

# **NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**

## **Approved Resolution for Agenda Item 1: Standards Actions to Address FERC Directives Regarding EOP-012-2**

### **Board of Trustees Meeting**

**January 10, 2025**

**WHEREAS**, on November 1, 2021, the Board, noting the demonstrated risks to reliability posed by multiple cold weather events over previous years, resolved to direct the development of new or revised Reliability Standards to address the recommendations of the February 2021 Event joint inquiry report for cold weather preparedness, operations, and coordination on a high priority basis;

**WHEREAS**, the Federal Energy Regulatory Commission (FERC) issued an order approving Reliability Standards EOP-011-3 and EOP-012-2 by order dated February 16, 2023, while directing NERC to submit further revisions to EOP-012 within one year of the date of the order;

**WHEREAS**, the Board adopted Reliability Standard EOP-012-2 on February 16, 2024, developed to address the directives of the February 16, 2023 Order;

**WHEREAS**, FERC issued an order on June 27, 2024, approving Reliability Standard EOP-012-2 and directing NERC to further revise the EOP-012 standard to address issues not fully resolved from the February 16, 2023 Order, and to submit a revised standard by March 27, 2025;

**WHEREAS**, the Project 2024-03 Modifications to EOP-012-2 drafting team has posted two successive drafts of a revised EOP-012 Reliability Standard that were intended to address the directives from FERC's June 27, 2024 Order, and both drafts have failed to meet with ballot body approval;

**WHEREAS**, the Board expresses its sincere appreciation to the Project 2024-03 drafting team for their diligent efforts to develop a draft standard responsive to FERC's June 27, 2024 order;

**WHEREAS**, Section 321 of the Rules of Procedure is a long-standing provision of the NERC Rules of Procedure that provides special rules in cases such as these: where a ballot body has failed to approve a proposed Reliability Standard that contains a provision to adequately address a specific matter identified in a directive issued by an Applicable Governmental Authority such as FERC.

**WHEREAS**, the Regulatory Oversight Committee of the Board considered the above facts and circumstances at its January 10, 2025, meeting, determining that the issues raised with regard to proposed Reliability Standard EOP-012-3 would be best resolved through the public notice and comment format described in Section 321.5 of the NERC Rules of Procedure;

**WHEREAS**, the Regulatory Oversight Committee, after discussion and upon motion duly made and seconded, therefore recommended the Board initiate proceedings under Section 321.5 of the NERC Rules of Procedure to develop a revised EOP-012 Reliability Standard addressing the FERC directives from the June 27, 2024 Order in a timely manner;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby finds that the ballot body for draft Reliability Standard EOP-012-3 developed under Project 2024-03 Revisions to EOP-012-2 has failed to approve a proposed Reliability Standard that contains provisions to adequately address specific matters identified in directives issued by FERC in its June 27, 2024 Order;

**BE IT FURTHER RESOLVED**, that the Board finds it necessary and appropriate to employ the special processes described in Rule 321.5 of the NERC Rules of Procedure to develop a proposed draft standard that is responsive to the matters identified in the directives issued by FERC in its June 27, 2024 Order;

**BE IT FURTHER RESOLVED**, that the Board hereby directs the Standards Committee, with the assistance of stakeholders and NERC staff, to prepare a draft Reliability Standard responsive to the directives in FERC's June 27, 2024 Order to be posted for public comment by no later than January 29, 2025;

**BE IT FURTHER RESOLVED**, that it is the Board's expectation the Standards Committee prepare a draft Reliability Standard that adequately addresses the directives in FERC's June 27, 2024 Order; however, if the Standards Committee fails to prepare a draft standard that is responsive to the directives in time so that it may be posted as directed in the foregoing resolution, or the Standards Committee determines by resolution that NERC management should prepare the draft standard in the first instance, the Board hereby directs NERC management to prepare the draft Reliability Standard;

**BE IT FURTHER RESOLVED**, that the Board hereby directs that the draft Reliability Standard developed in accordance with the foregoing resolutions be posted for a 45-day public comment period in accordance with Section 321.5.1 of the NERC Rules of Procedure;

**BE IT FURTHER RESOLVED**, that the Board hereby directs NERC management to present the draft Reliability Standard to the Board for its consideration, along with the entire record of development and any comments received, by no later than the open meeting to be convened in March 2025 for this purpose.