Draft Agenda
Standards Committee

Wednesday, January 12, 2011 | 8–5 p.m. Eastern
Thursday, January 13, 2011 | 8–3 p.m. Eastern

Dial-in Number: 866-740-1260
Participant Code: 4685998

1. Administrative Items
   a. Introductions and Quorum — A. Mosher *(Attachment 1a)*
   b. Conference Call Reminder
   c. NERC Antitrust Compliance Guidelines — M. Long *(Attachment 1b)*
   d. Election of Officers and At-large Executive Committee Members — M. Long
   e. Meeting Agenda [Approve] — A. Mosher
   f. Waiver of 5-day rule [Approve] — A. Mosher

2. Consent Agenda (Approve)
   a. December 9, 2010 Standards Committee Meeting Minutes [Approve] *(Attachment 2a)*
   b. Project 2007-02 Operating Personnel Communication Protocols – Replace a member on the drafting team [Appoint] *(Attachment 2b-Confidential)*
   c. Project 2007-09 Generator Verification Standard Drafting Team – Replace a member on the drafting team [Appoint] *(Attachment 2c-Confidential)*
   d. Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team – Appoint four additional members to the drafting team; appoint a chair [Appoint] *(Attachment 2d-Confidential)*
   e. Project 2010-14 Balancing Authority Reliability-based Controls Standard Drafting Team – Appoint an additional member to the drafting team; appoint a new chair and vice chair; appoint chair; appoint a manager to the BAAL field test [Appoint] *(Attachment 2e-Confidential)*

3. High Priority Projects, Activities and Action Items (deferred)
   a. Overview of 2010 high priority projects — D. Taylor *(Attachment 3a)*

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Due to weather conditions that prohibited travel, the meeting was changed to a conference call on January 13, 2011 from 10:00 a.m. to 5:30 p.m. The following items were deferred for a future meeting:
- High Priority Projects, Activities and Action Items
- Subcommittee Reports and Coordination
- Other Items
b. Latest schedules for 2010 high priority projects (Attachment 3b – to be sent separately)
c. Final review of SC’s 2010 high priority activities and open action items (Attachment 3c)
d. SC 2011 strategic goals (Attachment 3d)

4. Standards Actions
   a. Project 2006-06 – Reliability Coordination – Authorize posting for a parallel comment and ballot period (Attachment 4a – Summary Quality Reviews - sent to new SC members only)
   b. Project 2010-17 – Definition of Bulk Electric System – appoint a drafting team and a chair (Attachment 4b – confidential - to be sent separately)
   c. Project Prioritization – Approve Tool; Identify High Priority Projects; Identify Work to Defer; Outreach initiative to the chairs of the deferred projects — D. Taylor (Attachment 4ci, 4cii)
   d. Project 2007-23 – Violation Severity Levels – Endorse plan to resolve issues in filed VSLs
   e. Project 2009-06 – Facility Ratings – Endorse plan to address outstanding directive (Attachment 4e)

5. Subcommittee Reports and Coordination (deferred)
   a. Report from Process Subcommittee — Ben Li and Linda Campbell
      • SDT Scope Document (Attachment 5ai)
      • Interpretation Procedure (Attachment 5aii)
      • Quality Review Advisory Working Group Scope (Attachment 5aiii)
   b. Report from Communications & Planning Subcommittee — Michael Gildea
   c. Coordination with Regulatory and Governmental Authorities — Holly Hawkins (Attachment 5c)
   d. Coordination with Regional Managers — T. Gallagher and H. Schrayshuen

6. Other Items (deferred)
   a. SC Vacancies

7. Informational Items
   a. Status of all Interpretations (Attachment 7a)
   b. Drafting Team Vacancies (Attachment 7b)
   c. Upcoming Project Meetings (Attachment 7c)
   d. Useful SC References (Attachment 7d)
   e. SC 2011 Meeting Schedule (Attachment 7e)
8. **Executive Committee Actions** — M. Long

   a. Items expected to come before the Standards Committee’s Executive Committee before February 10, 2011 **[Pre-authorize]**
      - Project 2010-10 – FAC Order 729 – Authorize use of the expedited process to meet the January 28 FERC filing date
      - Project 2007-12 - Frequency Response - Authorize posting for initial formal comment period
      - Project 2008-06 – Cyber Security 706 – Appoint replacements to the SDT
      - Approve for filing the Report on Fourth Quarter Ballot Results

9. **Adjourn**
1. Administrative Items

- **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.

- **Conference Call Reminder** - Participants are reminded that the conference call meeting is public and open to all interested parties. The access number 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.

- **NERC Antitrust Compliance Guidelines** — Maureen Long will review the NERC Antitrust Compliance Guidelines provided in Attachment 1b. It is NERC’s policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition. It is the responsibility of every NERC participant and employee who may in any way affect NERC’s compliance with the antitrust laws to carry out this commitment.

- **Election of Officers and At-large Executive Committee Members** — M. Long
  The nominating committee of Steve Rueckert, Jim Stanton and Ron Parsons put together the following slate of nominees for one-year terms:
  - Allen Mosher — SC Chair
  - Ben Li — SC Vice Chair
  - Michael Gildea — SC Executive Committee At-large Member
  - Jason Shaver — SC Executive Committee At-large Member
  - Linda Campbell — SC Executive Committee At-large Member
  The committee will be asked to approve the slate of nominees.

- **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.

- **Waiver of 5-day rule** — If there are items submitted to the Standards Committee for action with less than 5 days notice, those items cannot be added to the agenda without the unanimous consent of the members present. If any items fall into this category Allen Mosher will ask the Standards Committee to vote on waiving the 5-day rule.

2. Consent Agenda

   a. **Approve the Consent Agenda**
The consent agenda allows the Standards Committee to approve routine items that would normally not need discussion. Any Standards Committee member may ask the chair to remove an item from the consent agenda for formal discussion.

The chair will ask the committee to approve, ratify, acknowledge, or appoint as appropriate the following from the consent agenda:

a) December 9, 2010 Standards Committee Meeting Minutes

b) Project 2007-02 Operating Personnel Communication Protocols – Replace a member on the drafting team

c) Project 2007-09 Generator Verification Standard Drafting Team – Replace a member on the drafting team

d) Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team Standard Drafting Team – Appoint four additional members to the drafting team; appoint a chair

e) Project 2010-14 Balancing Authority Reliability-based Controls Standard Drafting Team – Appoint an additional member to the drafting team; appoint a new chair and vice chair; appoint a manager to the BAAL field test

3. Status of High Priority Projects, Activities and Action Items

a. Overview of High Priority Projects

David Taylor will review the status of high priority projects, with a focus on those projects that are experiencing issues causing project delays. In addition, the “next steps” for the following project will be discussed in more detail.

- Project 2008-06 – Cyber Security 706

b. Latest Schedules for High Priority Projects

David Taylor will review the latest project schedules for each of the high priority projects.

c. Status of High Priority SC Activities and Open Action Items

Allen Mosher will review the list of high priority activities selected for Standards Committee attention in 2010, and the status of open action items.

d. SC 2011 strategic goals

Allen Mosher will present a ‘starting list’ of proposed SC goals for 2011 for discussion and revision.

4. Standards Actions — M. Long

a. Project 2006-06 – Reliability Coordination – Authorize Posting for a Parallel Comment and Ballot Period

Background:
The Reliability Coordination Standard Drafting Team submitted its latest draft of the following standards to the standards staff for a quality review on September 3, 2010. (All of the standards had been posted for at least one 45-day formal comment period.

- COM-001-2 — Communications
- COM-002-3 — Communications and Coordination
- IRO-001-2 — Reliability Coordination – Responsibilities and Authorities
- IRO-002-2 — Reliability Coordination – Analysis Tools
- IRO-005-4 — Reliability Coordination — Current Day Operations
- IRO-014-2 — Coordination Among Reliability Coordinators

Due to the lack of trained quality reviewers, the quality review of the standards was delayed for several weeks. The six quality reviews were completed and the results were distributed to the Standards Committee and the Reliability Coordination SDT in October, 2010. The SDT considered the observations of the quality review team and made many conforming changes to the set of standards. The resultant work reflects consideration of the quality review team’s observations.

Request:

Authorize posting the six standards and associated implementation plans for a 45-day formal comment period, with a ballot pool formed during the first 30 days of the comment period, and an initial ballot conducted during the last 10 days of that comment period.

b. Project 2010-17 – Definition of Bulk Electric System – Appoint a Drafting Team and a Chair

Background: Order 743, issued on November 18, 2010 directed NERC to revise the definition of Bulk Electric System within 12 months of the effective date of the Order (60 days after publication in the Federal Register). Key items from the Order:

- ensure the definition encompasses all facilities necessary for operating an interconnected electric transmission network
- eliminate the regional discretion in the current definition
- maintain a bright-line threshold that includes all facilities operated at or above 100 kV except defined radial facilities
- establish an exemption process and criteria for excluding facilities that are not necessary for operating the interconnected transmission network

An ad hoc group representing several NERC Regions was already working on a SAR to propose a revision to the definition of Bulk Electric System when the November 18, 2010 BES Order was issued. The team revised its SAR to reflect consideration of the Order.
As envisioned, the exception process will be added to the ERO Rules of Procedure. Developing the exception process will take place outside the standard development process. The drafting team will need to coordinate with those working on the exception process. Both must be filed in January 2012.

At its December, 2010 meeting, the SC authorized posting the SAR and proposed revisions for the definition of Bulk Electric System and appointed the SAR authors to serve as the ‘interim’ drafting team with Peter Heidrich as the interim chair and directed staff to solicit nominations for the formation of a drafting team.

NERC staff posted a request for drafting team nominations and received 41 nominations. David Taylor will summarize the work done to identify a diverse slate of nominees and will make a recommendation for the appointment of a team and a chair.

c. Project Prioritization – Approve Tool; Identify High Priority Projects; Identify Work to Defer; Outreach Initiative to Chairs of the Deferred Projects

**Background:** A project prioritization tool has been developed that assigns weights to various criteria associated with a project. The tool was designed for use by all involved in determining project priorities with a goal of having a reasonable set of project that key players agree upon. The tool was developed and field tested with existing and planned projects. A reference document was developed to support the use of the tool.

Allen Mosher directed that the tool be distributed to all SC members prior to the meeting so that SC members could use the tool and study the results prior to January 12, 2011.

**Request:**
- Approve the Process for Standard Projects Identifying, Prioritizing and Monitoring reference document
- Approve use of the prioritization tool
- Approve identifying the projects with the top 8-12 rankings as the ‘high priority’ projects for active development
- Direct the deferral of work on remaining projects until resources allocated to one or more of the high priority projects become available
- Endorse an outreach initiative to inform the chairs and members of drafting teams with deferred projects of the actions taken

The list of high priority projects is expected to change as some projects are completed and others are added to meet changing conditions.

d. Project 2007-23 – Violation Severity Levels – Endorse Plan to Resolve Issues in Filed VSLs

**Background:**

During a meeting with FERC staff to discuss the VSLs that were balloted in 2009 and filed in March of 2010, several issues with either typographical errors or inconsistencies with FERC’s
VSL Guidelines were identified. FERC staff offered NERC staff the opportunity to make some changes and file the amended VSLs before FERC issues its Order on NERC’s filing.

The VSL DT was asked to review the request and team members have agreed to support this effort. The proposed schedule is:

- January 18-February 16: Post for formal comment (using a cloned ballot pool for efficiency)
- February 7-16: Nonbinding poll
- February 17: BOT Meeting. VSL item will be on agenda for discussion.
- February 17-24: VSL DT to respond to comments and make any necessary conforming changes then submit for BOT call agenda.
- Around March 10: Special BOT call – VSLs on agenda for approval to file

**Request:** Endorse posting the revised VSLs for a 30-day comment period; allow members of the RBB to join or drop out of a VSL ballot pool during the first 20 days of the comment period; conduct a non-binding poll during the final 10 days of the comment period.

e. **Project 2009-06 – Facility Ratings – Plan to Address Outstanding Directive**
   **Background:** In Order 693, the Commission directed NERC to modify FAC-008 – Facility Ratings to address the following three FERC directives (Paragraph 737):
   (1) document underlying assumptions and methods used to determine normal and emergency facility ratings;
   (2) develop facility ratings consistent with industry standards developed through an open process such as IEEE or CIGRE and
   (3) identify the limiting component(s) and define the increase in rating based on the next limiting component(s) for all critical facilities.

NERC has developed modifications to FAC-008 that address the first two of the three directives, but has yet to develop a requirement that meets stakeholder approval to address the third directive. NERC has been notified that it must submit a revised standard that is responsive to the third directive within 90 days of FERC’s issuance of its final Order on NERC’s December 23, 2010 compliance filing.

**Request:** Endorse implementing the proposed action plan to give stakeholders the greatest opportunity to provide input to the development of a requirement for FAC-008 that is responsive to FERC’s directive.

5. **Coordination**
   a. **Report from Process Subcommittee** — Ben Li and Linda Campbell
Ben Li will lead a discussion of the following documents, and will ask the Standards Committee to approve each of these. (Note that each of these documents will be reviewed during the Process Subcommittee’s meeting on January 11, 2011, and if the subcommittee identifies any changes to the documents provided in the agenda, those changes will be highlighted during the discussion.)

- **SDT Scope Document** – This document represents the retirement of the SAR DT Scope Document and revisions to bring the SDT Scope Document into conformance with the Standard Processes Manual and to capitalize on ‘lessons learned.’

- **Interpretation Procedure** – This document represents an update to the procedure originally developed by the Standards Committee to bring the procedure into conformance with the Standards Processes Manual and to capitalize on ‘lessons learned.’

- **Quality Review Advisory Working Group Charter** – This document identifies the purpose and scope of activities proposed for the work group assigned to address quality reviews.

b. **Report from Communications & Planning Subcommittee** — Michael Gildea

   Michael Gildea will provide an update on the subcommittee’s activities.

c. **Coordination with Regulatory and Governmental Authorities** — Holly Hawkins

   Holly Hawkins will provide an update on regulatory action since the last Standards Committee Meeting, including a review of NERC’s compliance filing in response to FERC’s March 18 Order directing revisions to the standard development procedure and a review of NERC’s plans to respond to the Order on the Three-year Assessment.

d. **Coordination with Regional Managers** — T. Gallagher and H. Schrayshuen

   Tim Gallagher and Herb Schrayshuen will provide an update on standards-related activities involving the Regions.

6. **Other Items**
   a. **SC Vacancies**

   Two SC members (Raj Rana from Segment 3 and Tom Bradish from Segment 5) retired at the end of December, 2010 and have resigned from the Standards Committee. Each had served one year of their two-year terms. We will initiate a special election to fill the two one-year terms for Segment 3 and Segment 5.

7. **Informational Items**
   a. **Status of all Interpretations**
   b. **Drafting Team Vacancies**
   c. **Upcoming Meetings for High Priority Projects**
   d. **Useful SC References**
   e. **SC 2011 Meeting Schedule**
8. Executive Committee Actions — M. Long
   a. Items Expected to Come Before the Standards Committee’s Executive Committee Before February 10, 2011
      i) Project 2010-10 – FAC Order 720 – Authorize use of the expedited process to meet the January 28 FERC filing date
      ii) Project 2008-06 – Cyber Security 706 – Appoint replacements to the SDT
      iii) Project 2007-12 - Frequency Response - Authorize posting for initial formal comment period
      iv) Approve for filing the Report on Fourth Quarter Ballot Results

9. Adjourn