 4.1.** The ERA process;

BAL-007-1 – Energy Reliability Assessments

- 4.2. The ERA scenarios; and
- 4.3. Operating Plan(s).
- M4.** Each Balancing Authority shall have evidence that it submitted the information to its Reliability Coordinator on a mutually agreed upon schedule in accordance with Requirement R4. Such evidence could include but is not limited to e-mail records.
- R5.** Within 60 calendar days of receipt of the information identified in Requirement R4, the Reliability Coordinator shall: *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
 - 5.1. Review each submittal for coordination with other Balancing Authorities' ERA information to avoid risks to Wide Area reliability; and
 - 5.2. Notify each Balancing Authority of the results of its review and if the need for revisions is identified to address any reliability risks.
- M5.** Each Reliability Coordinator shall have evidence that it reviewed each submittal with other Balancing Authorities' ERA information to avoid risks to Wide Area reliability and notify each Balancing Authority of the results of the review in accordance with Requirement R5. Such evidence could include but is not limited to e-mail records.
- R6.** Within 60 calendar days of receipt of the Reliability Coordinator's notice of the results of the review conducted under Requirement R5, each Balancing Authority shall address any reliability risks identified by its Reliability Coordinator and resubmit the updated information required in Requirement R4 to its Reliability Coordinator, unless otherwise specified by its Reliability Coordinator. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- M6.** Each Balancing Authority shall have evidence that it addressed any reliability risks identified by its Reliability Coordinator within 30 calendar days or as specified by its Reliability Coordinator in accordance with Requirement R6. Such evidence could include but is not limited to e-mail records.
- R7.** Each Balancing Authority shall perform ERAs according to the process documented in Requirement R1 using the scenarios documented in Requirement R2. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
- M7.** Each Balancing Authority shall have evidence that it performed the ERA in accordance with Requirement R7. Such evidence could include but is not limited to dated ERA results.
- R8.** Each Balancing Authority shall determine energy reserve margins calculated for each time step of an ERA scenario according to the following: *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning]*
 - 8.1. For the ERA scenarios identified in Requirement R2.1.1 and Requirement R2.1.4, the energy reserve margin is at least 150% of the largest N-1 Contingency within

BAL-007-1 – Energy Reliability Assessments

- each Balancing Authority's footprint plus at least 2% of the load forecast for the near-term ERA or at least 5% of the load forecast for the seasonal ERA;
- 8.2.** For the ERA scenarios identified in Requirement R2.1.2 and Requirement R2.1.5, the energy reserve margin is at least the larger of 150% of the largest N-1 Contingency within each Balancing Authority's footprint or 2% of the load forecast for the near-term ERA or at least 5% of the load forecast for the seasonal ERA; and
- 8.3.** For the ERA scenarios identified in Requirements R2.1.3, Requirement R2.1.6, and Requirement R2.1.7, the energy reserve margin is at least 125% of the largest N-1 Contingency within each Balancing Authority's footprint.
- M8.** Each Balancing Authority shall have evidence that it determined an energy reserve margin in accordance with Requirement R8.
- R9.** Each Balancing Authority shall compare results of the ERA to the energy reserve margins in Requirement R8 and, if the energy reserve margins are not met, the Balancing Authority shall implement an Operating Plan(s) developed in Requirement R3. *[Violation Risk Factor: High] [Time Horizon: Operations Planning]*
- M9.** Each Balancing Authority shall have evidence that it implemented an Operating Plan(s) when the required reserve margin was not met in accordance with Requirement R9.
- R10.** Each Balancing Authority shall provide the results of the ERA and the comparison of results from Requirement R9 to its Reliability Coordinator under the following conditions: *[Violation Risk Factor: Low] [Time Horizon: Operations Planning]*
- 10.1.** The ERA comparison to the energy reserve margin requires implementation of an Operating Plan(s) to mitigate risk within 24 hours for the near-term time horizon or;
- 10.2.** The ERA performed is a seasonal ERA within 14 calendar days or;
- 10.3.** The Reliability Coordinator has requested the results.
- M10.** Each Balancing Authority shall have evidence that it provided the results of the ERA to its Reliability Coordinator within the criteria in accordance with Requirement R10. Such evidence could include but is not limited to e-mail records.
- R11.** Each Reliability Coordinator that receives results of a near-term ERA and the comparison of results from Requirement R9 pursuant to Requirement R10 Part 10.1 from a Balancing Authority within its Reliability Coordinator Area shall notify, within 24 hours from the time of receiving notification, other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area, and neighboring Reliability Coordinators of the implementation of an Operating Plan(s). *[Violation Risk Factor: Low] [Time Horizon: Operations Planning]*

M11. Each Reliability Coordinator will have and provide upon request, evidence that could include, but is not limited to, operator logs, voice recordings or e-mail records that will be used to determine if the Reliability Coordinator communicated, in accordance with Requirement R11, within 24 hours from the time of receiving results of a near-term ERA and the comparison of results from Requirement R9 pursuant to Requirement R10 Part 10.1 from a Balancing Authority, other Balancing Authorities and Transmission Operators in its Reliability Coordinator area, and neighboring Reliability Coordinators of the implementation of an Operating Plan(s).

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority: “Compliance Enforcement Authority” means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.

1.2. Evidence Retention: The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

The applicable entity shall keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

- The Balancing Authority and Reliability Coordinator shall keep data or evidence to show compliance with applicable requirements for six months for near-term time horizon and 18 months for the seasonal time horizon or since the last audit.

1.3. Compliance Monitoring and Enforcement Program: As defined in the NERC Rules of Procedure, “Compliance Monitoring and Enforcement Program” refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated Reliability Standard.

Violation Severity Levels

R #	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1	N/A	<p>The Balancing Authority documented a Reliability Coordinator-reviewed Energy Reliability Assessment process for the near-term time horizon but failed to maintain it at least annually.</p> <p>OR</p> <p>The Balancing Authority documented a Reliability Coordinator-reviewed Energy Reliability Assessment process for the seasonal time horizon but failed to maintain it at least annually.</p>	<p>The Balancing Authority documented and maintained a Reliability Coordinator-reviewed Energy Reliability Assessment process for the near-term time horizon and seasonal time horizon but failed to include one of the required base case elements under Requirement R1 Part 1.2 or supporting rationale(s) under Requirement R1 Part 1.3 for the near-term time horizon or seasonal time horizon.</p>	<p>The Balancing Authority documented and maintained a Reliability Coordinator-reviewed Energy Reliability Assessment process for the near-term time horizon and seasonal time horizon but failed to include two or more of the required base case elements under Requirement R1 Part 1.2 or supporting rationale(s) under Requirement R1 Part 1.3 for the near-term time horizon or seasonal time horizon.</p> <p>OR</p> <p>The Balancing Authority failed to document a Reliability Coordinator-reviewed Energy Reliability Assessment process for the near-term time horizon.</p> <p>OR</p> <p>The Balancing Authority failed to document a</p>

				Reliability Coordinator-reviewed Energy Reliability Assessment process for the seasonal time horizon.
R2	N/A	<p>The Balancing Authority developed and documented Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the near-term time horizon but failed to maintain them.</p> <p>OR</p> <p>The Balancing Authority developed and documented Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the seasonal time horizon but failed to maintain them.</p>	<p>The Balancing Authority developed and documented Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the near-term time horizon and seasonal time horizons but failed to include one of the scenarios of Requirement R2 Part 2.1 or supporting rationales under Requirement R2 Part 2.2 for the near-term time horizon or seasonal time horizon.</p>	<p>The Balancing Authority developed and documented Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the near-term time horizon and seasonal time horizons but failed to include two or more of the scenarios of Requirement R2 Part 2.1 or supporting rationales under Requirement R2 Part 2.2 for the near-term time horizon or seasonal time horizon.</p> <p>OR</p> <p>The Balancing Authority failed to develop or document Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the near-term time horizon.</p> <p>OR</p> <p>The Balancing Authority failed to develop or</p>

				document Reliability Coordinator-reviewed Energy Reliability Assessment scenarios for the seasonal time horizon.
R3	N/A	N/A	N/A	The Balancing Authority failed to develop an Operating Plan(s) to mitigate risk identified in the Energy Reliability Assessments.
R4	N/A	N/A	The Balancing Authority submitted information that contained the Energy Reliability Assessment process, the Energy Reliability Assessment scenarios, and Operating Plan(s) but failed to submit within the mutually agreed-upon schedule.	The Balancing Authority failed to submit information that contained the Energy Reliability Assessment process, the Energy Reliability Assessment scenarios, and Operating Plan(s).
R5	N/A	N/A	The Reliability Coordinator reviewed each submittal for coordination with other Balancing Authorities' Energy Reliability Assessment information to avoid risks to Wide Area reliability but failed to notify	The Reliability Coordinator failed to review each submittal for coordination with other Balancing Authorities' Energy Reliability Assessment information to avoid risks to Wide Area reliability.

			each Balancing Authority within 60 calendar days.	
R6	N/A	N/A	The Balancing Authority addressed any reliability risks identified by its Reliability Coordinator and resubmitted the updated information required in Requirement R2 to its Reliability Coordinator but failed to resubmit the updated information within 60 calendar days of receipt or as specified by its Reliability Coordinator.	The Balancing Authority failed to address any reliability risks identified by its Reliability Coordinator. OR The Balancing Authority failed to resubmit the updated information required in Requirement R2 to its Reliability Coordinator.
R7	N/A	N/A	N/A	The Balancing Authority failed to perform Energy Reliability Assessments in accordance with its process documented in Requirement R1 using the scenarios documented in Requirement R2.
R8	N/A	N/A	N/A	The Balancing Authority failed to determine the energy reserve margins in accordance with Requirements R8 Parts 8.1 through 8.3.
R9	N/A	N/A	N/A	OR

				<p>The Balancing Authority compared results of the Energy Reliability Assessment to the energy reserve margins in Requirement R8 but failed to implement an Operating Plan(s) developed in Requirement R3 upon determining the energy reserve margins were not met.</p> <p>OR</p> <p>The Balancing Authority failed to compare results of the Energy Reliability Assessment to the energy reserve margins in Requirement R8.</p>
R10	N/A	N/A	N/A	<p>The Balancing Authority failed to provide the results of the Energy Reliability Assessment to its Reliability Coordinator when any of the conditions listed in Requirement R10.1 – R10.3 are met.</p>
R11	The Reliability Coordinator received results of an Energy Reliability Assessment and comparison of results from Requirement R9 pursuant to Requirement R10 Part	The Reliability Coordinator received results of an Energy Reliability Assessment and comparison of results from Requirement R9 pursuant to	The Reliability Coordinator received results of an Energy Reliability Assessment and comparison of results from Requirement	The Reliability Coordinator received results of an Energy Reliability Assessment and comparison of results from

	<p>10.1 but notified other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area and neighboring Reliability Coordinators between 24-25 hours of receiving notification.</p>	<p>Requirement R10 Part 10.1 but notified other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area and neighboring Reliability Coordinators between 25-26 hours of receiving notification.</p>	<p>R9 pursuant to Requirement R10 Part 10.1 but notified other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area and neighboring Reliability Coordinators between 26-27 hours of receiving notification.</p>	<p>Requirement R9 pursuant to Requirement R10 Part 10.1 but notified other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area and neighboring Reliability Coordinators 27 hours or more of receiving notification.</p> <p>OR</p> <p>The Reliability Coordinator received results of an Energy Reliability Assessment and comparison of results from Requirement R9 pursuant to Requirement R10 Part 10.1 but failed to notify one or more Balancing Authorities or Transmission Operators in its Reliability Coordinator Area, or one or more neighboring Reliability Coordinators.</p>
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D. Regional Variances

None.

E. Associated Documents

Link to the Implementation Plan and other important associated documents.

Version History

Version	Date	Action	Change Tracking
Version 1	TBD	Drafted by Project 2022-03 SDT	

BAL-007-1 Attachment 1

Energy contingency

The largest energy contingency is the loss of the largest energy supply (in MWh across the study duration) through either a generator or transmission outage caused by a single Contingency. The energy lost due to the largest energy contingency may not persist through the entire assessment period but assumes a likely duration as defined by the Balancing Authority for the Contingency.

The resource(s) can be identified through the normal load and high load scenarios identified in Requirements R2.1.1 and R2.1.4. The energy contingency resource(s) are the resource(s) that provides the most MWhs across the term of the study period and an N-1 Contingency can make that resource(s) unavailable.

Fuel contingency

The largest fuel contingency is the loss of fuel supply that causes the largest reduction in electrical energy supply (in MWh across the study duration). The fuel contingency does not have to occur for the entire assessment period but assumes a likely duration as defined by the Balancing Authority for the fuel contingency. The fuel sources to be considered should include pipelines, suppliers of consumable fuels, and variable sources like solar and wind energy.

The resource(s) can be identified through the normal load and high load scenarios identified in Requirements R2.1.1 and R2.1.4. The fuel contingency resource(s) are the resource(s) that provides the most MWhs across the term of the study period and a fuel contingency can make that resource(s) unavailable.

Examples of fuel contingencies include:

1. Loss of pipeline or gas compressor that limits output of or causes outages of multiple gas-fired generators.
2. Extended cloudy period that causes multiple days of low solar output.
3. Low water reservoirs that limit energy production from hydro facilities.
4. A single point of failure within a fuel (e.g., coal, diesel, hydrogen) delivery network.

Implementation Plan

Project 2022-03 Energy Assurance with Energy-Constrained Resources Reliability Standard BAL-007-1

Applicable Standard(s)

- BAL-007-1 – Energy Reliability Assessment

Requested Retirement(s)

- None

Prerequisite Standard(s)

These standard(s) or definitions must be approved before the Applicable Standard becomes effective:

- None

Applicable Entities

- Balancing Authority
- Reliability Coordinator

Terms in the NERC Glossary of Terms

This section includes all newly defined, revised, or retired terms used or eliminated in the NERC Reliability Standard. New or revised definitions listed below become approved when the proposed standard is approved. When the standard becomes effective, these defined terms will be removed from the individual standard and added to the Glossary.

Proposed New Definition(s):

Energy Reliability Assessment:

Evaluation of the resources that supply electrical energy and ancillary services for the Bulk Power System to reliably meet the expected demand during the associated time period. ERAs account for the impact of actions that occur sequentially throughout the assessment period, including the depletion and replenishment of finite upstream resources (e.g., fuel).

Background

Energy assurance is an increasingly important aspect of a reliable Bulk Electric System (BES) but has been inconsistently defined and measured without explicit standards. Project 2022-03 Energy Assurance with Energy-Constrained Resources was initiated to address several energy assurance concerns related to the operations, operations planning, and mid- to long-term planning time horizons. Reliability Standard BAL-007-1 – Energy Reliability Assessment is focused on the operations planning time horizons.

Effective Date and Phased-In Compliance Dates

The effective dates for proposed Reliability Standard BAL-007-1 and NERC Glossary term Energy Reliability Assessment are provided below. Where the standard drafting team identified the need for a longer implementation period for compliance with a particular section of a proposed Reliability Standard (i.e., an entire Requirement or a portion thereof), the additional time for compliance with that section is specified below. The phased-in compliance date for those particular sections represents the date that entities must begin to comply with that particular section of the Reliability Standard, even where the Reliability Standard goes into effect at an earlier date.

Standard

Where approval by an applicable governmental authority is required, Reliability Standard BAL-007-1 shall become effective on the first day of the first calendar quarter that is 12 months after the effective date of the applicable governmental authority’s order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 12 months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

Compliance Date for BAL-007-1 Requirements R7-R11

Entities shall not be required to comply with Requirements R7 - R11 until six months after the effective date of Reliability Standard BAL-007-1.

Definition

Where approval by an applicable governmental authority is required, the definition of Energy Reliability Assessment shall become effective on the first day of the first calendar quarter that is 12 months after the effective date of the applicable governmental authority’s order approving Reliability Standard BAL-007-1, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 12 months after the date that Reliability Standard BAL-007-1 is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

**NERC Legal and Regulatory Update
December 1, 2023 – January 7, 2024**

NERC FILINGS TO FERC SUBMITTED SINCE LAST SC UPDATE

FERC Docket No.	Filing Description	FERC Submittal Date
RM19-20-000	<p>Joint Compliance Filing of NERC and WECC</p> <p>NERC and WECC submitted a Compliance Filing regarding regional Reliability Standard BAL-002-WECC-3 as directed by FERC Order No. 876. Attachment 2 can be found here.</p>	12/15/2023
RM05-17-000; RM05-25-000; RM06-16-000	<p>2024-2026 Reliability Standards Development Plan</p> <p>NERC submitted its Reliability Standards Development Plan (RSDP) for 2024-2026. This informational filing provides a status update on active development projects and a forecast of future work to be undertaken by NERC and its stakeholders throughout the upcoming year.</p>	12/15/2023
RD24-2-000	<p>Joint Petition for Approval of Proposed Regional Reliability Standard VAR-501-WECC-4</p> <p>NERC and WECC submitted a Joint Petition for Approval of Proposed Regional Reliability Standard VAR-501-WECC-4.</p>	12/15/2023
RD20-2-000	<p>CIP SDT Schedule December Update Informational Filing</p> <p>NERC submitted an informational filing as directed by FERC in its February 20, 2020 Order. This filing contains a status update on one standard development project relating to the CIP Reliability Standards.</p>	12/15/2023

FERC ISSUANCES SINCE LAST SC UPDATE

FERC Docket No.	Issuance Description	FERC Issuance Date
RR23-1-000	<u>Order Approving Revised Texas Reliability RSDP</u> FERC issued an Order approving the revised Texas Reliability Entity Regional Reliability Standards Development Process (RSDP).	12/1/2023

ANTICIPATED UPCOMING FILINGS

FERC Docket No.	Filing Description	Anticipated Filing Date
TBD	Petition for approval of CIP-012	1/31/2024
RM22-12-000	IBR Standards Development Plan – Order No. 901	1/17/2024
TBD	Internal Network Security Monitoring (INSM) Study	1/18/2024
TBD	Petition for approval of Reporting Ace definition	Feb 2024

Parliamentary Procedures

Based on Robert’s Rules of Order, Newly Revised, 11th Edition, plus “Organization and Procedures Manual for the NERC Standing Committees”

Motions

Unless noted otherwise, all procedures require a “second” to enable discussion.

When you want to...	Procedure	Debatable	Comments
Raise an issue for discussion	Move	Yes	The main action that begins a debate.
Revise a Motion currently under discussion	Amend	Yes	Takes precedence over discussion of main motion. Motions to amend an amendment are allowed, but not any further. The amendment must be germane to the main motion, and cannot reverse the intent of the main motion.
Reconsider a Motion already approved	Reconsider	Yes	Allowed only by member who voted on the prevailing side of the original motion.
End debate	Call for the Question <i>or</i> End Debate	No	If the Chair senses that the committee is ready to vote, he may say “if there are no objections, we will now vote on the Motion.” The vote is subject to a 2/3 majority approval. Also, any member may call the question. This motion is not debatable. The vote is subject to a 2/3 vote.
Record each member’s vote on a Motion	Request a Roll Call Vote	No	Takes precedence over main motion. No debate allowed, but the members must approve by 2/3 majority.
Postpone discussion until later in the meeting	Lay on the Table	Yes	Takes precedence over main motion. Used only to postpone discussion until later in the meeting.
Postpone discussion until a future date	Postpone until	Yes	Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the Motion back for further discussion.
Remove the motion for any further consideration	Postpone indefinitely	Yes	Takes precedence over main motion. Debate can extend to the discussion of the main motion. If approved, it effectively “kills” the motion. Useful for disposing of a badly chosen motion that can not be adopted or rejected without undesirable consequences.
Request a review of procedure	Point of order	No	Second not required. The Chair or secretary shall review the parliamentary procedure used during the discussion of the Motion.

Notes on Motions

Seconds. A Motion must have a second to ensure that at least two members wish to discuss the issue. The “seconded” is not recorded in the minutes. Neither are motions that do not receive a second.

Announcement by the Chair. The Chair should announce the Motion before debate begins. This ensures that the wording is understood by the membership. Once the Motion is announced and seconded, the Committee “owns” the motion, and must deal with it according to parliamentary procedure.

Voting

Voting Method	When Used	How Recorded in Minutes
Unanimous Consent The standard practice.	When the Chair senses that the Committee is substantially in agreement, and the Motion needed little or no debate. No actual vote is taken.	The minutes show "by unanimous consent."
Vote by Voice	The standard practice.	The minutes show Approved or Not Approved (or Failed).
Vote by Show of Hands (tally)	To record the number of votes on each side when an issue has engendered substantial debate or appears to be divisive. Also used when a Voice Vote is inconclusive. (The Chair should ask for a Vote by Show of Hands when requested by a member).	The minutes show both vote totals, and then Approved or Not Approved (or Failed).
Vote by Roll Call	To record each member's vote. Each member is called upon by the Secretary, and the member indicates either "Yes," "No," or "Present" if abstaining.	The minutes will include the list of members, how each voted or abstained, and the vote totals. Those members for which a "Yes," "No," or "Present" is not shown are considered absent for the vote.

Standards Committee Expectations

Approved by Standards Committee January 12, 2012

Background

Standards Committee (SC) members are elected by members of their segment of the Registered Ballot Body, to help the SC fulfill its purpose. According to the [Standards Committee Charter](#), the SC's purpose is:

In compliance with the NERC Reliability Standards Development Procedure, the Standards Committee manages the NERC standards development process for the North American-wide reliability standards with the support of the NERC staff to achieve broad bulk power system reliability goals for the industry. The Standards Committee protects the integrity and credibility of the standards development process.

The purpose of this document is to outline the key considerations that each member of the SC must make in fulfilling his or her duties. Each member is accountable to the members of the Segment that elected them, other members of the SC, and the NERC Board of Trustees for carrying out their responsibilities in accordance with this document.

Expectations of Standards Committee Members

1. SC members represent their segment, not their organization or personal views. Each member is expected to identify and use mechanisms for being in contact with members of the segment in order to maintain a current perspective of the views, concerns, and input from that segment. NERC can provide mechanisms to support communications if an SC member requests such assistance.
2. SC members base their decisions on what is best for reliability and must consider not only what is best for their segment, but also what is in the best interest of the broader industry and reliability.
3. SC members should make every effort to attend scheduled meetings, and when not available are required to identify and brief a proxy from the same segment. SC business cannot be conducted in the absence of a quorum, and it is essential that each SC member make a commitment to being present.
4. SC members should not leverage or attempt to leverage their position on the SC to influence the outcome of standards projects.
5. The role of the SC is to manage the standards process and the quality of the output, not the technical content of standards.