

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Proposed Revisions to the NERC ROP - Standards

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RELIABILITY | RESILIENCE | SECURITY



*Remarks by Ken DeFontes
Chair, NERC Board of Trustees*

*Remarks by Howard Gugel
VP, Engineering and
Standards*

- Overview
- Background
- Review of Revisions
- Comment Procedures
- Next Steps
- Question and Answer

- Stakeholder participation essential to the success of the NERC model
- Grid transformation, evolving cybersecurity threats require prompt attention to ensure continued grid reliability
- NERC's standards processes must be sufficiently nimble and agile to address these risks with the speed that is required
- Proposed revisions enhance NERC's ability to address reliability needs with appropriate agility, while maintaining an open and inclusive process

- On February 10, 2022 Board of Trustees directed NERC staff to:
 - examine the body of rules regarding the Reliability Standards development.
 - Provide recommendations that would improve NERC's ability to address urgent reliability needs with appropriate agility.
- Preliminary recommendations were developed and Standards Process Stakeholder Engagement Group (SPSEG) was convened to provide feedback and develop consensus recommendations.

- Stakeholder group met to consider NERC staff recommendations
- Recommendations in following areas:
 - Rules of Procedure Section 300
 - Standards Processes Manual
 - Standing Committees
 - Registered Ballot Body review
- Policy input discussed at MRC, revisions incorporated

- November 2022 meeting, the Board considered the recommendations of the SPSEG, along with the policy input of the MRC and [adopted a series of resolutions](#) to direct that the recommendations be considered for implementation through the usual processes.

- Section 309: Revisions to restore certain language that was approved by FERC in 2011 and that remains applicable
- Section 316: Removes the requirement for American National Standards Institute (“ANSI”) accreditation
 - The essential principles of openness, transparency, consensus-building, fair balance of interests, due process, and timeliness in standards development are maintained in Section 304.

- **NEW Section 322 – Special Board of Trustees Authority**
 - Provides the NERC Board of Trustees with the authority to direct the development of a Reliability Standard in extraordinary circumstances where the Board finds that issuing a directive is essential to address an urgent reliability issue
 - Provides for openness, transparency, and opportunity for public comment prior to the issuance of the directive
 - Contemplates usual stakeholder involvement in standards development
 - Modeled on the process currently in place under Rule 321 that enables the Board to ensure that NERC complies with a regulatory standards directive
 - Clarifies that NERC has the authority to meet its fundamental responsibility under Section 215 of the Federal Power Act to develop, establish, and enforce Reliability Standards to ensure the reliability of the Bulk-Power System

- Section 321 Special Rule to Address Directives
 - revisions to correspond to the proposed Rule 322, to include projects to address Board directives
 - removes reference to ANSI processes (Rule 322.5.4)
 - restores certain language regarding stakeholder participation that was approved by FERC in 2011

- Corresponding Changes re ANSI Accreditation
 - Section 1.4: Revised, consistent with the proposed changes to Section 316 of the Rules of Procedure, to reflect that NERC's process is modeled on the ANSI Essential Requirements and those core principles form the framework for NERC's process, but there are several differences in how they are implemented due to NERC's statutory and regulatory responsibilities
 - Conforming changes to remove reference to ANSI requirements in other sections (e.g., Sections 10.0, 13.0, 16.0)

- Standard Authorization Requests (Section 4.2)
 - Clarifies that Standard Authorization Requests (SARs) that have had “some vetting in industry” includes those that are endorsed by the NERC technical committees
 - Includes SARs to address Board directives in the scope of SARs that may be posted for informal comment, consistent with the proposed Rule 322 in the Rules of Procedure

- **Comment Period Enhancements (Section 4.12)**
 - Section 4.12: Creates a tiered comment period structure under which initial formal postings and ballots would be posted for a minimum of 45 days, with shorter minimum comment periods for subsequent postings when the issues are likely to have narrowed.
 - NOTE: Drafting teams are free to choose longer periods if it would aid in stakeholder review and consensus building, and the Standards Committee's ability to direct longer or shorter periods is not changed.
 - Conforming/clarifying changes in Figure 1 flowchart and Section 4.7

- Elimination of Final Ballot Requirement (Sections 4.13-4.14):
 - Section 4.13: Eliminates the requirement for a 10-day final ballot to confirm the results of the previous successful ballot
 - Standards process would be concluded when the team has made a good faith effort at resolving objections, is not making any substantive changes, and the previous ballot achieved the requisite ballot body approval
 - Public notice would be provided
 - Section 4.14 removed
 - Conforming changes throughout

- Board action on standards
 - Section 4.14 (current Section 4.15) revised to specify that the Board may direct further work on a proposed standard presented for its adoption in accordance with Section 322 of the Rules of Procedure
- Section 16.0, Waiver
 - Revision to include Board directives in the scope of circumstances under which the Standards Committee may grant waivers from the usual standard development processes

- Different procedural requirements for Rules of Procedure and Standard Processes Manual revisions
 - Posted simultaneously for comment through March 6, 2023
 - Standard Processes Manual revisions subject to ballot body approval
- ⑩ *Note different procedures for submitting comments***

Standard Processes Manual

- Comments submitted through Standards Balloting System
- Ballot conducted, similar to standards development

Rules of Procedure Section 300

- Comments submitted through email
- No ballot necessary

- Rules of Procedure Section 300 Revisions
 - View on [NERC Rules of Procedure page](#)
 - Submit comments to ropcomments@nerc.net by March 6, 2023

- Standard Processes Manual Revisions
 - View on Standard Processes Manual Revisions to Address SPSEG Recommendations [project page](#)
 - Submit comments through [Standards Balloting System](#)
 - RBB Members only:
 - Join ballot pool by 8 pm ET, February 16, 2023
 - Initial ballot February 24 – March 6, 2023

- Comments reviewed and considered
- Draft proposals revised, as appropriate
- Subsequent/final ballots (Standard Processes Manual only)
- Board approval
- Submission to applicable governmental authorities



Questions and Answers