

## **Addressing Failure to Achieve Quorum in Balloting Standards**

### **Action**

Informational update only

### **Background**

Development or modification of a Reliability Standard requires industry balloting of the new Standard or modification. Per the current Standards Process Manual ballot pool approval requires a quorum, which is established by at least 75% of the members of a ballot pool submitting a response in addition to a two-thirds majority of the weighted Segments votes being affirmative. Several ballots have recently experienced failure to achieve the required quorum by the end of the specified voting window, necessitating extension of the voting window. In light of the recent challenges in reaching quorum at the end of the announced voting window, the Standards Committee Process Subcommittee (SCPS) and NERC staff have been “exploring options to create and maintain an effective ballot pool and strategies to address situations where a quorum is not reached by the time a ballot period is scheduled to close.” November 2013 SC Agenda item 13 (a) iii. This effort has coincided with development and implementation of the new Standards Balloting System (SBS). This update contains steps taken to date to facilitate reaching quorum in a timely manner, actions being taken on ballots using the original (current) balloting system, enhancements and features of the new Standards Balloting System that are anticipated to improve the reaching quorum, and future plans for analysis and action.

### **Steps Taken to Date**

NERC Standards Information staff has taken the following actions in 2012 and 2013 to address identified challenges to gaining quorum for ballots.

1. The Registered Ballot Body (RBB) was reviewed for members with no activity on their voting records for one year or longer. Members were sent a letter, emailed and/or called. Non-responsive members were removed from the RBB. 41 members were contacted, with seven RBB members removed and nine proxy pool members removed. This review will be performed annually.
2. Segment 8 of the RBB (Small Electricity Users) was reviewed to ensure members were accurately registered.
3. A review of the RBB’s Segment representation, as directed in the Appendix 3D Registered Ballot Body Criteria of the NERC Rules of Procedure was performed. Based on the registration responses, the RBB was reviewed and updated.
4. Members of ballot pools who are no longer able to vote due to company mergers were removed from ballot pools and from the RBB.
5. A comparison between RBB and ballot pools to remove members in older ballot pools that are no longer voting members was initiated.

### **Actions Currently Being Taken**

Several actions are being taken with the current ballot pools to encourage reaching a quorum before the voting window closes. Some of these are interim measures necessary at least until projects are transitioned to the new SBS, at which time longer term management can be evaluated.

1. The cleanup of ballot pools mentioned above is continuing prior to the ballot start date. This includes consideration of the effects of company mergers and the comparison of ballot pool membership to the RBB.
2. A contractor has been working with Standards Information staff to perform queries on ballot pools from September 2013 to March 2014 for further analysis. A preliminary query was

performed on Segment 10 (Regional Entities) and is being used to refine the specifications for future queries. NERC is developing the capability to perform the queries and will be using the results along with the SCPS members to inform future strategies.

3. Analysis of ballot pools that have been extended is being performed by NERC Standards Information staff. A table containing the balloted projects in 2014 is included.
4. NERC Standards Information staff is communicating to industry voters the importance of abstaining when ballot pools are joined and they do not intend to vote in a particular ballot. These communications included a “Balloting 101” email and reminders at the Standards and Compliance Workshop.
5. An annual review of the RBB’s Segment representation will be performed.
6. Reminders are being sent to individuals who have not voted and/or others in their company near the end of a voting window if quorum has not been achieved. Standards Committee leadership has also been assisting with contacting ballot pool members and the Trades to encourage voting.

### **Potential Improvements in new Software Balloting System (SBS)**

Certain enhancements and features that have been built into the new SBS are anticipated to generate improvement in reaching quorum, both during initialization of the system and on an ongoing basis.

Examples include:

1. New registration will be required for accessing voting in the new system, improving the cleanup of the RBB.
2. Proxies can be designated until the close of the ballot voting window making voting more accessible. Currently proxy designation can only be accomplished during ballot pool formation.
3. The “My Ballot Activity” section provides a single page view to join, vote and designate proxies, making managing voting activities easier.
4. The Replacement Voter feature allows a voter representing a segment to exit the RBB and be replaced by a new voter who can assume voting activities in the ballot pools.

### **Future Plans for Analysis and Action**

The SCPS and NERC Standards Information staff will monitor the results of both the management strategies being implemented and the enhancements contained in the new SBS. NERC Standards Information staff will also continue the analysis already initiated into the causes of difficulties in achieving quorum in ballot pools. Based on the information gathered, the SCPS and NERC Standards Information staff will evaluate whether additional measures are necessary. An initial list of strategies for consideration has been developed to serve as a starting point if the problem persists. This list is for consideration only and has not been evaluated for practicality or effectiveness.

#### **Suggestions/Ideas**

Consider changes to proxy process – allow for multiple proxies, associate proxies with RBB Registered Entity rather than each individual standard.

Ballot pool (or ballot body) members who demonstrate poor voting performance should be replaced if they miss a defined number of votes.

Put an expiration date on a ballot pool – if the pool expires it will have to be “reinitialized”, or ballot pool members could be asked to confirm their intent to remain in the pool.

Look at lowering the quorum % to address lack of quorum due to “poor performance”.

Allow multiple individuals from a Registered Entity to join the RBB according to their specialty and then only allow one to join the ballot pool (for example an operations person or a CIP person).

Draft agreement for RBB Members defining responsibilities.

Have voters voluntarily notify NERC when they join the ballot pool that in the event they fail to vote by the voting deadline that their vote should be recorded as an abstention.

### **Analysis of Issues Achieving a Quorum (Jan 1-May 22, 2014)**

<b>Project Name and Number</b>	<b>Standard</b>	<b>Ballot Type</b>	<b>Ballot Start Date</b>	<b>Ballot End Date</b>	<b># of Days Extended</b>
Project 2007-02 - Operating Personnel Communications Protocols	COM-002-4	Additional Ballot	01/22/14	02/04/14	2
Project 2008-12 - Coordinate Interchange Standards	Definitions	Additional Ballot	01/16/14	01/29/14	2
Project 2008-12 - Coordinate Interchange Standards	INT-004-3 and INT-010-2	Additional Ballot	01/10/14	01/22/14	0
Project 2010-01 - Training	PER-005-2	Additional Ballot	01/08/14	01/21/14	1
Project 2010-02 - Connecting Facilities to the Grid	FAC-001-2 and FAC-002-2	Initial Ballot	05/06/14	05/16/14	1
Project 2010-03 - Modeling Data (MOD B)	MOD-033-1	Additional Ballot	01/10/14	01/22/14	1
Project 2010-04 - Demand Data (MOD C)	MOD-031-1	Additional Ballot	04/01/14	04/14/14	2
Project 2010-05.1 - Protection System: Phase 1 (Misoperations)	PRC-004-3	Additional Ballot	02/21/14	03/11/14	6
Project 2012-13 - NUC - Nuclear Plant Interface Coordination	NUC-001-3	Initial Ballot	05/13/14	05/22/14	0
Project 2013-04 - Voltage and Reactive Control	VAR-002-3	Additional Ballot	04/04/14	04/16/14	2
Project 2014-04 - Physical Security	CIP-014-1	Initial Ballot	04/20/14	04/24/14	0